

HEM HOLDINGS AND TRADING LIMITED

REGD. OFF: 601 /602 A, FAIRLINK CENTRE OFF. ANDHERI LINK ROAD
ANDHERI (W) , MUMBAI 400 053, TEL NO. 40034768

Email : compliance@hemholdings.com/investors@hemholdings.com

CIN: L65990MH1982PLC026823

Ref: HHTL/FY2019-20/BSE/17

Date:02.09.2020

To

The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street , Fort, Mumbai - 400 001

Sub: Annual Report

Ref: BSE Scrip Code: 505520

Dear Sir/Madam,

In compliance with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a copy of Annual Report of the Company for the financial year 2019-20 which is being dispatched to the members of the Company for approval and adoption at the 38th Annual General Meeting of the Company to be held on Monday, September 28 at 3:00 P.M.

Copies of the Annual Reports are available at our website - www.hemholdings.com.

This is for your information and records.

Thanking You

Yours Faithfully

For Hem Holdings and Trading Limited



Divya Garg

Company Secretary

ACS-56200



HEM HOLDINGS AND TRADING LIMITED

**ANNUAL REPORT
2019-20**

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Sangeeta K Shah Managing Director
 Mr. Ketan M Shah Non Executive Director
 Mr. Rahul Sethi Independent Director

COMPANY SECRETARY

Divya Garg

CHIEF FINANCIAL OFFICER AND CHIEF EXECUTIVE OFFICER

Mr. Ashish Tayal

STATUTORY AUDITOR

M/s Taunk & Srikanth

INTERNAL AUDITORS

M/s Deepankar Samaddar & Associates

SECRETARIAL AUDITORS

M/s Divanshu Mittal & Associates

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.
 C-101, 247 Park, L.B.S. MARG,
 Vikhroli (West) MUMBAI , (M.H.) – 400083

REGISTERED OFFICE

601/602 A, Fairlink Center,
 Off Andheri Link Road, Andheri (West), Mumbai - 400053 (M.H.)

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SUMMARISED FINANCIAL DATA

(Rs. In Lakh)

PROFIT & LOSS ACCOUNT	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue from operations	2.90	6.47	6.36	4.14	4.39	4.15
Other Income	33.27	10.00	9.96	91.19	60.29	9.84
TOTAL INCOME	36.18	16.47	16.32	95.34	64.69	13.99
Employee benefits expense	4.14	1.32	1.00	1.00	0.65	0.00
Depreciation and amortization Expense	0.07	0.07	0.07	0.07	0.08	0.08
Other expenses	12.46	7.16	6.59	6.26	11.85	5.26
TOTAL EXPENSES	16.67	8.55	7.66	7.34	12.59	5.35
PROFIT BEFORE TAX	19.51	7.91	8.66	88.00	52.09	8.64
Current Tax expense	3.19	0.28	0.46	0.80	0.11	1.80
Net Profit after tax	16.33	7.63	8.20	87.20	51.98	6.84
EARNING PER SHARE (BASIC/DILUTED)	6.80	3.18	3.42	36.33	21.66	2.85
EXTRACT FROM BALANCE SHEET						
Share Capital	24.00	24.00	24.00	24.00	24.00	24.00
Reserve & Surplus	223.77	211.94	204.30	196.09	108.86	56.86
Net Fixed Assets	1.28	1.35	1.41	1.49	1.57	1.65
Non-Current Investment	11.15	95.47	95.47	210.95	88.93	37.62
Loans and Receivables	158.48	125.50	125.53	0.05		
Cash & Cash Equivalent	79.02	17.84	8.30	10.39	41.36	42.99
OTHER FINANCIAL DATA						
TURNOVER (Rs. In Lakhs)	36.18	16.47	16.32	95.34	64.69	13.99
BOOK VALUE PER SHARE (Rs.)	68.04	98.31	95.12	91.70	55.09	33.69
NETWORTH (Rs. In Lakhs)	223.77	235.94	228.30	220.09	132.21	80.86

NOTICE

Notice is hereby given that the 38th Annual General Meeting (AGM) of the shareholders of Hem Holdings and Trading Limited will be held on Monday, 28th September, 2020 at 3.00 pm through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM') as permitted by the Ministry of Corporate Affairs (MCA) *vide* their circular No. 20/2020 dated May 05, 2020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and approve the Audited Financial Statement of the Company for the financial year ended 31st March, 2020 together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr Ketan M Shah (DIN: 00312343) who retires by rotation and being eligible offer himself for re-appointment.

By Order of the Board of Directors

For, Hem Holdings and Trading Ltd

Sd/-
Divya Garg
(Company Secretary)

Date:01.09.2020

Place: Bhilai

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

NOTES:

1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has *vide* its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of Members. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2) Although, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/ herself, but since this meeting is being held through VC/OAVM under the framework of MCA circulars on account of threat posed by COVID-19, where physical presence of members has been dispensed with, the facility of appointment of proxy will not be available and hence the proxy form and attendance slip are not annexed hereto.

3) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

4) Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. authorising its representatives to attend the AGM, by e-mail to compliance@hemholdings.com.

5) The Register of Members and Share Transfer Books of the Company will be closed from 22nd September, 2020 to 28th September, 2020 (both days inclusive) for the purpose of the Annual General Meeting for the year ended 31st March, 2020.

Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report

6). In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.hemholdings.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>.

7). Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending a duly signed request letter to the Registrar and Transfer Agents of the Company, Link Intime India Pvt Ltd by providing Folio No. and Name of shareholder. Shareholders holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.

8. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email on compliance@hemholdings.com.

Procedure for joining the 38th AGM through VC / OAVM

9. NSDL will be providing facility for voting through remote e-Voting, for participation in the 38th AGM through VC/OAVM facility and e-Voting during the 38th AGM.

10. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come- first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the link available against the EVEN for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

12. Members are encouraged to join the Meeting through Laptops for better experience.

13. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

14. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

15. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first-come first- served basis.

16. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in /022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553.

17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Procedure to raise questions / seek clarifications with respect to Annual Report at the ensuing 38th AGM

18. Members are encouraged to express their views /send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at compliance@hemholdings.com. Questions / queries received by the Company till 5.00 p.m. on 26th September, 2020 shall only be considered and responded during the AGM.

19. Procedure for remote e-Voting and e-Voting during the AGM

a. All the shareholders of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.

b. In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:

(i) by electronic means through the remote e-Voting platform provided by the National Securities Depository Limited (NSDL). The remote e-Voting period will commence on Friday , 25th September, 2020 at 9.00 a.m. and will end on Sunday, 27th September, 2020 at 5.00 p.m. The remote e-Voting module will be disabled by NSDL for voting thereafter.

Instructions and information relating to e-Voting are as follows:

Instructions

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113960 then user ID is 1139606001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

c) How to retrieve your ‘initial password’?

(i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

(ii) If your email ID is not registered, please follow steps mentioned in the Notice for registering your email address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

a) Click on “Forgot User Details/ Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?”

(If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, please click on “Login” button.

9. After you click on the “Login” button,

Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After clicking on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

3. Select “EVEN” of the Company which is 113960.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

(ii) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting, shall be eligible to vote through e-Voting system during the AGM.

General Guidelines for shareholders:

1. Institutional shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer at csdivanshu@outlook.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries for e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

c. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.

d. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. 21st September, 2020.

e. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 38th AGM by email and holds shares as on the cut-off date i.e. Wednesday, 21st September, 2020, may obtain the User ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

f. Mr Divanshu Mittal of M/s Divanshu Mittal & Associates, Practicing Company Secretary Mumbai has been appointed as the Scrutinizer to scrutinize for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

g. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

h. The results shall be declared not less than forty –eight (48) hours from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company

www.hemholdings.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

20. Documents open for inspection:

a. All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on compliance@hemholding.com for inspection of said documents; and

b. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to compliance@hemholding.com.

Others

21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

22. As per Regulation 40 of Listing Regulations, securities of listed companies can only be transferred in dematerialized form, with effect from 1st April, 2019, except in case of request of transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are urged for converting their holding to demat form. Members may contact the Company or RTA for any assistance in this regard.

23. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

24. A brief resume of Directors, who seeks re-appointment as a Director, has also been annexed hereto.

Annexure – I

Brief Profile of Appointee:

Name of Director:	Ketan M Shah
Date of Birth :	02/12/1965
Date of First Appointment on Board:	29/01/2011
Qualifications	Bachelor degree in Mechanical Engineering and postgraduate degree in Business Management
Experience/Expertise in specific functional area/ Brief resume of the Director:	Mr Ketan Moolchand Shah holds a Bachelor degree in Mechanical Engineering from the Madhav Institute of Technology and Science, Gwalior (M.P) and a postgraduate degree in Business Management from the University of Florida.
Terms and Conditions for Appointment / Reappointment	As per Company Policy on appointment of Board Members
Details of Remuneration sought to be paid and Remuneration last drawn:	As per Nomination and Remuneration Policy
Number of Board Meetings attended during FY 2019-20:	6/6
Other Directorship held:	1. Simplex SE Limited 2. Sim Prabha Estates and Trading Company Pvt Ltd. 3. Prabha Plantations Pvt Ltd. 4. SEFW Projects Pvt Ltd.
No. of Shares Held (as on 31 st March,2020)	51702
Relationship with other Directors and KMPs of the Company	Mrs Sangeeta K Shah and Mr Ketan M Shah are related to each other.

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 38th Annual Report and Accounts of your Company for the year ended on 31st March, 2020. The Management Discussion and Analysis has also been incorporated into this report.

FINANCIAL RESULTS

(Rs in Lakhs)

	31st March, 2020	31st March, 2019
Total Income	36.17	16.47
Total Expenses	16.66	8.55
Profit before tax	19.52	7.91
Profit after tax	16.33	7.64
Other Comprehensive Income	(14.41)	(25.90)
Total Comprehensive Income	1.92	(18.26)

PERFORMANCE REVIEW

Total income for the Financial Year 2019-20 is Rs. 36.17 lacs as against Rs. 16.47 lacs in previous year. Profit before tax for the financial year 2019-20 increased to Rs.19.52 lacs as against Rs.7.91 lacs for previous financial year and Profit after Tax is Rs.16.33 lacs against Rs. 7.64 lacs for previous financial Year.

