



HIND COMMERCE LIMITED

307, Arun Chambers, Tardeo Road, Mumbai - 400 034. Tel. : 022-40500 100 ♦ Fax : 022-40500 150
Website : www.hindcommerce.com ♦ E-mail : hindcommerce@gmail.com
Corporate Identity No. L51900MH1984PLC085440

September 05, 2019

To,
Corporate Relationship Department
BSE Limited,
1st Floor, New Trading Ring, Rotunda Building,
Phiroze Jeejeebhoi Towers,
Dalal Street, Fort,
Mumbai - 400 001

Scrip Code- 538652

Sub.: Submission of 34th Annual Report for the Financial Year 2018-19 of the Company as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

The 34th Annual General Meeting of the Company to be held on 30th September, 2019. In this regard, attached is the 34th Annual Report of the Company for Financial Year 2018-19, as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The same is for your records.

Kindly take a note of the same.

Thanking you,
Yours faithfully,
For Hind Commerce Limited


Umesh Lahoti
Managing Director
DIN: 00361216



Encl: As above



Hind Commerce Limited

Corporate Information

BOARD OF DIRECTORS

Mr. Ujwal R. Lahoti	Non-Executive, Director
Mr. Umesh R Lahoti	Managing Director
Mr. Prakash R. Bang	Non-Executive, Independent Director
Mr. Sanjay R Soni	Non-Executive, Independent Director
Ms. Meghna V Panchal	Non-Executive, Independent Director

COMPANY SECRETARY and COMPLIANCE OFFICER

Ms. Pragati Sawant

CHIEF FINANCIAL OFFICER

Mr. Rajesh Bangera

STATUTORY AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED

C 101, 247 Park
L B S Marg, Vikhroli West
Mumbai - 400 083
Tel No.: +91-22-49186000 | Fax No.:+91-22-49186060.
E-mail: rnt.helpdesk@linkintime.com | Web: www.linkintime.co.in

Corporate Identity Number (CIN): L51900MH1984PLC085440



Hind Commerce Limited

Directors' Report

TO THE MEMBERS OF HIND COMMERCE LIMITED

The Directors take pleasure in presenting the 34th Annual Report along with Audited Financial Statements of your Company for the Financial Year ended 31st March, 2019.

Financial Highlights

The financial performance of the Company, for the year ended 31st March, 2019 is summarized below:

(in Rs.)

Particulars	Standalone For the Financial Year Ended	
	31 st March, 2019	31 st March, 2018
Revenue		
Revenue from Operations	12,813,618	5,339,236
Other Income	4,656,382	5,719,332
Total Revenue	17,470,000	11,058,568
Less: Total Expenditure	14,276,378	6,748,388
Profit before, Depreciation and Tax	3,193,622	4,310,179
Less: Depreciation	-	-
Profit before Tax	3,193,622	4,310,179
Less: Tax Provision (Current, Deferred, FBT and Earlier Year adjustment)	784,792	616,772
Profit/(Loss) after Tax (PAT)	2,408,830	3,693,408

Results of Operations

During the year under review your Company has reported a total income of Rs. 174.70 Lakhs as compared to Rs. 110.58 Lakhs for previous years as reported in the Standalone Financials.

Dividend

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

Transfer to Reserves

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



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Nature of Business and Changes therein

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

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

Management Discussion and Analysis Report

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

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

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

Associate and Subsidiary Companies

As on 31st March, 2019, the Company has no Subsidiary Company or Associate Company.

Deposit

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

Particulars of Contracts or Arrangements with Related Parties

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

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



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

Particulars of Loans, Guarantees and Investments

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

Board of Directors and Key Managerial Personal

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

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

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

1. Mr. Prakash R. Bang
2. Mr. Sanjay R. Soni
3. Ms. Meghna V. Panchal
4. Umesh R. Lahoti
5. Ujwal R. Lahoti

Appointment and Resignation of Key Managerial Personnel

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

Declaration by Independent Directors

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



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Committees of Board

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

1. Audit Committee

The Audit Committee comprises of the following members:

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

The Committee held 4 (Four) meetings during the year. All the members of the Committee are Non-executive Directors. All the members are financially literate and have accounting / related financial management expertise.

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

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

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



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



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- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blowing mechanism;
- Approval of appointment of the chief financial officer (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing, amongst others, the qualifications, experience and background of the candidate;
- Review & monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the company;
- Evaluation of internal financial controls and risk management systems;
- Examination of the financial statement and the auditor's report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To investigate any activity within its terms of reference;
- To have full access to information contained in the records of the Company;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.



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2. Stakeholder's Relationship Committee

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

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

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

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

3. Nomination and Remuneration Committee

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

In Compliance with Section 178 of the Companies Act, 2013 and as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board constituted the Nomination



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and Remuneration Committee comprising of Three (3) Non-Executive Independent Directors of the Company with the following role and function:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To formulate criteria for evaluation and carry out evaluation of the performance of Directors, as well as Key Managerial, Independent Directors and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To ensure no violation, by an employee of any applicable laws in India or overseas, including:
 - i. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- To formulate detailed terms and conditions of employee stock option schemes including details pertaining to quantum of options to be granted, conditions for lapsing of vested options, exercise period, adjustments for corporate actions and procedure for cashless exercise and perform such other functions as are required to be performed by the Remuneration Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines; as and when required.
- To devise a policy on Board diversity.
- To Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To develop a succession plan for the Board and to regularly review the plan

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors in consultation with the Nomination and Remuneration Committee has formulated the Nomination



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and Remuneration Policy. The Policy has been divided into three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.

Briefly the formulated policy comprises of the following:

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

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

Companies Policy on Director's Appointment and Remuneration

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

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

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



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

Annual Evaluation of the Board

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

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

The Board of Directors expressed their satisfaction.

Number of Meetings of the Board of Directors

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

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

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1.	30/05/2018	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai - 400034 Time: 05.50.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni 4. Mr. Prakash R Bang 5. Ms. Meghna V Panchal	-
2.	14/08/2018	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai - 400034 Time: 12.30.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Prakash R Bang 4. Ms. Meghna V Panchal	Mr. Sanjay R Soni
3.	14/11/2018	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai - 400034	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Ms. Meghna V Panchal	3. Mr. Prakash R Bang



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		Time: 05.15.p.m.		
4.	14/02/2019	Venue: Registered office - 307, Arun Chambers, Tardeo Road, Mumbai - 400034 Time: 05.15.p.m.	1. Mr. Ujwal R Lahoti 2. Mr. Umesh R Lahoti 3. Mr. Sanjay R Soni 4. Prakash R. Bang	1. Ms. Meghna V Panchal

Certificate from PCS under Schedule V (C) (10) (i) of SEBI (LODR) Regulation, 2015 :

The Certificate from the practicing Company secretary as per Schedule V (C) (10) (i) of SEBI (LODR) certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is forming part of the Annual Report as as **Annexure 4**.

Vigil Mechanism/Whistle Blower

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

Directors' Responsibility Statement

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

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

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

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

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



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- (e) the directors had laid down Internal Financial Controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors and Auditors' Report

In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the members of the Company has appointed Mr. S.S. Rathi and Co., Chartered Accountants, Mumbai (Registration No. No.108726W) as Statutory Auditors of the Company to hold office upto the end conclusion of the 37th Annual General Meeting of the Company. However, their appointment as Statutory Auditors of the Company is subject to ratification by the Members at every Annual General Meeting.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the notice convening the ensuing AGM does not carry any resolution on Ratification of the appointment of the Statutory Auditors.

The Reports of the Statutory Auditors, S.S. Rathi and Co., Chartered Accountants on the standalone financial statements of the Company for the year 2019 form part of this Annual Report. The statutory auditors have submitted a unmodified opinion on the audit of financial statements for the year 2019 and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

Your Company has appointed Kothari H. & Associates, a firm of Practicing Company Secretaries as a Secretarial Auditor of the Company, according to the provision of Section 204 of the Companies, Act 2013 for conducting secretarial audit of Company for the Financial Year 2018-19.

The report in respect of the Secretarial Audit carried out by Kothari H. & associates Company Secretaries in Form MR-3 for the Financial Year 2018-19 forms part to this report as **Annexure 1**. The said report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Equity Shares with Differential Rights.

The Company has not issued any equity shares with differential rights/ sweat equity shares/ employee stock options or not made any provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2018-2019.

The Company has not made any purchase or provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2018-2019.



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Listing

During the year under review, the Company's Equity Shares were listed at BSE Limited and the Company has paid Listing Fees to the above Stock Exchanges for the year 2019-20.

Particulars of Employees:

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure 2** to the Board's report.

During the financial year 2018-19, there were no employee in the Company whose particulars are required to be given in terms of Section 197 (12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Significant and Material Orders

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

Internal Financial Control

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

Risk Management

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

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A risk management committee consisting of senior executives of the Company periodically reviews these procedures to ensure that executives' management controls risk through means of a properly defined framework. A senior independent director is associated with the committee. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board. The risk management policy is



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displayed on the website of the Company viz. <http://www.hindcommerce.com/pdf/risk-management-policy.pdf>

Extracts of Annual Return

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

and also available at the website of the Company i.e. <http://www.hindcommerce.com/Investor%20Relations.html>

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

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

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

During the period under review the Company has earned Foreign Exchange of **Rs. 126.4 Lakhs** and did not incur the Foreign Exchange outgo.

Secretarial Standards

The Company complies with all the Secretarial Standards.

Report on Corporate Governance

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

In view of the above, Company has not provided report on corporate governance and auditor's certificate thereon for the year ended March 31, 2019. However, whenever the provision will become applicable to the company at a later date, the company shall comply with the requirements of the same within six months from the date on which the provisions became applicable to the company.

Prevention of Sexual Harassment of Women at Workplace:



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

Acknowledgement

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

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

For and on behalf of the Board of Directors

**Sd/-
Umesh Lahoti
Managing Director
(DIN: 00361216)**

**Sd/-
Ujwal Lahoti
Director
(DIN: 00360785)**

Place: Mumbai
Date: 13th August, 2019



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ANNEXURES TO BOARD'S REPORT

Annexure -1

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2019**

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

To,
The Members,
Hind Commerce Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hind Commerce Limited for the financial year ended on 31st March, 2019 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-



Hind Commerce Limited

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments made there under;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the company during the Audit Period)**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the SEBI (Share Based Employee Benefits) Regulations (**Not applicable to the company during the Audit Period**)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the Audit Period)** and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the Audit Period)**
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amended from time time;
2. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other Acts, Laws and Regulations as applicable specifically to the company.

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

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

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



Hind Commerce Limited

We further report that

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

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

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

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

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

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

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

Sd/-
Hitesh Kothari
Membership No. 6038
Certificate of Practice No. 5502

Place: Mumbai
Date: 13th August, 2019

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



Hind Commerce Limited

Annexure- A

To,
The Members,
Hind Commerce Limited.

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

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

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

Sd/-
Hitesh Kothari
Membership No. 6038
Certificate of Practice No. 5502

Place: Mumbai
Date: 13th August, 2019



Hind Commerce Limited

Annexure -2

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-2019, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-2019 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2018-2019 (Rs. in Lakhs)	% increase in Remuneration in the Financial year 2018-2019	Ratio of Remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of KMP/Director against the performance of the Company
1.	Mr. Rajesh Bangera – Chief Financial Officer	4.41	5%	Refer Note 2	The Company has earned a net profit of Rs. 24.09 Lakhs as compared to net profit of Rs.36.93 Lakhs incurred in the previous year .
2.	Ms. Pragati Sawant – Company Secretary	1.44	NIL	Refer Note 2	

Note:

1. No Director received any remuneration or sitting fees for the financial year 2018-2019.
2. During the year under review, Mr. Rajesh Bangera & Ms. Pragati Sawant have been the only two salaried personnel of the Company, hence the concept of Median Remuneration and analysis of average increase in remuneration to performance does not apply.
3. The performance of the Company has been consistent over the years and the increase in remuneration of Mr. Rajesh Bangera as presented in the above table has been based on his performance and other growth inflation factors.
4. It is hereby affirmed that the remuneration paid during the year under review is as per the Remuneration policy of the Company.