The Company does not have any subsidiary, or associate, or joint venture Company.

RESERVES

The Company has transferred Rs.3.3 Lacs to Special Reserve Fund during Financial Year 2019-20.

DIVIDEND

In order to conserve funds of the Company for future growth, the Board of Directors regrets that no dividend is being recommended for the year under review.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

REMUNERATION

As per Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no remuneration has been paid to Directors of the Company.

FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

The Company conducts the Familiarization Programme for the Independent Directors to provide them

an opportunity to familiarize with the Company, its Management and its operation so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company.

NOMINATION AND REMUNERATION POLICY

The Company continues to consider human resources as its invaluable assets. This policy on nomination and remuneration of directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement.

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

There are no material changes or commitments occurring after 31st March, 2020, which may affect the financial position of the Company or may require disclosure.

COMPLIANCE WITH RBI GUIDELINES

Your company has adopted “Fair practices Code” and complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the RBI for every NBFC Company from time to time.

PUBLIC DEPOSITS

The Company has not accepted any deposit within the meaning of Section 73 and Section 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rule, 2014 including (any statutory modification(s) or re-enactment(s) for the time being in force).

CORPORATE GOVERNANCE

As per the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the specified regulations of Corporate Governance was not applicable on the Company during the financial year 2019-20.

COST RECORDS AND AUDIT

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year ended 31st March, 2020.

NUMBER OF MEETINGS OF THE BOARD

The following Meetings of the Board of Directors were held during the Financial Year 2019-20:

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
a)	08.04.2019	03	3

b)	20.05.2019	04	4
c)	14.08.2019	03	3
d)	14.11.2019	03	3
e)	14.02.2020	03	3
f)	12.03.2020	03	3

The particulars of the Directors and attendance at the Board Meetings during the year, the attendance in the last Annual General Meeting, number of other directorships (excluding Hem Holdings and Trading Limited) and Committee Memberships as on 31- 03-2020 are as follows:

Name of the Director	Attendance at meeting during 2019-20		No of other Director ship(s) as on 31-03-2020	No. of other Board Committes member/ Chairman	Category
	BM	AGM			
Ketan M Shah	6/6	Yes	1	-	Promoter/Non-Executive Director
Sangeeta K Shah	6/6	Yes	1	-	Promoter/Managing Director
Rahul Sethi*	5/5	No	-	-	Independent Director
Mehul Nisar**	2/ 2	No	-	-	Independent Director

Note:

(a) Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.

(b) Chairman/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies.

* Appointed with effect from 08.04.2019.

** Completed his tenure on 15.06.2019.

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

AUDIT COMMITTEE

The Company has duly constituted an Audit Committee in F.Y 2019-20 under chairmanship of Mr Rahul Sethi with Mr Ketan M Shah and Mrs Sangeeta K Shah as members. The Board has accepted all recommendation made by the Audit committee made during the year.

During the Financial Year 2019-20, the Audit Committee met four times on 20.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020.

The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2020 is detailed below:

Name of the Member(s)	Category	Category	No of Meeting attended
Rahul Sethi*	Chairman	Independent Director	4/4
Mehul Nisar**	Member	Independent Director	1/1
Ketan M Shah	Member	Non-Executive Director	4/4
Sangeeta K Shah***	Member	Managing Director	3/3

* Rahul Sethi inducted as Member from 08.04.2019.

** Completed his tenure on 15.06.2019.

*** Sangeeta k Shah inducted as Member from 20.05.2019.

NOMINATION AND REMUNERATION COMMITTEE

The Company has duly constituted an Nomination and Remuneration Committee in F.Y 2019-20 under chairmanship of Mr Rahul Sethi with Mr Ketan M Shah and Mrs Sangeeta K Shah as members. The Board has accepted all recommendation made by the Nomination and Remuneration committee made during the year.

The committee met once during the year on 20.05.2019. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

Name of the Member(s)	Category	Attendance
Mr Mehul Nisar	Independent Director	1/1
Mr. Ketan M Shah	Non- Executive Director	1/1
Mr Rahul Sethi*	Independent Director	1/1
Mrs Sangeeta K Shah	Managing Director	0/0

* Rahul Sethi inducted as Member from 08.04.2019.

**inducted as Member from 20.05.2019

STAKEHOLDERS'S RELATIONSHIP COMMITTEE.

The committee met once during the year on 14.11.2019 .As on 31st March, 2020, the Stakeholders' Relationship Committee consists of the following members:

Name of the Member	Status	Meeting	Category
Rahul Sethi*	Chairman	1/1	Independent Director
Mr Ketan M Shah	Member	1/1	Non-Executive Director
Mrs Sangeeta* K Shah	Member	1/1	Managing Director

* Induced as Member with effect from 08.04.2019

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- b) They have selected such Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit and loss of the company for that period;
- c) To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the Annual Accounts on a Going Concern basis;
- e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

INDIAN ACCOUNTING STANDARDS (IND AS)

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

RISK MANAGEMENT POLICY

The Company constantly manages monitors and reports on the principal risk and uncertainties that can have an impact on the Company. Your directors keep a close watch on the risk prone areas and take actions from time to time.

INTERNAL FINANCIAL CONTROL

The Company has an adequate Internal Control System, commensurate with its size, scale and operations to ensure proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliance. During the year no reportable material weakness in the design or operation were observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year under review, Mrs Divya Garg has appointed as Company Secretary and Compliance officer of the Company with effect from 12.03.2020.

During the year under review Mr Rahul Sethi has appointed as Independent Director of the Company with effect from 08.04.2019.

STATUTORY AUDITORS

M/s Taunk & Shrikanth, Chartered Accountants (Firm regd no. 001524C) was appointed as Statutory Auditor of the Company in F.Y 2017-18 for a period of 5 years i.e from the conclusion of 36th AGM to the 41st AGM.

The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of statutory auditor by the shareholders at every Annual General Meeting . The report given by the statutory auditor on the financial statements of the Company is part of the Annual Report . There are no qualifications, observations or adverse remarks in the Auditors' Report for the financial year 2019-20 which require any clarification/explanation. The Notes on financial statements are self explanatory, and needs no further explanation.

SECRETARIAL AUDITOR AND THEIR REPORT

M/s Divanshu Mittal & Associates had been reappointed as Secretarial Auditor of the Company for the FY 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith as **Annexure-I** to this Report.

FRAUDS REPORTED BY AUDITORS

The Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds under section 143(12) of the Companies Act, 2013, including rules made thereunder.

EXTRACT OF ANNUAL RETURN

The details forming the part of the extract of Annual return as on 31st March, 2020 in form MGT-9 in accordance with Section 92(3) of the Company Act, 2013 read with Companies (Management and Administration) Rule, 2014 is annexed herewith as **Annexure-II** to this report.

RELATED PARTY TRANSACTIONS

There is no materially significant Related Party Transaction made by the Company during the year that would require shareholders approval under the Listing Regulations.

Details of the transaction with Related Parties are provided in accompanying financial statement. There was no transaction during the year which would require to be reported in form no AOC-2.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2019-20, details of Loans, Guarantees and Investments outstanding as on 31st March,2020 are given in the notes to the financial statements.

CHANGE IN CAPITAL STRUTURE AND LISTING OF SHARES

Presently the Company's shares are listed on the Bombay Stock Exchange (BSE). There are no changes in Capital Structure during the F.Y ended 31st March, 2020. Your company has not issued equity shares with differential rights as to dividends, voting or otherwise, and does not have ESOP scheme for its employees/Directors.

PARTICULARS OF EMPLOYEES

There was no employee receiving remuneration attracting provisions of section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1) (b) of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).In accordance with the provision of Section 152 of the Companies Act, 2013, none of Independent Director is liable to retire by rotation.

PERFORMANCE EVALUATION OF THE BOARD ,ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Meeting the requirements of the statue and considering Boards Performance evaluation as an important step for a board to transit to a higher level of performance, the Nomination and Remuneration Committee has laid down a comprehensive framework for carrying out the evaluation prescribed in the provisions of the Companies Act, 2013 read with rules issued thereunder and the Listing Regulations (including any statutory modifications or re- enactment (s) for the time being in force). The process for evaluation of the annual performance of the Director /Board/Committees was carried out. The overall outcome was positive.

VIGIL MECHANISM

A Vigil Mechanism Policy for Directors and employee of the Company is constituted as per Section 177 (9) to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on rising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and report etc.

NBFC LICENSE

Hem Holdings and Trading Limited is one of the certified non-deposit accepting (Category-B) NBFC business institution from Reserve Bank of India engaged in investments and other investment advisory financial services. Hem Holdings and trading limited since 1980 has been engaged in providing quality services in field of Investment and buying, selling, underwriting, investing, acquire and hold securities of every kind whether issued by Companies operating within India or outside.

GLOBAL ECONOMY

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of US China Trade war and Brexit. Going ahead, the 'Great Lockdown', as a result of the pandemic Covid-19, is projected to shrink the global growth in calendar year 2020 and thereafter. (Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

INDIAN ECONOMY

India emerged as the fifth largest world economy in 2019 with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. However, there was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 is estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth is seen at 2%, a 15-year low as against 6.9% growth in FY19.

ECONOMIC OUTLOOK

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

INDUSTRY OVERVIEW

The NBFC sector continued to grow its share in the financial services industry. Credit growth of scheduled commercial banks (SCBs) continued to moderate throughout FY2020. On 31 March 2019, growth in advances of SCBs was 13.2%. By 30 September 2019, this had reduced to 8.7% and on 27 March 2020, it was further down to 6.1%. SCBs also continued to face asset quality challenges in FY2020. Data published by the RBI in its Financial Stability Report dated 27 December 2019 show that NBFCs have outperformed SCBs on asset quality.