Place: Mumbai

Date: 13th August, 2019

For and on behalf of the Board of Directors

Sd/-

Umesh Lahoti
Managing Director
(DIN: 00361216)

Sd/-

Ujwal Lahoti
Director
(DIN: 00360785)



Hind Commerce Limited

Annexure -3

FORM MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Textile, Fabrics & Yarns	46411	98.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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



Hind Commerce Limited

IV. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	917500	100	917600	30.59	917500	100	917600	30.59	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	917500	100	917600	30.59	917500	100	917600	30.59	
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	917500	100	917600	30.59	917500	100	917600	30.59	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0



Hind Commerce Limited

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



Hind Commerce Limited

B. SHARE HOLDING PATTERN OF PROMOTERS

Sr No	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	Ujwal R Lahoti	425100	14.17	0	425100	14.17	0	0
2	Umesh R Lahoti	250000	8.33	0	250000	8.33	0	0
3	Jayashri U Lahoti	100000	3.33	0	100000	3.33	0	0
4	Manjushri Umesh Lahoti	100000	3.33	0	100000	3.33	0	0
5	R K Lahoti (HUF)	42500	1.42	0	42500	1.42	0	0
	Total	917600	30.59	0	917600	30.59	0	0

C. CHANGE IN PROMOTERS SHAREHOLDING

Sr. No.	Period	Shareholding at the beginning of the year (as on 01.04.2018)		Transactions during the year		Cumulative Shareholding during the year (as on 01.04.2018 to 31.03.2019)	
		No. of Shares	% total Shares of the Company	Date of transaction	No. Of shares	No. of Shares	% of total Shares of the Company
1	Ujwal R Lahoti	425100	14.17	-	-	425100	14.17
	At the end of the Year					425100	14.17
2	Umesh R Lahoti	250000	8.33	-	-	250000	8.33
	At the end of the Year					250000	8.33
3	Jayashri U Lahoti	100000	3.33	-	-	100000	3.33
	At the end of the Year					100000	3.33
4	Manjushri Umesh Lahoti	100000	3.33	-	-	100000	3.33
	At the end of the Year					100000	3.33
5	R K Lahoti (HUF)	42500	1.42	-	-	42500	1.42
	At the end of the Year					42500	1.42



Hind Commerce Limited

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

Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
	No Of shares held	% Of Total Shares Of the Company	Date Of Transaction	No. Of Shares	No Of shares held	% Of Total Shares Of the Company
Krishna Kripa Holdings Private Limited	512500	17.0833	-	-	512500	17.0833
At the end of the year					512500	17.0833
Rashyap Impex Private Limited	500000	16.6667	-	-	500000	16.6667
At the end of the year					500000	16.6667
Ascent Leasing and Finance Company Limited	443500	14.7833	-	-	443500	14.7833
At the end of the year					443500	14.7833
Kishor Shrivallabh Chandak	37500	1.2500	-	-	37500	1.2500
At the end of the year					37500	1.2500
Gopal Khadaria	25500	0.8500	-	-	25500	0.8500
At the end of the year					25500	0.8500
Navneet Harikishan Lahoti	12500	0.4167	-	-	12500	0.4167
At the end of the year					12500	0.4167
Navneet Lahoti	12500	0.4167	-	-	12500	0.4167
At the end of the year					12500	0.4167
Indu Navneet Lahoti	12500	0.4167	-	-	12500	0.4167
At the end of the year					12500	0.4167
Anjana Mittal	12500	0.4167	-	-	12500	0.4167
At the end of the year					12500	0.4167
Anil Kumar Mittal	12500	0.4167	-	-	12500	0.4167
At the end of the year					12500	0.4167



Hind Commerce Limited

E. SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.No	Name	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (as on 01.04.2018 to 31.03.2019)	
		No. of Shares	% total Shares of the Company	No. of Shares	% of total Shares of the Company
A	DIRECTORS:				
1	Umesh R Lahoti (MD/KMP)	250000	8.33	250000	10.84
2	Ujwal R Lahoti	425100	14.17	0	0
3	Prakash R Bang	0	0	0	0
4	Sanjay R Soni	0	0	0	0
5	Meghna V Panchal	0	0	0	0
B	KEY MANAGERIAL PERSONNEL:				
6	Rajesh Bangera	0	0	0	0
7	Pragati Sawant	0	0	0	0

V. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2017	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year 2018-2019	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-



Hind Commerce Limited

iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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

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

(Rs. in Lakhs)

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

B. Remuneration to other Directors:

Independent Directors:

(in Rs.)

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



Hind Commerce Limited

Total	-	-	-	-
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C. Remuneration to Key Managerial Personnel:

(Rs. in Lakhs)

Sr No .	Particulars of Remuneration	Name of KMP			Total Amount
		Umesh Lahoti Managing Director	Rajesh Bangera CFO	Pragati Sawant Company Secretary	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4.41	1.44	5.85
	(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	-	4.41	1.44	5.85



Hind Commerce Limited

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Umesh Lahoti
Managing Director
(DIN: 00361216)

Ujwal Lahoti
Director
(DIN: 00360785)

Place: Mumbai
Date: 13th August, 2019



Hind Commerce Limited

Annexure 4.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
**The Members of
Hind Commerce Limited**
307 Arun Chambers,
Tardeo Road,
Mumbai - 400034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hind Commerce Limited having L51900MH1948PLC085440 and having registered office at 307 Arun Chambers, Tardeo Road, Mumbai - 400034, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ujwal R. Lahoti	00360785	17/04/1991
2	Umesh R. Lahoti	00361216	27/01/1995
3.	Prakash R. Bang	00088837	16/05/1991
4.	Sanjay Soni	02613471	12/05/2011
5.	Meghna V. Panchal	07082835	06/02/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KOTHARI H. & ASSOCIATES**

Company Secretaries

Sd/-

Hitesh Kothari

Membership No. 6038

Certificate of Practice No. 5502

Place: Mumbai

Date: 13th August, 2019



Hind Commerce Limited

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

To
The Members of
HIND COMMERCE LIMITED

I, Umesh Lahoti, Managing Director of Hind Commerce Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year ended 31st March, 2019.

For Hind Commerce Limited

**Sd/-
Umesh R. Lahoti
Managing Director
DIN:00361216**

**Place: Mumbai
Date: 13th August, 2019**



Hind Commerce Limited

Management Discussion & Analysis

Industry Structure and Development

The Textile Industry in India is second largest employer after agriculture providing jobs to the various class of peoples and is one of the significant contributors to the Indian economy. During the year 2018-19, the Cotton Textile Industry in India has experienced an improvement on account of overall demands from overseas markets. The depreciation of the Indian currency has helped achieving better realizations for export and has increased the competitiveness of the Exports from India. However the sluggishness in world market particularly in the last quarter of the Financial year combined together with the appreciation of the Indian Currency has affected the competitiveness of the Indian Export, reflecting lower volumes and profits for the exporters.

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

Opportunities and Threats

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

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

Outlook

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



Hind Commerce Limited

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

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

Risks and Concern

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

Internal Control Systems and their adequacy

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

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

Financial and Operational Performance

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



Hind Commerce Limited

Liquidity and Capital Resources

Particulars	2018-2019 (Rs. in Lakhs)	2017-2018 (Rs. in Lakhs)
Cash and Cash Equivalents –		
Beginning of the year	19.56	6.30
End of the year	5.02	19.56
Net Cash provided (used) by -		-
Operating activities	(50.80)	68.60
Investment activities	43.76	(44.11)
Financial activities	-	-

The net cash outflow in the operating activities during the year under review has been Rs.50.80 Lakhs as compared to cash inflow of Rs 68.60 Lakhs in previous year. Further, there is cash inflow in investment activity of Rs.43.76 Lakhs as compared to outflow of Rs. 44.11 Lakhs in previous year. The Cash outflow from financial activities is Nil for the year under review.

Material Developments in Human Resources

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

There were 2 permanent employees on the rolls of the Company as on March 31, 2019.

For and on behalf of the Board of Directors

Sd/-
Umesh Lahoti
Managing Director
(DIN: 00361216)

Sd/-
Ujwal Lahoti
Director
(DIN: 00360785)

Place: Mumbai

Date: 13th August, 2019



Hind Commerce Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIND COMMERCE LIMITED

Opinion

We have audited the accompanying financial statements of Hind Commerce Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to financial statements and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Key audit matters	How our audit addressed the key audit matter
Accounting for investments The Company has investments aggregating Rs. 11.30 crores in equity shares, debentures and units of mutual funds as at 31 March 2019. These investments are measured either at amortised cost, Fair	Our audit procedures included the following: <ul style="list-style-type: none">• Read the minutes of the meetings authorising the investment.• Performed test of controls on the operating effectiveness of internal



Hind Commerce Limited

Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment.	controls on investments. <ul style="list-style-type: none">• Obtained management representations on the judgments exercised for classification of investments, including indicative yields and maturity periods considered for amortised cost workings.• Tested the disclosures made by the Company.
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Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements 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.



Hind Commerce Limited

Those 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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



Hind Commerce Limited

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

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order
2. 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



Hind Commerce Limited

- 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any amounts to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such amounts does not arise.

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

Sd/-

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

**Place : Mumbai
Dated : 30th May, 2019**



Hind Commerce Limited

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements section of our Report of even date)

1. The Company does not have any fixed assets and hence reporting under clause 3(i)(a), (i)(b) & (i)(c) of the said order are not applicable to the Company.
2. The physical verification of the inventory has been conducted at reasonable intervals by the Management during the year. In our opinion, the frequency of verification is reasonable. No discrepancies have been noticed on reconciliation of physical inventories with book records.
3. As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii)(a),(iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. Further, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees or security.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax & Value Added Tax and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
8. The Company has not taken any loans or borrowings from any financial institution or bank or Government nor has it issued any debentures as at the balance sheet date. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of



Hind Commerce Limited

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

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

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

Sd/-
D. P. Rathi
Partner
Mem. No. 042068

Place : Mumbai
Dated : 30th May, 2019



Hind Commerce Limited

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of Hind Commerce Limited (“the Company”) as of 31st March, 2019 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

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

Auditors’ Responsibility

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



Hind Commerce Limited

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, 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, 2019, based on the criteria for 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.

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

Sd/-

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

Place : Mumbai
Dated : 30th May, 2019



Hind Commerce Limited

BALANCE SHEET AS AT 31 ST MARCH, 2019				
	Note	As at		
		31st March, 2019	31st March, 2018	
		Amt (Rs.)	Amt (Rs.)	
ASSETS				
Non-current Assets				
Investments in Subsidiaries	2	NIL	NIL	
Financial Assets				
Investments	2	113,303,406	112,446,142	
Current Tax Assets (Net)	3	15,971	NIL	
Other Non-current Assets	4	426,313	321,137	
		113,745,690	112,767,279	
Current Assets				
Financial Assets				
Trade Receivables	5	4,019,544	NIL	
Cash and Cash Equivalents	6	502,311	1,955,549	
Loans	7	2,204,415	2,518,557	
Other Financial Assets	8	350,000	350,000	
Other Current Assets	9	72,934	11,720	
		7,149,204	4,835,825	
TOTAL ASSETS		120,894,894	117,603,104	
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	30,000,000	30,000,000	
Other Equity	11	87,962,795	84,807,940	
		117,962,795	114,807,940	
Non-current Liabilities				
Deferred Tax Liabilities (net)	12	242,753	2,383,792	
		242,753	2,383,792	
Current Liabilities				
Financial Liabilities				
Other Financial Liabilities	13	242,467	136,145	
Other Current Liabilities	14	65,023	208,183	
Current Tax Liabilities (Net)	15	196,855	67,043	
		504,345	411,371	
TOTAL EQUITY AND LIABILITIES		120,894,894	117,603,104	
Basis of preparation, measurement and significant accounting policies	1			

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Sd/-
D. P. Rathi
Partner
Mem. No. 042068