While the importance of NBFCs in credit intermediation continued to grow, repayment default by a systemically important NBFC in September 2018 brought to focus asset-liability mismatches of the sector — where some NBFCs were more impacted than the others. To strengthen the asset-liability profile of the sector, RBI introduced a liquidity coverage ratio (LCR) requirement for all NBFCs with AUM of H 5,000 crore and above. The LCR regulation mandates NBFCs to maintain a minimum level of high-quality liquid assets to cover expected net cash outflows in a stressed scenario. The regulation also stipulates that NBFCs should attain LCR of 100% in a phased manner over a period of four years starting December 2020. It is a welcome regulatory change and will significantly strengthen ALM profile of the NBFC sector.

COVID-19 further accentuated ALM challenges of the NBFC sector. The RBI's moratorium measures for customers is likely to put additional stress on many NBFCs. There is an asymmetry. On one hand, NBFCs have to offer such moratoriums to their customers; while on the other, their market borrowings must be repaid on due dates.

OPPORTUNITIES & THREATS

Opportunities

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

Threats

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

COVID-19

Owing to the pandemic, the Government of India declared nation-wise lockdown on March 24, 2020, which was further extended from time to time causing destruction in economy in general. The Company does not anticipate any material impact on the recoverability of the carrying value of its assets/ on its working. Since normalcy in business operations are also linked to directive of the government in future and implication of Covid-19 pandemic on the people and economy, the position in future cannot be visualized as of now and will be closely monitored and supervised by the Company to assess any material implication and adjustment to the carrying value of assets.

KEY RATIO:

The key ratios of the Company are given below:

Particulars	FY 2019-20	FY 2018-19
EBIDTA/Total Income	53.97%	48.01%
Debt-equity ratio	0.00	0.00
Return on equity (%)	81.33	32.95
Book value per share (H)	68.04	98.31
Earnings per share (H)	6.80	3.18

HUMAN RESOURCE

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

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

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- (a) The Company is not covered under Section 135(2) of the Companies Act, 2013 and as such no disclosure regarding Corporate Social Responsibility is required under the said section or applicable rules.
- (b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- (c) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors wishes to express its gratitude and record their appreciation for the commitment and dedicated efforts put in by all the employees. Your director take this opportunity of expressing the assistance and co-operation extended to the Company by banks, employees, members and all other persons.

For and on behalf of the Board of Directors

(Ketan Moolchand Shah)	(Sangeeta Ketan Shah)
DIRECTOR	DIRECTOR
DIN: 00312343	DIN: 05322039

Place: Bhilai
Date:01.09.2020

Annexure-I

FORM NO- MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No.9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

HEM HOLDINGS AND TRADING LIMITED

601/602A, FAIRLINK CENTRE,
OFF ANDHERI LINK ROAD,
ANDHERI (WEST),
MUMBAI, M.H 400053

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HEM HOLDINGS AND TRADING LIMITED**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **HEM HOLDINGS AND TRADING LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **HEM HOLDINGS AND TRADING LIMITED** for the Financial Year ended on 31st March, 2020 according to the provisions of:

1. The Companies Act, 2013 and the rules made there under ;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and Bye-Laws framed thereunder;
4. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;
 - c) The Securities and Exchange Board of India (Listing obligation and Disclosure requirements) Regulations, 2015;

d) The Reserve Bank of India, Regulations in context of NBFC's

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We have relied on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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

I further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the company except the Company has paid Rs 4,10,640(Rs 1000/- per day) to BSE Limited for non compliance of Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 respect to appoint Qualified Company Secretary as Compliance officer from 30th March ,2019 to 11th March,2020.Further Ms Divya Garg(ACS-56200) was appointed as Company Secretary and Compliance officer on 12th March,2020.

FOR, DIVANSHU MITTAL & ASSOCIATES

**(DIVANSHU MITTAL)
COMPANY SECRETARIES
M. NO. FCS: 8703
CP NO.:13800
UDIN: F008703B000319167**

**DATE: 3RD JUNE ,2020
PLACE: JAIPUR**

Annexure-II

EXTRACT OF ANNUAL RETURN (Form No. MGT-9)									
As on the Financial Year ended on 31.03.2020									
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]									
I. REGISTRATION AND OTHER DETAILS:									
i)	CIN:			L65990MH1982PLC026823					
ii)	Registration Date			01/04/1982					
iii)	Name of the Company			HEM HOLDINGS AND TRADING LIMITED					
iv)	Category / Sub-Category of the Company			Company Limited By Shares INDIAN NON- GOVERNMENT COMPANY					
v)	Address of the Registered office and contact details			601/602A, FAIRLINK CENTRE, OFF ANDHERI LINK ROAD, ANDHERI (W), MUMBAI, MAHARASHTRA - 400053					
vi)	Whether listed company Yes / No			YES					
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any			LINK INTIME INDIA PRIVATE LIMITED C101, 1ST FLOOR, 247 PARK, LAL BHADUR SHASTRI MARG, VIKHROLI (WEST), MUMBAI CITY, MUMBAI – 400083					
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY									
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:									
SR. NO.	Name and Description of main products / services			NIC Code of the Product/ service			% to total turnover of the company		
1	DIVIDEND			-			100%		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -									
Sl. No.	NAME AND ADDRESS OF THE COMPANY		CIN/GLN		HOLDING/ SUBSIDIARY/		% of shares held		Applicable Section
NIL									
4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)									
i) CATEGORY WISE SHAREHOLDING	NO. OF SHARES AT THE BEGINNING OF THE YEAR				NO. OF SHARES AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
CATEGORY OF SHAREHOLDERS	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promotors									
(1) Indian	91,802	-	91,802	38.25 %	96,602	-	96,602	40.25 %	2.00%

(a) Individual/HUF	-	-	-	0.00%	-	-	-	0.00%	-
(b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	-
(c) State Govt.	-	-	-	0.00%	-	-	-	0.00%	-
(d) Body Corporate	23,043	-	23,043	9.60%	23,043	-	23,043	9.60%	-
(e) Banks/ FI	-	-	-	0.00%	-	-	-	0.00%	-
(f) Any other	-	-	-	0.00%	-	-	-	0.00%	-
Subtotal (A) (1) :	114,845	-	114,845	47.85%	119,645	-	119,645	49.85%	2.00%
(2) Foreign	0	-	-	0.00%	0	-	-	0.00%	-
(a) NRI Individual	0	-	-	0.00%	0	-	-	0.00%	-
(b) Other Individual	0	-	-	0.00%	0	-	-	0.00%	-
(c) Body Corporate	0	-	-	0.00%	0	-	-	0.00%	-
(d) Banks/ FI	0	-	-	0.00%	0	-	-	0.00%	-
(e) Any other	0	-	-	0.00%	0	-	-	0.00%	-
Subtotal (A) (2) :									-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	114,845	-	114,845	47.85%	119,645	-	119,645	49.85%	2.00%
B. Public Shareholding									
(1) Institutions	0	-	-	0.00%	0	-	-	0.00%	-
(a) Mutual Fund	0	-	-	0.00%	0	-	-	0.00%	-
(b) Banks/ FI	0	-	-	0.00%	0	-	-	0.00%	-
(c) Central Govt	0	-	-	0.00%	0	-	-	0.00%	-
(d) State Govt (s)	0	-	-	0.00%	0	-	-	0.00%	-
(e) Venture Capital Fund	0	-	-	0.00%	0	-	-	0.00%	-
(f) Insurance Companies	0	-	-	0.00%	0	-	-	0.00%	-
(g) FII	0	-	-	0.00%	0	-	-	0.00%	-
(h) Foreign Venture Capital	0	-	-	0.00%	0	-	-	0.00%	-
(i) Funds other (Specify)	0	-	-	0.00%	0	-	-	0.00%	-
Subtotal (B) (1) :	0	-	-	0.00%	0	-	-	0.00%	-
(2) Non-Institutions									
(a) Body Corporate									

i) Indian	0	-	-	0%	0	-	-	0%	-
ii) Overseas	0	-	-	0%	0	-	-	0%	-
(b) Individuals									
i) holding nominal shares capital upto 2 lakh	61,553	63,602	125,155	52.15%	61,553	58,802	120,355	50.15%	(2.00%)
ii) holding nominal shares capital in excess of 1 lakh	-	-	-	-	-	-	-	-	-
(c) HUF	0	-	-	0%	0	-	-	0%	-
Subtotal (B) (2)	61,553	63,602	125,155	52.15%	61,553	58,802	120,355	50.15%	(2.00%)
Total Public Shareholding (B) = (B)(1)+(B)(2)	61,553	63,602	125,155	52.15%	61,553	58,802	120,355	50.15%	(2.00%)
C. Shares held by Custodian for GDRs & ADRs	0	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	176,398	63,602	240,000	100%	1,81,198	58,802	240,000	100%	-

(ii). SHAREHOLDING OF PROMOTERS								
S R. N O	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF PLEDGED / ENCUMBERED TO TOTAL SHARES	
1	KETAN M. SHAH	51,702	21.54%	-	51,702	21.54%	-	0.0%
2	PRABHA PLANTATIONS PVT. LTD	21,443	8.93%	-	21,443	8.93%	-	0.0%

3	SIM PRABHA ESTATES & TRADING CO PVT. LTD.	1,600	0.67%		1,600	0.67%	-	0.0%
4	SANGEETA K SHAH	40,100	16.71%		44,900	18.71%		2.00%
	TOTAL PROMOTER SHAREHOLDING	114,845	47.85%	-	119,645	49.85%	-	2.00%

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

PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		SHAREHOLDING AT THE END OF THE YEAR		Date 31/03/2019
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	
KETAN M SHAH	51,702	21.54%	51,702	21.54%	No Change
SANGEETA K SHAH	40,100	16.71%			
PURCHASE (18.06.2019)	4800	2.00%			
TOTAL			44,900	18.71%	2.00%
PRABHA PLANTATIONS PVT. LTD	21,443	8.93%	21,443	8.93%	No Change
SIM PRABHA ESTATES & TRADING CO PVT. LTD.	1,600	0.67%	1,600	0.67%	No Change

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDER OF GDRS & ADRS):

Sl No	PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		SHAREHOLDING AT THE END OF THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
01.	CHANDRI NAVEEN SHAH	5000	2.08%	5000	2.08%

02.	LILA MAHENDRA SHAH	4500	1.87%	4500	1.87%
03.	JITENDRA KUMAR SINGH	2300	0.958%	0	0.00%
04.	UJJVAL ROBIN DUTTA	2300	0.958%	0	0.00%
05.	UTPAL DUTTA	2300	0.958%	2300	0.958%
06.	SHANKAR TARAFDAR	2300	0.958%	2300	0.958%
07.	RANJEET SINGH	2250	0.937%	2250	0.937%
08.	PRADEEP KUMAR DHURVE	2200	0.916%	2200	0.916%
09.	SAJAL KUMAR GHOSH	2200	0.916%	2200	0.916%
10.	MAHENDRA PRATAP SINGH	2200	0.916%	2200	0.916%
11.	BHARAT BHUSHAN MAJUMDAR	2200	0.916%	2200	0.916%
12.	ARPITA CHAKLADAR	2200	0.916%	2200	0.916%

(v). SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		SHAREHOLDING AT THE END OF THE YEAR	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
KETAN M. SHAH	51,702	21.54%	51,702	21.54%
SANGEETA K. SHAH	40,100	16.71%		
PURCHASE (18.06.2019)	4800	2.00%		
TOTAL			44,900	18.71%

V. INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				

i) Principal Amount		
ii) Interest due but not paid		
iii) Interest accrued but not		
Total(i+ii+iii)	NIL	
Change in Indebtedness during the financial year		
- Addition		
- Reduction		
Net Change		
Indebtedness at the end of the financial year		
i) Principal Amount		
ii) Interest accrued but not due		
iii) Interest due but not paid		

Total (i+ii+iii)		
------------------	--	--

VI. REMUNERATION OF DIRECTORS

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

SN	Particulars of Remuneration	Mrs Sangeeta Ketan Shah (Managing Director)
1	Gross salary	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission - as % of profit - others, specify	
5	Others, please specify	
	Total (A)	
	Ceiling as per the Act	

B. Remuneration to other Directors (Rs in Lacs)

SN	Particulars of Remuneration	Mr Ketan Shah	Mr Mehul Nisar	Mr Rahul Sethi	Total Amount
1	Independent Directors				
	Fee for attending board committee meetings		0.00	0.00	0.00
	Commission				

	Others, please specify				
	Total (1)		0.00	0.00	0.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	0.00			
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	0.00	0.00	0.00	0.00

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

SN.	Particulars of Remuneration	Mrs. Divya Garg	Total Amount
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	0.14	0.14
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission -as % of profit -others, specify		
5	Others, please specify		
	Total	0.14	0.14

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences during the year ended 31st March, 2020.

For and on behalf of the Board of Directors

(Ketan Moolchand Shah) DIRECTOR DIN: 00312343	(Sangeeta Ketan Shah) DIRECTOR DIN: 05322039
-----------------------------------------------------	----------------------------------------------------

INDEPENDENT AUDITOR'S REPORT

To the Members
HEM HOLDINGS AND TRADING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Hem Holding & Trading Limited (the 'Company'), which comprise the standalone balance sheet as at 31st March 2020, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

1. Transition to Indian Accounting Standards ("Ind AS")

The Company has adopted Ind AS notified under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2019 and the effective date of such transition is 1st April, 2018. Ind AS are new and complex



accounting standards which require considerable judgment and interpretation in its implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters which mainly includes prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosure to be a key audit matter because new accounting policies have been developed by the Company to comply with these standards and judgment. Note 3 "Significant Accounting Policies", Note 37 - Explanation to transition to Ind AS, Note 33 - Financial Instruments and Fair value measurement and Note 34 - Financial Risk Management objectives and policies to the Standalone Ind AS Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS based on which these Standalone Financial Statements are prepared.

Principal Audit Procedures:

We have performed the following audit procedures in order to obtain sufficient audit evidence:

- Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards.
- Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Standalone Financial Statements;
- Reviewed the exemptions availed by the Company from certain requirements under Ind AS;
- Obtained an understanding of the governance over the determination of key judgments;
- Evaluated and tested the key assumptions and judgments adopted by management;
- Assessed the disclosures made against the relevant Ind AS; and
- Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs.

2. Impairment loss allowance of loans and advances

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure to a large number of lenders across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three stage impairment model ("ECL Model") including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Principal Audit Procedures:

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

We also assessed whether the impairment methodology used by the company is in line with Ind AS 109 "Financial instruments" requirements. Particularly we assessed the approach of the



Company regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

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

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

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

Other Information

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

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

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

We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

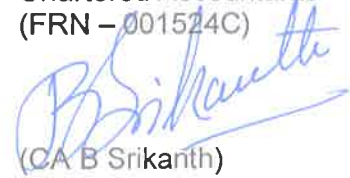
As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, no remuneration has been paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2020
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s Taunk & Srikanth
Chartered Accountants
(FRN – 001524C)


(CA B Srikanth)

Partner

Mem No.: 072217

(UDIN – 20072217AAAABB9666)

Place : Bhilai

Date : 26th June 2020



ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Hen Holdings and Trading Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Hen Holdings and Trading Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.



For M/s Taunk & Srikanth
Chartered Accountants
(FRN – 001524C)

(CA B Srikanth)

Partner

Mem No.: 072217

(UDIN – 20072217AAAABB9666)

Annexure 'B' to the Auditors' Report

The Annexure referred to in our Report to the members of Hem Holdings and Trading Limited on the Financial Statements for the year ended 31st March, 2020.

- i. In respect of its Fixed Assets:-
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has a program for the physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. No significant discrepancies were noticed on such verification.
 - c. We have inspected the original deeds of the immovable properties of the company held as fixed assets which are in the custody of the Company. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the Company. However, we express no opinion on the validity of the title of the Company to these properties.
- ii. In respect of its Inventories, there being no inventory, this clause is not applicable..
- iii. The Company has not granted any loans or advances in the nature of Loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the Company, whether reasonable steps for recovery of overdue of such loans are taken does not arise.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions 4 of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits from the public during the period to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are applicable.
- vi. According to the information and explanations provided by the management, the Company is not engaged in production of any such goods or provision of any such services for which Central Govt. has prescribed particulars relating to utilization of material or labour or other items of cost. Hence, no cost records as prescribed by the central government under section 148(1) of the Companies Act, 2013, have been prepared by the Company.
- vii. In respect of statutory dues:-
 - a. According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods & Service Tax and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2020 for a period of more than six months from the date of becoming payable.



Annexure 'B' to the Auditors' Report

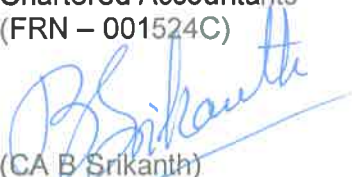
The Annexure referred to in our Report to the members of Hem Holdings and Trading Limited on the Financial Statements for the year ended 31st March, 2020.

- i. In respect of its Fixed Assets:-
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has a program for the physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. No significant discrepancies were noticed on such verification.
 - c. We have inspected the original deeds of the immovable properties of the company held as fixed assets which are in the custody of the Company. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the Company. However, we express no opinion on the validity of the title of the Company to these properties.
- ii. In respect of its Inventories, there being no inventory, this clause is not applicable..
- iii. The Company has not granted any loans or advances in the nature of Loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the Company, whether reasonable steps for recovery of overdue of such loans are taken does not arise.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions 4 of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits from the public during the period to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are applicable.
- vi. According to the information and explanations provided by the management, the Company is not engaged in production of any such goods or provision of any such services for which Central Govt. has prescribed particulars relating to utilization of material or labour or other items of cost. Hence, no cost records as prescribed by the central government under section 148(1) of the Companies Act, 2013, have been prepared by the Company.
- vii. In respect of statutory dues:-
 - a. According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods & Service Tax and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2020 for a period of more than six months from the date of becoming payable.



- b. There are no disputed statutory dues.
- c. According to the information and explanations given to us, the provisions of the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956, (1 of 1956) and the rules made thereunder is not applicable to the Company.
- viii. According to the records of the Company, the Company has not borrowed from financial institutions or banks or government or issued debentures till 31st March, 2020. Hence, in our opinion, the provisions of the said clause are not applicable.
- ix. The company has neither raised any money from public issue nor availed any term loan.
- x. In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, that causes the financial statements to be materially misstated.
- xi. During the year no managerial remuneration has been paid/provided by the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For M/s Taunk & Srikanth
Chartered Accountants
(FRN – 001524C)


(CA B Srikanth)

Partner

Mem No.: 072217

(UDIN – 20072217AAAABB9666)

Place: Bhilai
Date: 26th June 2020


HEM HOLDINGS & TRADING LIMITED

Standalone Balance Sheet as at 31st March, 2020

Particulars	Note No	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	7901905	1783900	830784
Receivables	5	12548036	12548036	12571386
Loans	6	3300000	-	-
Investments	7	1115230	10987705	14752215
Other financial assets	8	2050	2050	2050
Total financial assets		24867221	25321691	28156435
Non-financial assets				
Current tax assets (net)	9	-	46600	130890
Deferred tax assets (net)	21	203861	-	-
Property, plant and equipment	10	128129	134873	141972
Total non-financial asset		331990	181473	272862
Total Assets		25199211	25503164	28429297
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
(I) Trade payables				
(i) total outstanding dues of micro and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		8051	8396	7434
(II) Other payables				
(i) total outstanding dues of micro and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		57494	109500	41350
Other financial liabilities	11	292810	349600	342400
Total financial liabilities		358355	467496	391184
Non-financial liabilities				
Current tax liabilities (net)	21	61693	-	-
Deferred tax liabilities (net)	21	-	449498	1624025
Other non-financial liabilities	12	2006	1261	2703
Total non-financial liabilities		63699	450759	1626728
Total Liabilities		422054	918255	2017912
EQUITY				
Equity share capital	13	2400000	2400000	2400000
Other equity	14	22377157	22184909	24011385
Total Equity		24777157	24584909	26411385
Total Liabilities and Equity		25199211	25503164	28429297

Significant accounting policies & notes to Financial Statements - 2

In terms of our report of even date attached

For & on behalf of the Board of Directors of

For Taunk & Srikanth

Chartered Accountants

(Firm Reg. No.001524C)

Hem Holdings & Trading Ltd.