Place : Mumbai
Dated : 30th May, 2019

For and on behalf of Board of Directors

Sd/-
Umesh Lahoti
Managing Director
DIN:00361216
Sd/-
Rajesh Venket Bangera
Chief Financial Officer

Sd/-
Ujwal Lahoti
Director
DIN:00360785
Sd/-
Pragati P.Sawant
Company Secretary



Hind Commerce Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note	Year ended	
		31st March, 2019	31st March, 2018
		Amt (Rs.)	Amt (Rs.)
Revenue			
Revenue from Operations	16	12,813,618	5,339,236
Other Income	17	4,656,382	5,719,332
Total Revenue		17,470,000	11,058,568
EXPENSES			
Purchases of Stock-in-Trade	18	11,602,356	5,360,950
Employee Benefits Expenses	19	613,150	528,023
Finance Costs	20	29,359	56,469
Other Expenses	21	2,031,513	802,946
TOTAL EXPENSES		14,276,378	6,748,388
Profit before tax		3,193,622	4,310,179
Tax Expenses			
Current tax	12	775,662	515,703
Deferred tax		(49,690)	101,069
Tax adjustment of previous year		58,820	Nil
Total of Tax Expense		784,792	616,772
Profit For The Year (A)		2,408,830	3,693,408
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net fair value gain/(loss) on investments in equity instruments through OCI		839,675	(2,769,976)
Income tax benefit/(expense) on net fair value gain/(loss) on investments in equity instruments through OCI		(93,650)	362,245
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		746,025	(2,407,732)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		3,154,855	1,285,676
Earnings per equity share of face value of Rs.10/-each			
Basic and Diluted (Rs.)	27	0.80	1.23
Basis of preparation, measurement and significant accounting policies	1		

The accompanying notes are an integral part of these Financial statements

As per our report of even date

For S. S. Rathi & Co
Chartered Accountants
(Firm Regn. No.108726W)
Sd/-
D. P. Rathi
Partner
Mem. No. 042068
Place : Mumbai
Dated : 30th May,2019

For and on behalf of Board of Directors

Sd/-
Umesh Lahoti
Managing Director
DIN:00360785
Sd/-
Rajesh Venket Bangera
Chief Financial Officer

Sd/-
Ujwal Lahoti
Director
DIN:00360785
Sd/-
Pragati P. Sawant
Company Secretary



Hind Commerce Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year ended 31st March, 2019	Year ended 31st March, 2018
	Amt (Rs.)	Amt (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	3,193,622	4,310,179
<i>Adjustments for:</i>		
Interest on Income-tax Refund	500,000	Nil
Interest income	(6,578)	(12,569)
Dividend income	(182,995)	(316,711)
Fair value (gain)/loss on investments	(3,671,284)	(2,310,360)
Net (gain)/loss on sale of investments	(589,848)	(1,606,835)
Share of (Profit)/loss from Partnership Firm	(130,273)	(1,463,872)
Interest on deferment of advance tax	29,359	56,469
Expenses incidental to Investments	1,000	575
Cash (used in)/generated from operations before working capital changes	(856,998)	(1,343,124)
<i>Adjustments for:</i>		
(Increase)/decrease in Other Non-current Assets	(105,176)	(294,927)
(Increase)/decrease in Trade Receivables	(4,019,544)	8,296,196
(Increase)/decrease in Other Current Assets	(61,214)	(3,720)
Increase/(decrease) in Other Current Financial Liabilities	106,322	73,895
Increase/(decrease) in Other Current Liabilities	143,160	131,430
Cash (used in)/generated from operations	5,079,770	6,859,750
Taxes paid (net of refunds)	(750,000)	(1,123,099)
Cash flow before exceptional items	5,829,770	5,736,651
Net cash (used in) / generated from operating activities - [A]	5,829,770	5,736,651
B CASH FLOW FROM INVESTING ACTIVITIES:		
Expenses incidental to Investments	(1,000)	(575)
Loans advanced received back	(185,858)	92,494
Purchase of Non-current investments	(65,250,000)	(23,650,000)
Sale proceeds of Non-current investments	68,159,947	18,818,000
Interest received	6,578	12,569
(Investment)/Withdrawal in/(of) capital from Partnership firm	1,463,872	NIL
Dividend received from others	182,995	316,711
Net cash (used in) / generated from investing activities - [B]	(4,376,534)	(4,410,801)



Hind Commerce Limited

C	CASH FLOW FROM FINANCING ACTIVITIES:		NIL
	Loan Taken	300,000	
	Loan Repaid	(300,000)	
	Net cash (used in) / generated from financing activities - [C]	NIL	NIL
	Net increase/(decrease) in cash and cash equivalents - [A+B+C]	1,453,237	1,325,850
	Add: Cash and cash equivalents at the beginning of the year (refer Note 6)	1,955,549	629,698
	Cash and cash equivalents at the end of the year (refer Note 6)	502,312	1,955,548
	Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.		

The accompanying notes are an integral part of these financial statements

For S. S. Rathi & Co
Chartered Accountants
(Firm Regn. No.108726W)
Sd/-

D. P. Rathi
Partner
Mem. No. 042068
Place : Mumbai
Dated : 30th May,2019

For and on behalf of Board of Directors

Sd/-

Umesh Lahoti
Managing Director
DIN:00360785
Sd/-
Rajesh Venket Bangera
Chief Financial Officer

Sd/-

Ujwal Lahoti
Director
DIN:00360785
Sd/-
Pragati P. Sawant
Company Secretary



Hind Commerce Limited

Note 1

I COMPANY INFORMATION

Hind Commerce Limited was incorporated as a Public Limited Company with the Registrar of Companies, Punjab & Chandigarh vide Certificate of Incorporation dated October 19, 1984. Subsequently, the Company by special resolution and confirmed by an order of Company Law Board, New Delhi dated November 10, 1994 shifted the registered office from the State of Punjab to the State of Maharashtra.

At present, the Company is engaged in the business of trading of cotton yarn and fabrics both in the domestic and international markets. The Company's head office is situated at Tardeo, Mumbai.

II BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation of Financial Statements

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

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

(B) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

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

(C) SIGNIFICANT ACCOUNTING POLICIES

(i) Inventories:

Inventories is valued at lower of cost and net realisable value. Cost include purchase price as well as incidental expenses. Cost formula used is either 'Specific Identification' or 'FIFO'. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.



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(ii) Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with bank where original maturity is three months or less from the date of acquisition and other short-term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(iii) Financial Instruments:

Financial Assets Initial recognition:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value measured on initial recognition of financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement:

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

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

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

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



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

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

Derecognition

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

Impairment of Financial Assets

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

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

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

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. Transaction costs that are directly attributable to the financial liabilities which are not at fair value through profit or loss, are deducted from the fair value measured on initial recognition of financial liability.

Subsequent measurement

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

Derecognition

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



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FAIR VALUE MEASUREMENT:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: - in the principal market for the asset or liability, or - in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities

(Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April, 2018.

The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April, 2018 on the contracts that



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are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April, 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

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

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

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

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

The Company's share of profits in LLP is recognised on the basis of such firm's audited accounts, as per terms of the partnership deed.

Expenditure:

Expenses are accounted on accrual basis.

Employee Benefits:

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

Income Taxes:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income. Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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



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

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

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

Foreign Currencies:

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

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

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. The Company has adopted Appendix B to Ind AS 21, Foreign currency transactions and advance consideration with effect from 1st April, 2018 prospectively to all assets, expenses and income initially recognized on or after 1st April, 2018 and the impact on implementation of the Appendix is immaterial.

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

Earnings Per Share:

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.



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Cash flows Statement:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(2) Non-current Investments	31.03.2019		31.03.2018	
	No. of Units	Amount (Rs.)	No. of Units	Amount (Rs.)
Non-trade Investments				
(a) Investment in Equity Instruments				
A. Quoted				
Eq. Sh of Rs. 2/- each of Lahoti Overseas Ltd.	707500	14,503,750	707500	14,397,625
*Eq. Sh. of Rs. 10/- each of Damodar Industries Ltd.	250	10,088	125	16,125
Eq. Sh. of Rs. 10/- each of Indus Fila Ltd.	1000	1,270	1000	1,270
**Eq. Sh. of Re. 1/- each of Emami Ltd.	7200	2,880,000	3600	3,844,800
Eq. Sh. of Rs. 10/- each of Emami infrastructure Ltd.	400	46,100	400	95,860
Eq. Sh. of Rs. 5/- each of K.P.R.Mill Ltd.	400	229,500	400	253,540
Eq. Sh. of Rs. 2/- each of Adani Ports and Special Eco. Zone Ltd	370	139,860	370	131,221
Eq. Sh. of Rs. 5/- each of Nagreeka Exports Ltd	100	2,200	100	2,750
Eq. Sh. of Rs. 10/- each of Reliance Industries Ltd.	2480	3,380,860	2480	2,189,096
Eq. Sh. of Rs. 5/- each of Prime Urban Development India Ltd.	100	906	100	1,610
***Eq. Sh of Rs. 10/- each of Balchandaram Clothing Ltd.	92500	925,000	92500	925,000
		22,119,534		21,858,897
B. Unquoted				
Eq. Sh of Rs. 10/- each of Asthvinayak Textile Trading (P) Ltd.	32500	1,748,038	32500	1,712,566
Eq. Sh of Rs. 10/- each of Janaksuta Textile & Yarn (P) Ltd.	32500	1,537,584	32500	1,559,525
Eq. Sh of Rs. 10/- each of Mast Mast Textile Trading (P) Ltd.	32500	2,101,890	32500	2,068,754
Eq. Sh of Rs. 10/- each of Pawansoot Textiles (P) Ltd.	22500	2,555,803	22500	2,421,677



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Eq. Sh of Rs. 10/- each of Step by Step Exports (P) Ltd.	92500	8,988,377	92500	8,768,196
Eq. Sh. of Rs. 10/- each of Sanghi Spinners India Ltd.	25000	-	25000	-
Eq. Sh of Rs. 10/- each of Jamvant Textiles (P) Ltd.	34000	2,313,128	34000	2,283,033
Eq. Sh of Rs. 10/- each of Shakambri Fabrics (P) Ltd.	23500	2,747,940	23500	2,603,545
Eq. Sh. of Rs.10/-each of Crystal Tradecom Limited	50000	492,714	50000	485,273
		23,408,755		22,829,717

A. Quoted

(b) Investment in Debentures

Secured Redeemable Non-convertible Principal Protected Market Linked Debentures (NCDs) of Reliance Capital Ltd (RCL MLD Series B/410 – Type IV)	26	2,795,338	26	2,633,020
		2,795,338		2,633,020

(c) Investment in units of Mutual Funds

HDFC Equity Savings Fund-Growth	296,559.91	10,911,922	296,559.91	10,246,738
HDFC Cash Management Fund T.A.P.-Retail-Growth	NIL	NIL	1,249,121.08	45,701,218
Kotak Equity Arbitrage Fund-Growth	1,386,035.39	36,567,079	NIL	NIL
Kotak Liquid Regular Plan-Growth	2,412.53	9,101,722	NIL	NIL
Reliance Fixed Horizon Fund XXXII Series4 Regular-Growth	675,621.00	8,084,684	675,621.00	7,528,580
		64,665,406		63,476,536

A. Unquoted

Investments in Limited Liability Partnership

Kirti Stock Brokers LLP		312,273		1,645,872
		312,273		1,645,872
Investment in Debentures				
Debentures of Rs. 30/- each of Rajashree Poly	70	2,100	70	2,100
		2,100		2,100



Hind Commerce Limited

Total Non-current Investments	113,303,406	112,446,142
Aggregate value of quoted investments	89,580,277	87,968,452
Market value of quoted investments	89,580,277	87,968,452
Aggregate value of unquoted investments	23,723,128	24,477,689

Investment in Limited Liability Partnership

Name of LLP: Kiriti Stock Brokers LLP	As At 31.03.2019 Share in Partnership (in %)	As At 31.03.2018 Share in Partnership (in %)
Name of the Partner		
Umesh Lahoti	27.77%	27.77%
Ujwal Lahoti	27.77%	27.77%
Jayashree Lahoti	12.33%	12.33%
Manjushri Lahoti	12.33%	12.33%
Hind Commerce Limited	1.80%	1.80%
Aadhitiya Lahoti	9.00%	9.00%
Saurabh Lahoti	9.00%	9.00%
TOTAL	100%	100%

* Stock spilt from FV of Rs. 10/- to Rs. 5/-.