B Srikanth

Partner

Mem No.072217

Place : Bhilai

Date : 26th June 2020

[Signature]
Director

[Signature]
Director

[Signature]
ICFO

[Signature]

SECRETARY
COMPANY SECRETARY

Standalone Statement of Profit and Loss for the year ended 31st March 2020

Particulars	Note No	Year ended 31.03.2020	Year ended 31.03.2019
I. Revenue from operations	15		
Dividend Income		289827	647185
Interest income		-	-
Total revenue from operations		289827	647185
Other income	16	3327794	999478
Total income		3617621	1646663
II. Expenses			
Finance costs	17	-	33
Employee benefits expenses	18	413620	132000
Depreciation and amortization	19	6744	7099
Others expenses	20	1245663	716966
Total expenses		1666027	856098
Profit before exceptional items and tax (I - II)		1951594	790565
Exceptional items		-	-
III. Profit before tax		1951594	790565
IV. Tax expense:			
Current tax	21	319019	28000
Deferred tax	21	-	-
Tax adjustment for earlier years		(414)	(942)
Net tax expense		318605	27058
V. Profit for the year (III - IV)		1632989	763507
VI. Other comprehensive income			
(A) Items that will not be reclassified to profit or loss:			
- Net gain / (loss) on equity instruments measured through OCI		(2094100)	(3764510)
- Income tax impact on above		653359	1174527
Total (A)		(1440741)	(2589983)
(B) Items that will be reclassified to profit or loss:			
- Loans and advances through OCI		-	-
- Income tax impact on above		-	-
Total (B)		-	-
Other comprehensive income (A+B)		(1440741)	(2589983)
VII. Total comprehensive income (V + VI)		192248	(1826476)
VIII. Earnings per equity share (of Rs. 10 each):	22		
Basic (Rs.)		6.80	3.18
Diluted (Rs.)		6.80	3.18

Significant accounting policies & notes to Financial Statements - 2
In terms of our report of even date attached

For & on behalf of the Board of Directors of
Hem Holdings & Trading Ltd.

For Taunk & Srikanth
Chartered Accountants
(Firm Reg. No.001524C)

B Srikanth
Partner
Mem No.072217

Place : Bhilai
Date : 26th June 2020



[Signature]
Director

[Signature]
Director

[Signature]
ICFO

[Signature]

COMPANY SECRETARY

Standalone Statement of changes in Equity for the year ended 31st March 2020

(A) Equity share capital

In Rs.

Equity Share of Rs. 10 each issued, subscribed and fully paid

Balance at 1 April 2018

2400000

Changes in equity share capital during the year

-

Balance at 31 March 2019

2400000

Changes in equity share capital during the year

-

Balance at 31 March 2020

2400000

(B) Other equity

	Reserves and Surplus			Other comprehensive income	Total
	Special Reserve Fund	General Reserves	Retained earnings	Equity instruments through OCI	
Balance at 1st April 2018	1463000	38400	18928801	3581184	24011385
Profit for the year			763507		763507
Other comprehensive income (net of taxes)				(2589983)	(2589983)
Transfer to Special Reserve u/s. 45-IA of RBI	37000		(37000)		-
Balance at 31st March 2019	1500000	38400	19655308	991201	22184909
Profit for the year			1632989		1632989
Other comprehensive income (net of taxes)				(1440741)	(1440741)
Transfer to Special Reserve u/s. 45-IA of RBI	330000		(330000)		-
Balance at 31st March 2020	1830000	38400	20958297	(449540)	22377157



Standalone Statement of Cash Flows for the year ended 31st March 2020

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A Cash Flow from operating activities		
Profit/(loss) before tax	1951594	790565
Adjustments for:		
- Depreciation/amortization	6744	7099
- Profit/(Loss) on sale of investments	2179162	-
- Dividend Income	289827	647185
Operating profit before working capital changes	(510651)	150479
Movements in working capital :		
Decrease/(increase) in receivables	-	(23350)
Decrease/(increase) in loans	3300000	-
Decrease/(increase) in other financial assets	-	-
Decrease/(increase) in other non-financial assets	-	-
Increase/(decrease) in trade payables	(52351)	69112
Increase/(decrease) in other financial liabilities	(56790)	7200
Increase/(decrease) in other non-financial liabilities	745	(1442)
Cash generated from/(used in) operations	(3919047)	248699
Direct taxes paid (net of refunds)	210312	(57232)
Net Cash flow from/(used in) operating activities A	(4129359)	305931
B Cash flows from investing activities		
Purchase of fixed assets + CWIP + Cap Advance	-	-
Proceeds from sale of Fixed Assets / Investments	9957537	-
Dividend Received	289827	647185
Interest received	-	-
Net cash flow from/(used in) investing activities B	10247364	647185
C) Cash flows from financing activities		
Interest paid	-	-
Net cash flow from/(used in) financing activities C	-	-
Net Increase in Cash & Cash Equivalents (A+B+C)	6118005	953116
Cash and Cash Equivalents at the beginning of the year	1783900	830784
Cash and Cash Equivalents at the end of the year	7901905	1783900
Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year		
Cash on hand	85888	89589
Balances with banks	7816017	1694311
Total cash and cash equivalents	7901905	1783900

The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flow.

Significant accounting policies & notes to Financial Statements - 2

In terms of our report of even date attached

For & on behalf of the Board of Directors of

For Taunk & Srikanth

Hem Holdings & Trading Ltd.

Chartered Accountants
(Firm Reg. No.001524C)

B Srikanth

Partner

Mem No.072217

Place : **Bhilai**

Date : **26th June 2020**



[Signature]
Director

[Signature]
Director

[Signature]
ICFO

[Signature]
COMPANY SECRETARY

Notes forming Part of the Standalone Financial Statements for the year ended 31st March 2020

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the “Ind AS”) prescribed under section 133 of the Companies Act, 2013 (the “Act”). For all periods up to and including the year ended 31st March 2019, the Company had prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These standalone financial statements for the year ended 31st March 2020 are the Company’s first financial statements prepared in accordance with Ind AS.

2.2 Presentation of financial statements

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

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

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

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



2.3 Basis of Preparation

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

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

2.4 Use of estimates, judgements and assumptions

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

Judgements

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

i) Business model assessment

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

Estimates and assumptions

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



i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.9.

ii) Effective interest rate (“EIR”) method

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

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

iii) Impairment of financial asset

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

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

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



d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

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

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in



interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

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

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

3.2 Financial instrument - initial recognition

A. Date of recognition

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

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

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

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

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

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.



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

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

SPPI test

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

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

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

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

Accordingly, financial assets are measured as follows:

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

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

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to



cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

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

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

iv) Other equity investments

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

B. Financial liability

i) Initial recognition and measurement

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

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31st March 2020 and 31 March 2019.

3.5 Derecognition of financial assets and liabilities

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

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

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

i) Financial assets

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



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

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

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

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

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

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

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



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

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

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

B. Calculation of ECLs

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

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

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

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

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

The mechanics of the ECL method are summarized below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those



explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

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

C. Loans and advances measured at FVOCI

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

D. Forward looking information

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

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

3.7 Write-offs

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

3.8 Determination of fair value

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

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

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



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

3.9 (I) Recognition of other income

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

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

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

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

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

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

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

A. Dividend income

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



B. Rental income

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

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

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

3.9 (II) Recognition of other expense

A. Borrowing costs

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

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

3.10 Cash and cash equivalents

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

3.11 Property, plant and equipment

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

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



Land is not depreciated.

The estimated useful lives are, as follows:

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

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

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

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

3.12 Intangible assets

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

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

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

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

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



3.14 Leasing

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

Company as a lessee

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

Company as a lessor

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

3.15 Corporate guarantees

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

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

3.16 Retirement and other employee benefits

Defined contribution plans

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



Defined benefit plans

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

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

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

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

Short-term employee benefits

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

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

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

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

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



B. Contingent liability

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

C. Contingent asset

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

3.18 Taxes

A. Current tax

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

B. Deferred tax

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

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

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

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

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable



from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

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

3.19 Earnings per share

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

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

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

3.20 Dividends on ordinary shares

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

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

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



Notes Forming Part of the Standalone Financial Statements as at 31st March 2020 (Contd.)

	(Amount in Rs.)		
	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Note 4. Cash and Cash Equivalents			
Cash on hand	85888	89589	93195
Balances with banks:			
In current accounts	7816017	1694311	737589
Total cash and cash equivalents	7901905	1783900	830784

Note 5. Receivables

Trade Receivables

Other receivables considered good-unsecured	12548036	12548036	12548036
Total	12548036	12548036	12548036
Allowances for impairment loss	-	-	-
Total	12548036	12548036	12548036

Other Receivables

Other receivables considered good-unsecured	-	-	23350
Total	-	-	23350
Allowances for impairment loss	-	-	-
Total	-	-	23350
Total Receivables	12548036	12548036	12571386

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

Note 6. Loans

(A) Term loans	-	-	-
(B) Secured by tangible assets	-	-	-
Unsecured	3300000	-	-
Total (B)	3300000	-	-
(C) (I) Loans in India	-	-	-
Public sector	-	-	-
Private sector	3300000	-	-
Total (C)-Gross	3300000	-	-
(C) (II) Loans outside India	-	-	-
Total C(I) and C(II)	3300000	-	-

Refer Note No. 27(b) for loans to Company in which directors are interested



(Amount in Rs.)

	As at 31st March 2020			As at 31st March 2019			As at 1st April 2018		
	At fair value through OCI	Others*	Total	At fair value through OCI	Others*	Total	At fair value through OCI	Others*	Total
	1	2	(3=1+2)	4	5	(6=4+5)	7	8	(9=7+8)
			Rs.			Rs.			Rs.
Investments									
Equity instruments	1115230	-	1115230	3209330	1238375	4447705	6973840	1238375	8212215
Mutual Funds	-	-	-	-	6540000	6540000	-	6540000	6540000
Total - Gross (A)	1115230	-	1115230	3209330	7778375	10987705	6973840	7778375	14752215
(i) Investments outside India	-	-	-	-	-	-	-	-	-
(ii) Investments in India	1115230	-	1115230	3209330	7778375	10987705	6973840	7778375	14752215
Total (B)	1115230	-	1115230	3209330	7778375	10987705	6973840	7778375	14752215
Less: Allowance for Impairment Loss (C)	-	-	-	-	-	-	-	-	-
Total - Net D= (A)-(C)	1115230	-	1115230	3209330	7778375	10987705	6973840	7778375	14752215

* The Company has valued at cost those investments in shares/units, which were disposed off during the year.



(Amount in Rs.)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Note 8. Other Financial Assets			
Security deposits	2050	2050	2050
Interest accrued but not due loans & advances	-	-	-
Interest accrued but not due - bank deposits	-	-	-
Total other financial assets	2050	2050	2050

Note 9. Current Tax Assets (Net)

Advance Income Tax [Net of provision for tax 31.03.2019 - Rs. 28000/- and 01.04.2018 - Rs. 126000/-]	-	46600	130890
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Note 10. Property, Plant & Equipments and Intangible Assets

Nature of assets	Property, Plant and equipment (a)			Intangible assets (b)
	Buildings	Vehicles	Total	Total
Deemed cost				
At 1st April 2018	834038	-	834038	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st March 2019	834038	-	834038	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st March 2020	834038	-	834038	-
Depreciation/Amortisation				
At 1st April 2018	692066	-	692066	-
Depreciation/amortization charge	7099	-	7099	-
Disposal	-	-	-	-
At 31st March 2019	699165	-	699165	-
Depreciation/amortization charge	6744	-	6744	-
Disposal	-	-	-	-
At 31st March 2020	705909	-	705909	-
Net block value:				
At 1st April 2018	141972	-	141972	-
At 31st March 2019	134873	-	134873	-
At 31st March 2020	128129	-	128129	-

As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
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Note 11. Other Financial Liabilities

Interest accrued but not due on others	-	-	-
Security deposits received from borrowers	292810	349600	342400
Total other financial liabilities	292810	349600	342400

Note 12. Other Non-Financial Liabilities

Statutory remittances	2006	1261	2703
Interest income received in advance	-	-	-
Total other non-financial liabilities	2006	1261	2703



Note 13. Equity Share Capital

(Amount in Rs.)

Authorised shares:

250000 Equity Shares of Rs. 10/- each	2500000	2500000	2500000
	2500000	2500000	2500000

Issued, subscribed and fully paid-up shares:

240000 Equity Shares of Rs.10/- each fully paid-up	2400000	2400000	2400000
	2400000	2400000	2400000

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

	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	No. of Shares	(Amt in Rs.)	No. of Shares	(Amt in Rs.)	No. of Shares	(Amt in Rs.)
Equity Shares at the beginning of the year	240000	2400000	240000	2400000	240000	2400000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	240000	2400000	240000	2400000	240000	2400000

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

Class of shares / Name of shareholder	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares						
Ketan Moolchand Shah	51702	21.54%	51702	21.54%	51702	21.54%
Sangeetai Ketan Shah	44900	18.71%	40100	16.71%	35800	14.91%
Prabha Plantations Pvt Ltd.	21443	8.93%	20443	8.51%	20443	8.51%

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

NIL

Note 13.4 Terms / rights attached to equity shares

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



	As at 31.03.2020	(Amount in Rs.) As at 31.03.2019
Note 14. Other equity (Refer Note 19.1)		
General Reserve		
Outstanding at the beginning of the year	38400	38400
Additions during the year	-	-
Outstanding at the end of the year	<u>38400</u>	<u>38400</u>
Special Reserve Fund		
Outstanding at the beginning of the year	1500000	1463000
Additions during the year	330000	37000
Less: Utilised for initial public offer expenses	-	-
Outstanding at the end of the year	<u>1830000</u>	<u>1500000</u>
Surplus in the statement of profit and loss		
Outstanding at the beginning of the year	19655308	18928801
Add: Profit for the year	1632989	763507
	<u>21288297</u>	<u>19692308</u>
Less : Appropriations:		
Transfer to Special Reserve Fund	(330000)	(37000)
Other Appropriations	-	-
Total appropriations	<u>(330000)</u>	<u>(37000)</u>
Net surplus in the statement of profit and loss	<u>20958297</u>	<u>19655308</u>
Other comprehensive income		
Outstanding at the beginning of the year	991201	3581184
Equity instruments through OCI	(2094100)	(3764510)
Income tax relating to items that will not be reclassified to profit or loss	653359	1174527
Other comprehensive income for the year-net of tax	<u>(449540)</u>	<u>991201</u>
Total other equity	<u>22377157</u>	<u>22184909</u>

Note 14.1 Nature and purpose of reserve

1 Special Reserve Fund u/s 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")

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

2 General Reserve

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

3 Surplus in the Statement of Profit and Loss

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

4 FVOCI Equity Investments

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



	(Amount in Rs.)	
	Year ended 31.03.2020	Year ended 31.03.2019
Note 15. Operating income		
Dividend income	289827	647185
Total	289827	647185
Note 16. Other income		
Rental income	1146516	992000
Capital Gains on sale of investments	2179162	-
Income from non-financing activity	2116	7478
Total	3327794	999478
Note 17. Finance cost (On financial liabilities measured at amortised cost)		
Other interest expense	-	33
Total	-	33
Note 18. Employee benefits expense		
Salaries and wages	413620	132000
Staff welfare expenses	-	-
Others	-	-
Total	413620	132000
Note 19. Depreciation and amortisation		
Depreciation on property, plant and equipment	6744	7099
Amortisation of intangible assets	-	-
Total	6744	7099
Note 20. Other expenses		
Advertisement expenses	92044	58485
Bank charges	2714	6637
Custody Charges	10620	-
Demat Charges	1900	4447
Director's sitting fees	-	6000
E-Voting expenses	-	5900
Filing Fees	12000	5000
Fine & Penalty	410640	11800
Listing Fees	354000	295000
Meeting expenses	3540	-
Miscellaneous expenses	4156	300
Payment to auditors (Refer note below)	59000	35400
Postage and courier	-	3156
Professional fees	140878	135218
Rates and taxes	57804	60480
Registration & Renewal expenses	51597	48511
Repairs and Maintenance:	40000	40000
Stationery & Printing	-	632
TDS Demand	4770	-
Total	1245663	716966



	Year ended 31.03.2020	(Amount in Rs.) Year ended 31.03.2019
<u>Note: Payment to auditors (including taxes)</u>		
As auditor		
- Statutory audit	35400	29500
- Limited review of quarterly results	17700	5900
- Other services	-	-
- Reimbursements of expenses	-	-
	<u>53100</u>	<u>35400</u>

Note 21. Tax expenses

The components of income tax expense for the years ended 31st March 2020 and 2019 are:

Current tax	319019	28000
Adjustment in respect of current income tax of prior years	(414)	(942)
Deferred tax	-	-
Total tax charge	<u>318605</u>	<u>27058</u>
Current tax	318605	27058
Deferred tax	-	-

Reconciliation of the Total Tax Charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March 2020 and 2019 is, as follows:

	31.03.2020	31.03.2019
Accounting profit before tax	1951594	790565
Applicable tax rate	31.20%	31.20%
Computed tax expense	<u>608897</u>	<u>246656</u>
Tax effect of :		
Exempted income	(770325)	(201922)
Non deductible items	154181	29300
Adjustment on account of change in tax rate	431166	44020
Others	(104900)	(90468)
Tax expenses recognised in the statement of profit and loss	<u>319019</u>	<u>27586</u>
Effective tax rate	16.347%	3.489%

Deferred Tax

Deferred tax asset / liability (net)

The movement on the deferred tax account is as follows:

	As at 31.03.2020	As at 31.03.2019
At the start of the year DTA / (DTL) (net)	449498	1624025
Credit/(charge) for loans & advances thro' OCI	-	-
Credit/(charge) for equity instruments thro' OCI	(653359)	(1174527)
Credit/(charge) to the statement of profit & loss	-	-
At the end of year DTA / (DTL) (net)	<u>(203861)</u>	<u>449498</u>



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

	(Amount in Rs.)			
	As at 31.03.2019	Statement of Profit & Loss	OCI	As at 31.03.2020
Component of deferred tax asset / (liability)				
<u>Deferred tax asset / (liability) in relation to:</u>				
Difference between written down value of fixed assets as per books of accounts & income tax	-	-	-	-
Deferred tax on fair value of investments	449498	-	(653359)	(203861)
Expenses allowable on payment basis	-	-	-	-
Total	449498	-	(653359)	(203861)

	As at 01.04.2018	Statement of Profit & Loss	OCI	As at 31.03.2019
Component of deferred tax asset / (liability)				
<u>Deferred tax asset / (liability) in relation to:</u>				
Difference between written down value of fixed assets as per books of accounts & income tax	-	-	-	-
Deferred tax on fair value of investments	1624025	-	(1174527)	449498
Expenses allowable on payment basis	-	-	-	-
Total	1624025	-	(1174527)	449498

Current Tax Liabilities (Net)

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Provision for tax [net of advance tax of Rs. 257326/-]	61693	-	-

Note 22. Earnings per share

	Year ended 31.03.2020	Year ended 31.03.2019
Net profit after tax as per Profit & Loss (A)	1632989	763507
Weighted average number of equity shares of Rs 10 each for calculation of basic EPS (B)	240000	240000
Weighted average number of equity shares of Rs 10 each for calculation of diluted EPS (C)	240000	240000
Basic earnings per share (A/B)	6.80	3.18
Diluted earnings per share (A/C)	6.80	3.18

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

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
(A) Contingent liabilities			
Guarantees given by the company	Nil	Nil	Nil
(B) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided:	Nil	Nil	Nil

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

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



Note 25. Leasing arrangements

Operating lease commitments - as lessor

The Company has let out its residential premises at Mumbai to Col. Ajay Kumar Shrivastav. It has recognised lease rental income amounting to Rs. 11,46,516/- lakhs and Rs. 9,90,000/- lakhs for the year ended 31st March 2020 and 2019 respectively in the statement of profit and loss.