** Bonus issue in the ratio of 1:1.

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

Note 3	As At 31.03.2019	As At 31.03.2018
NON-CURRENT TAX ASSETS (NET)		
Advance payment of income tax (net)	15,971	NIL
	15,971	NIL

Note 4

OTHER NON-CURRENT ASSETS

Deposit with Sales Tax Authorities	25,000	25,000
Other Deposit	1,210	1,210
Balance with Govt. Authorities	400,103	294,927



Hind Commerce Limited

Total	426,313	321,137
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Note 5

TRADE RECEIVABLES

(Unsecured, considered good)	4,019,544	NIL
Outstanding for a period less than six months from the date they are due for payment		
	4,019,544	NIL

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

Note 6

CASH AND CASH EQUIVALENTS

Cash on hand	9,849	9,956
Cheque-on-Hand	NIL	1,818,000
Balance with Banks		
-in Current Accounts	492,462	127,593
Total	502,311	1,955,549

Note 7

CURRENT LOANS

(Unsecured, considered good)		
Loans and advances to employees	201,059	76,985
Other loans & advances	2,503,356	2,441,572
Less: Allowance for doubtful loans	(500,000)	NIL
Total	2,204,415	2,518,557

Sub-classification of Loans

Loans considered good - Unsecured	201,059	2,518,557
Loans which have significant increase in credit risk	2,503,356	NIL
Less: Allowance for doubtful loans	(5,00,000)	NIL
	2,204,415	2,518,557



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Note 8

OTHER FINANCIAL ASSETS

(Unsecured, considered good)

Sundry Deposits	350,000	350,000
Total	350,000	350,000

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

Note 9

OTHER CURRENT ASSETS

Duty Drawback Receivable	68,934	NIL
Other advances (including prepaid expenses etc.)	4,000	11,720
	72,934	11,720

Note 10

EQUITY SHARE CAPITAL

Authorised

1,10,00,000 (P.Y. 1,10,00,000) Equity Shares of Rs. 10/- each	110,000,000	110,000,000
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Issued, subscribed and paid-up capital

3000,000 (P.Y. 3000,000) Equity Shares of Rs. 10/- each fully paid-up	30,000,000	30,000,000
-----------------------------------------------------------------------	------------	------------

30,000,000	30,000,000
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The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to same rights based on the number of shares held.

Shares in the Company held by each shareholders holding more than 5% shares

No. of Shareholders each holding more than 5% of the Share Capital	No. of Shares Held	No. of Shares Held
	Percentage of holding	Percentage of holding



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Five shareholders (P.Y. Five shareholders)	2131100	2131100
	71.04%	71.04%

Note 11

OTHER EQUITY

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

Summary of Other Equity balance.

Securities Premium Account	1,000	1,000
Retained Earnings	80,396,172	77,977,343
Items of Other Comprehensive Income		
- Fair value of Equity Instruments through OCI	7,575,623	6,829,598
	87,962,795	84,807,940

Nature and purpose of reserves

Securities Premium Account: Securities premium account is used to record the premium on issue of shares. This account is utilised in accordance with the provisions of the Act.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Equity Instruments through Other Comprehensive Income: This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option.

Note 12

INCOME TAXES

A. The major components of income tax expense for the year are as under	Year ended March 31, 2019	Year ended March 31, 2018
I. Income Tax Expenses recognised in the Statement of Profit and Loss		
Current tax		
In respect of Current year	775,662	515,703
Adjustments/(credits) related to previous years - (net)	58,820	NIL
Deferred tax		
In respect of current year	(49,690)	101,069
Income Tax Expenses recognised in the Statement of Profit and Loss	784,792	616,772
II. Tax on Other Comprehensive Income		
Deferred tax		
On net fair value gain/(loss) on investments in equity instruments through OCI	(93,650)	362,245
	(93,650)	362,245



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B. RECONCILIATION OF EFFECTIVE TAX RATE

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

Statutory income tax rate	26.00%	25.75%
Profit before tax	3,193,622	4,310,179
Income tax as per above rate	830,342	1,109,871
Adjustments:		
Expenses not deductible for tax purposes	299,300	45,674
Tax effect due to exempt income	-84,450	-458,500
Tax Rate difference paid on book profits	(272,530)	Nil
Unused tax credit (MAT) pertaining to earlier years recognized in the current year	(57,078)	Nil
Others	7,388	(80,272)
Income tax as per statement of profit and loss	725,972	616,772
Adjustments in respect of current income tax of previous year	NIL	NIL
Income tax as per statement of profit and loss	784,792	616,772

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

As at 31st March, 2019

Particulars	Balance Sheet 1.4.2018 Amt(Rs.)	Profit and Loss Amt(Rs.)	OCI Amt(Rs.)	Balance Sheet 31.03.2019 Amt(Rs.)
Provision for expense allowed for tax purpose on payment basis	8,281	531	Nil	8,281
Difference in carrying value and tax base of investments measured at FVTPL	(459,149)	(33,795)		(492,944)
Difference in carrying value and tax base of investments measured at Fair Value in OCI	(2,582,551)	Nil	(93,650)	(2,676,201)
MAT Credit Entitlement	649,627	82,954	Nil	732,580
Deferred Tax (Charge)/Credit		49,690	(93,650)	
Deferred Tax (Liabilities)/Assets	(2,383,792)			(2,427,753)

As at 31st March, 2018

Particulars	Balance Sheet 1.4.2017 Amt(Rs.)	Profit and Loss Amt(Rs.)	OCI Amt(Rs.)	Balance Sheet 31.03.2018 Amt (Rs.)
Provision for expense allowed for tax purpose on payment basis	7,852	428	NIL	8,281
Difference in carrying value and tax base of investments measured at FVTPL	43,541	(502,690)		(459,149)