Note 26. Segment reporting:

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

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

a) List of related parties and relationships:

Key management personnel

Mr Ketan M Shah

Director

Mrs Sangeeta K Shah

Director

Mr Rahul Sethi

Independent Director

Other related parties

Simplex Castings Limited

b) Transactions with related parties are as follows:

		(Amount in Rs.)		
		As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Director Sitting fees	Directors	Nil	6000	9000

c) Balances outstanding from related parties are as follows:

Loans and advances given	3300000	Nil	Nil
Investments	1115230	3209330	6973840

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

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

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

Name	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Simplex Castings Ltd	3300000	Nil	Nil
(Maximum balance outstanding during the year)	10300000	Nil	Nil

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

Based on the intimation received by the Company, there are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the information available with the Company.



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

Note 29.1 Capital

	As at 31.03.2020	As at 31.03.2019
i) CRAR (%)	209.73%	116.93%
ii) CRAR - Tier I capital (%)	209.73%	116.93%
iii) CRAR - Tier II capital (%)	-	-
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of perpetual debt instruments	-	-

Note: These instruments are designated as debt.

(Amount in Rs.)

Note 29.2 investments

	As at 31.03.2020	As at 31.03.2019
1 Value of investments		
(i) Gross value of investments		
(a) In India	1115230	10987705
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	1115230	10987705
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on investments.		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the	-	-
(iv) Closing balance	-	-

Note 29.3 Derivatives

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

Note 29.4 Disclosures relating to securitisation

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

Note 29.5 Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction

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

Note 29.6 Details of assignment transactions undertaken by NBFCs

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

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

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



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

(Amount in Rs.)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years 5 years	Over 5 years	Total
Bank Fixed Deposits	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	12548036	-	12548036
Advances	-	-	-	-	-	3300000	-	3300000
Investments	-	-	-	-	-	-	1115230	1115230
Borrowings	-	-	-	-	-	-	-	-
Foreign Currency assets	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-



Note 29.9 Exposure to Real Estate Sector

The Company has no exposure to real estate sector.

Note 29.10 Exposure to Capital Market

	As at 31.03.2020	As at 31.03.2019
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1115230	10987705
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market	Nil	Nil
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii) Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii) All exposures to venture capital funds (both registered and unregistered)	Nil	Nil
Total exposure to capital market	1115230	10987705

Note 29.11 Details of financing of parent company products

Not applicable

Note 29.12 Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

	As at 31.03.2020	As at 31.03.2019
i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:	Nil	Nil
ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:	Nil	Nil

Note 29.13 Unsecured advances

- a) Refer Note no. 6(B)(ii) to the financial statements.
b) The Company has not granted any advances against intangible securities (31st March 2019: Nil).



Note 29.14 Registration number obtained from RBI:

The registration no is - 13.00182 vide certificate dtd. 02.03.1998

Note 29.15 Disclosure of penalties imposed by RBI and other regulators

During the financial year ended 31 March 2019, no penalties have been imposed by RBI and other regulators (31 March 2018: Nil).

Note 29.17 Ratings assigned by credit rating agencies and migration of ratings during the year

The company has not got its credit rating done by any rating agency

Note 29.18 Remuneration of directors

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

Note 29.19 Provisions and contingencies

The information on all provisions and contingencies is as under:

Break up of 'provisions and contingencies' under the head expenditure in the statement of Profit & Loss	As at 31.03.2020	As at 31.03.2019
Provision for depreciation on investment	-	-
Provision towards impaired assets (Stage3)	-	-
Provision made towards income tax	318605	27058
Provision towards impaired assets (Stage1 and 2)	-	-
Provision for employee benefits	-	-

Note 29.20 Draw-down from reserves

The Company has made no drawdown from existing reserves.

Note 29.21 Concentration of deposits (for deposit taking NBFCs)

Not Applicable

Note 29.22 Concentration of advances

	As at 31.03.2020	As at 31.03.2019
Total advances to twenty largest borrowers	3300000	-
Percentage of advances to twenty largest borrowers to total advances of the NBFC	100%	-

Note 29.23 Concentration of exposures

	As at 31.03.2020	As at 31.03.2019
Total exposure to twenty largest borrowers / customers	3300000	-
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers /	100%	-

Note 29.24 Concentration of Stage 3 assets

	As at 31.03.2020	As at 31.03.2019
Total exposure to top four Stage 3 accounts	Nil	Nil

Note 29.25 Sector-wise Stage 3 assets (Gross)

Sector	% of Stage 3 assets to Total Advances in that sector as at 31.03.2020	% of Stage 3 assets to Total Advances in that sector as at 31.03.2019
(i) Agriculture and allied activities	Nil	Nil
(ii) MSME	Nil	Nil
(iii) Corporate borrowers	Nil	Nil
(iv) Services	Nil	Nil
(v) Unsecured personal loans	Nil	Nil
(vi) Auto loans	Nil	Nil
(vii) Other personal loans	Nil	Nil



Note 29.26 Movement of Stage 3 assets

	As at 31.03.2020	As at 31.03.2019
(i) Net stage 3 assets to net advances (%)	Nil	Nil
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	Nil	Nil
(b) Additions during the year	Nil	Nil
(c) Reductions during the year	Nil	Nil
(d) Closing balance	Nil	Nil
(iii) Movement of net stage 3 assets		
(a) Opening balance	Nil	Nil
(b) Additions during the year	Nil	Nil
(c) Reductions during the year	Nil	Nil
(d) Closing balance	Nil	Nil
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	Nil	Nil
(b) Provisions made during the year	Nil	Nil
(c) Write-off / write-back of excess provisions	Nil	Nil
(d) Closing balance	Nil	Nil

Note 29.27 Overseas assets (for those with joint ventures and subsidiaries abroad)

There are no overseas asset owned by the Company.

Note 29.28 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

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

Note 29.29 Disclosure of customers complaints

	As at 31.03.2020	As at 31.03.2019
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

Note 30 Information as required in terms of Paragraph 13 of the RBI Master Direction DNBR, PD, 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below:**Liabilities side :****Note 30.1 Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid**

		As at 31.03.2020	Amount overdue
(a) Debentures (excl public deposits)	- Secured	Nil	Nil
	- Unsecured	Nil	Nil
(b) Deferred credits		Nil	Nil
(c) Term loans		Nil	Nil
(d) Inter-corporate loans and borrowing		Nil	Nil
(e) Commercial paper		Nil	Nil
(f) Other loans:	- From Banks	Nil	Nil
	- From a company	Nil	Nil
	- Security deposits	292810	349600
	- Advances received against loan agreements	Nil	Nil



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

	As at 31.03.2020	Amount overdue
(a) In the form of unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

Assets side:

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

Amount outstanding	As at 31.03.2020
(a) Secured	Nil
(b) Unsecured	3300000

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

Amount outstanding	As at 31.03.2020
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	NA
(b) Operating lease	NA
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	NA
(b) Repossessed assets	NA
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NA
(b) Loans other than (a) above	NA

Note 30.5 Break-up of investments

Current investments :

Amount outstanding	As at 31.03.2020
1 Quoted :	
(i) Shares :	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil
2 Unquoted :	
(i) Shares :	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil



Long term investments :**1 Quoted :**

(i) Shares :	
(a) Equity	1115230
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (please specify)	Nil

2 Unquoted :

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

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

Amount outstanding Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	3300000	3300000
2 Other than related parties	Nil	Nil	Nil
Total	Nil	3300000	3300000

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

Category	Market value/ breakup or fair value or NAV	Book value (net of provisions)
1 Related parties **		
(a) Subsidiaries (refer note below)	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	1115230	1768631
2 Other than related parties	Nil	Nil
Total	1115230	1768631

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

Note 30.8 Other information

Amount outstanding	As at 31.03.2020
(i) Gross non-performing assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(ii) Net non-performing assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(iii) Assets acquired in satisfaction of debt	Nil

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



Note 31 Maturity analysis of assets and liabilities

(Amount in Rs.)

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

	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS		Total		Total		Total
Financial assets						
Cash and cash equivalents	7901905	7901905	1783900	1783900	830784	830784
Receivables	12548036	12548036	12548036	12548036	23350	12548036
Loans	3300000	3300000	-	-	-	-
Investments	1115230	1115230	10987705	10987705	14752215	14752215
Other financial assets	2050	2050	2050	2050	2050	2050
Non-financial assets						
Income tax assets (Net)	-	-	46600	46600	130890	130890
Deferred tax Assets (Net)	203861	203861	-	-	-	-
Property, plant and equipment	128129	128129	134873	134873	141972	141972
Total assets	11201905	13997306	1830500	23672664	985024	27444273
LIABILITIES						
Financial liabilities						
Trade payables	65545	65545	117896	117896	48784	48784
Total outstanding dues of creditors other than micro enterprises and small enterprises						
Other financial liabilities	292810	292810	349600	349600	342400	342400
Non-financial liabilities						
Current tax liabilities (net)	61693	61693	-	-	-	-
Deferred tax liabilities (net)	2006	2006	449498	449498	1624025	1624025
Other non-financial liabilities			1261	1261	2703	2703
Total liability	420048	2006	117896	800359	48784	1969128
Net	10781857	13995300	1712604	22872305	936240	25475145
						26411385



Note 32 Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

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

Note 33 Financial instrument and fair value measurement

A. Accounting classifications and fair values

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

As at 31st March 2020

	Carrying amount	Fair value (Rs.)		
		Level 1	Level 2	Level 3
Financial assets at fair value through OCI				
Investments	1115230	1115230	-	-
	1115230	1115230	-	-
Financial assets at amortised cost				
Cash and cash equivalents	7816017	-	-	-
Loans	3300000	-	-	-
Security deposits	2050	-	-	-
	11118067	-	-	-
Financial liabilities at amortised cost				
Trade payables	65545	-	-	-
Other financial liabilities	292810	-	-	-
	358355	-	-	-

As at 31st March 2019

	Carrying amount	Fair value (Rs.)		
		Level 1	Level 2	Level 3
Financial assets at fair value through OCI				
Investments	3209330	3209330	-	-
	3209330	3209330	-	-
Financial assets at amortised cost				
Cash and cash equivalents	1783900	-	-	-
Loans	-	-	-	-
Investments *(see not below)	7778375	-	-	-
Security deposits	2050	-	-	-
	9564325	-	-	-
Financial liabilities at amortised cost				
Trade payables	117896	-	-	-
Other financial liabilities	349600	-	-	-
	467496	-	-	-

As at 1st March 2018

	Carrying amount	Fair value (Rs.)		
		Level 1	Level 2	Level 3
Financial assets at fair value through OCI				
Investments	6973840	6973840	-	-
	6973840	6973840	-	-
Financial assets at amortised cost				
Cash and cash equivalents	830784	-	-	-
Receivables	23350	-	-	-
Investments *(see not below)	7778375	-	-	-
Security deposits	2050	-	-	-
	8634559	-	-	-
Financial liabilities at amortised cost				
Trade payables	48784	-	-	-
Other financial liabilities	342400	-	-	-
	391184	-	-	-



* The Company has not disclosed the fair value for that part of the investment which has been disposed off during the year 2019-20.

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

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

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

ii) Financial instruments - fair value

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

The categories used are as follows:

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

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

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

iii) Transfers between levels I and II

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

C. Capital

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

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

C.1 Capital management

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

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

C.2 Capital adequacy ratios

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Tier 1 Capital	24777157	24584909	26411385
Tier 2 Capital	-	-	-
Total Capital	24777157	24584909	26411385
Risk weighted assets			
Tier 1 Capital Ratio (%)	209.73%	116.93%	106.54%
Total Capital Ratio (%)	209.73%	116.93%	106.54%



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

Note 34 Financial risk management objectives and policies

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

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

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

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

a) Credit risk

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

Financial assets measured on a collective

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

loans are Secured

if the loans are determined to be secured

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

Significant increase in credit risk

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

Impairment assessment

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

Exposure at default

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

Loss given default

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

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

Analysis of risk concentration

of the Company's loans.

	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Carrying value of Loans	3300000	-	-
Mortgage backed loans	-	-	-
Other assets backed loans	-	-	-
Personal loans	-	-	-
Others	3300000	-	-
Total	3300000	-	-



Collateral and other credit enhancements

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

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

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

Collateral coverage - credit impaired loans**Nil****b) Liquidity risk and funding management**

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

Maturity profile of financial liabilities

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

c) Market risk

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

Note 35 Revenue from contracts with customers.

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

Note 36 Events occurring after the balance sheet date

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

Note 37 Explanation to transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31st March 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31st March 2020 including the comparative information for the year ended 31st March 2019 and the opening Ind AS balance sheet on the date of transition i.e. 1st April 2018.

In preparing the Ind AS balance sheet as at 1st April 2018 and in presenting the comparative information for the year ended 31st March 2019, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.



Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1 Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
 - fair value;
 - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

2 Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at FVOCI based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition).

The Company has opted to avail this exemption to designate equity investments (other than investment in subsidiary) as FVOCI on the date of transition.

B. Mandatory exceptions

1 Accounting estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- EIR on borrowings.
- Expected life of portfolio.
- Classification of equity and liability.



2 Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition criteria for financial assets/liabilities prospectively. Hence, it has not recognised any financial assets/financial liabilities previously

3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

4 Impairment of financial assets

The Company being NBFC company is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (RBI Prudential Norms) as prevailed under Previous GAAP.

Accordingly, the Company has applied the impairment requirement of Ind-AS 109 on all financial assets recognised as per Ind-AS 109 retrospectively except:

- 1 The Company has sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that is available without undue cost or effort.
- 2 The Company has determined whether the financial asset is having low credit risk, as specified in Ind-AS 109, and whether there is a significant increase in credit risk since initial recognition of financial assets by applying rebuttable presumption of 30 days past due.
- 3 If the Company is unable to determine whether there is a significant increase in credit risk since initial recognition of a financial asset, without involving undue cost or effort, the Company shall recognise a loss amount equal to life time expected losses at each reporting date till the financial asset is derecognised.

Accordingly, the Company has developed ECL model for testing of impairment of loans and advances.



Reconciliation of equity*

Note As at date of transition 1 April 2018 As at 31st March 2019

	Previous GAAP#	Adjustment on transition to Ind AS	Ind AS	Previous GAAP#	Adjustment on transition to Ind AS	Ind AS
ASSETS						
Financial assets						
Cash and cash equivalents	830784		830784	1783900		1783900
Receivables	23350		23350	-		-
Loans	12548036		12548036	12548036		12548036
Investments	9547006	5205209	14752215	9547006	1440699	10987705
Other financial assets	2050		2050	2050		2050
Total financial assets	22951226	5205209	28156435	23880992	1440699	25321691
Non-financial assets						
Income tax assets (net)	130890		130890	46600		46600
Property, plant and equipment	141972		141972	134873		134873
Total non-financial assets	272862	-	272862	181473	-	181473
Total assets	23224088	5205209	28429297	24062465	1440699	25503164
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
Trade payables						
(i) total outstanding dues of micro & small enterprises	-		-			-
(ii) total outstanding dues of creditors other than micro & small enterprises	48784		48784	117896		117896
Total financial liabilities	342400		342400	349600		349600
Total non-financial liabilities	391184	-	391184	467496	-	467496
Non-financial liabilities						
Deferred tax liabilities (net)	-	1624025	1624025	-	449498	449498
Other non-financial liabilities	2703		2703	1261		1261
Total non-financial liabilities	2703	1624025	1626728	1261	449498	450759
Total liabilities	393887	1624025	2017912	468757	449498	918255
EQUITY						
Equity share capital	2400000		2400000	2400000		2400000
Other equity	20430201	3581184	24011385	21193708	991201	22184909
Total equity	22830201	3581184	26411385	23593708	991201	24584909
Total liabilities and equity	23224088	5205209	28429297	24062465	1440699	25503164



Reconciliation of total comprehensive income for the year ended 31 March 2019*

	Note	Previous GAAP#	Adjustment on transition to Ind AS	Ind AS
I. Revenue from operations				
Dividend income		647185		647185
Gain on assignment of financial assets		-		-
Fees and commission income		-		-
Total revenue from operations		647185	-	647185
Other income		999478		999478
Total income		1646663	-	1646663
II. Expenses				
Finance costs		33		33
Employee benefits expenses		132000		132000
Depreciation and amortization		7099		7099
Others expenses		716966		716966
Total expenses		856098	-	856098
Profit before exceptional items and tax (I - II)		790565	-	790565
Exceptional items		-		-
III. Profit before tax		790565	-	790565
IV. Tax expense:				
Current tax		28000		28000
Short / (excess) provision for tax relating to prior years		(942)		(942)
Net current tax expense		27058		27058
Deferred tax		-		-
Net tax expense		27058	-	27058
V. Profit for the year (III - IV)		763507	-	763507
VI. Other comprehensive income				
(A) Items that will not be reclassified to profit or loss:				
Remeasurement of the defined benefit liabilities		-	-	-
Income tax impact on above		-	-	-
Equity instruments through OCI	1	-	(3764510)	(3764510)
Income tax impact on above	1	-	1174527	1174527
Total		-	(2589983)	(2589983)
(B) Items that will be reclassified to profit or loss:				
Loans and advances through OCI		-	-	-
Income tax impact on above		-	-	-
Total		-	-	-
Other comprehensive income (A+B)		-	(2589983)	(2589983)
VII. Total comprehensive income (V + VI)		763507	(2589983)	(1826476)

Ind AS 101 requires reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS and a reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the entity's most recent annual financial statements. The Company has chosen to provide reconciliation of amount reported in accordance with previous GAAP to amount reported under Ind AS for each line item of balance sheet and statement of profit and loss as an additional disclosure.

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Notes to the reconciliations

1 FVOCI of financial assets - Investments

Under Previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries have to be fair valued. At the date of transition to Ind AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly, an amount of Rs. 3764510/- has been recognised in OCI for the year ended 31st March 2019. Further an amount of Rs. 5205209/- has been recognised as increase in investments as on 1st April 2018.

2 Security deposits initially recognised at amortised cost

Under Previous GAAP, the Company accounted for refundable security deposits liability taken from customers at carrying cost. Under Ind AS, these deposits have been accounted at amortised cost determined using the appropriate market rate.

3 Other comprehensive income

Under Previous GAAP, the Company did not present OCI separately. Hence, it has reconciled Previous GAAP profit and loss to profit and loss as per Ind AS. Further, Previous GAAP profit and loss is reconciled to total comprehensive income as per Ind AS.

4 Deferred tax

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transitional differences adjustments which were not required under Previous GAAP.



In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

In terms of our report of even date attached
For Taunk & Srikanth
Chartered Accountants
(Firm Regn No. 001524C)


B. Srikanth
Partner
Mem. no - 072217



For and on behalf of the Board of Directors of
Hem Holdings & Trading Ltd.


Director

Director




COMPANY SECRETARY