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Difference in carrying value and tax base of investments measured at Fair Value in OCI	(2,944,795)		362,245	(2,582,551)
MAT Credit Entitlement	248,434	401,193	NIL	649,627
Deferred Tax(Charge)/Credit		(101,069)	362,245	
Deferred Tax (Liabilities)/Assets	(2,644,968)			(2,383,792)

Note 13

OTHER CURRENT FINANCIAL LIABILITIES

	As At 31.03.2019 Amt (Rs.)	As At 31.03.2018 Amt (Rs.)
Other payables	242,624	136,145
	242,624	136,145

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31st March, 2019 (PY Rs. NIL)

Note 14

OTHER CURRENT LIABILITIES

Salaries, wages, bonus payable	56,098	202,183
Statutory dues	8,925	6,000
	65,023	208,183

Note 15

CURRENT TAX LAIBILITIES (NET)

Provision for Income Tax (net)	196,855	67,043
	196,855	67,043

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 16

REVENUE FROM OPERATIONS

Sales of Products

-Export Sales of Cotton Yarn	8,469,938	5,186,365
Export Sales of Cotton Fabrics	4,170,898	NIL
<u>Other Operating Revenue</u>		
Duty Drawback	172,783	152,871
	12,813,618	5,339,236

Disaggregation of revenue

Revenue based on Geography

Domestic	NIL	NIL
Export	12,813,618	5,339,236
	12,813,618	5,339,236

Note 17

OTHER INCOME

Interest on Loan	6,578	12,569
Interest on Income-tax Refund		



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Dividend income from Non-current investments	182,995	316,711
Investments measured at fair value through profit or loss	3,671,284	2,310,360
Profit/(Loss) on sale of Investments		
- Non-current	589,848	1,606,835
Miscellaneous income	NIL	70,000
Share of Profit from Partnership Firm	130,273	1,463,872
Gain/(Loss) on Foreign Exchange Fluctuation	75,404	(61,015)
	4,656,382	5,719,332

Note 18

PURCHASES OF STOCK-IN-TRADE

Cotton Yarns	7,912,800	5,360,950
Cotton Fabrics	3,689,556	NIL
	11,602,356	5,360,950

Note 19

EMPLOYEE BENEFITS EXPENSES

Salary, bonus etc.	613,150	528,023
	613,150	528,023

Note 20

FINANCE COSTS

Interest on deferment of advance tax	29,359	56,469
Interest on TDS	Nil	Nil
	29,359	56,469

Note 21

OTHER EXPENSES

Advertisement Exps	124,176	88,072
Bank charges	52,174	47,014
Demat & Transaction Charges	1,000	575
Clearing and Forwarding Charges	19,840	3,790
Ocean Freight	113,105	4,910
Road Transport	226,785	51,000
Shipment charges	84,221	42,403
Overseas Commission	NIL	80,013
Domain hosting expense	8,000	4,000
Filing , Listing and Annual Custodial Fees	273,820	320,200
Conveyance Expenses	7,800	7,800
Membership and subscription fees	11,000	12,650
Sample charges	NIL	605
Printing and Stationery	5,250	77
Auditors' Remuneration		
- For Statutory Audit	50,000	50,000
- For Tax Audit	NIL	NIL
- For Limited Review	10,000	7,500



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- For Other Services	NIL	2,500
Legal & Professional Fees	108,688	77,838
Profession Tax	2,000	2,000
Securities transaction tax	168	NIL
Marine Insurance	5,902	NIL
Provision for Doubtful Advances	500,000	NIL
Office & General Exp.	24,284	NIL
Business Promotion Expenses	403,300	NIL
	2,031,513	802,946

Note 22

FINANCIAL INSTRUMENTS

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

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

The categories used are as follows:

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

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

		Carrying value /Fair value	
	Note	As at 31st March , 2019 Amt (Rs.)	As at 31st March , 2018 Amt (Rs.)
FINANCIAL ASSETS			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	2	45,528,289	44,688,614
ii. Fair value through profit and loss	2	67,460,744	66,109,556
Financial assets measured at amortised cost			
Investments		314,373	1,647,972
Trade receivables	5	4,019,544	NIL



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Cash and cash equivalents	6	502,311	1,955,549
Loans	7	2,204,415	2,518,557
Security deposits	8	350,000	350,000
		120,379,676	117,270,247

FINANCIAL LIABILITIES

Financial liabilities measured at carrying amount

Other payables	13	242,467	136,145
		242,467	136,145

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

Note 23 FINANCIAL RISK MANAGEMENT

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

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings. The Company's overall risk management focuses on the unpredictability of financial market and seeks to minimise potential adverse effects on the financial performance of the Company.



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Foreign Exchange Risk:

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

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

Interest Rate Risk:

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

Equity Price Risk

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

Credit Risk:

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in units of mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from investment in units of mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the credit rating agencies. Trade Receivables & Loans The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits. There are no Trade Receivables passed due date and impaired as at 31 March 2019. Financial assets related to loans where there is significant credit risk, the provision has been made using the provision matrix. Loans passed due date and impaired are Rs. 25,03,356/- and provision on same is Rs. 5,00,000/-. The provision rates are based on days past due; and the calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.



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Liquidity Risk:

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

Regulatory Risks:

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

Capital Risk Management:

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

Commodity Price Risks:

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

Note- 24 Segment Reporting

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

Note-25 Related Party Disclosures

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

Name of the Related Party	Relationship
a. Ujwal Lahoti	Key Manegerial Person (Director)
b. Sanjay Soni	Key Manegerial Person (Director)
c. Rajesh Bangera	Key Manegerial Person (CFO)
d. Pragati Sawant	Key Manegerial Person (CS)



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- e. P.S. Ware Information Pvt. Ltd. Enterprise over which Key Management Personnel are able to exercise significant influence
- f. Lahoti Overseas Ltd. Enterprise over which Key Management Personnel are able to exercise significant influence

Transaction with Related Parties during the

ii. year :-	2018-19	2017-18
	Amt(Rs.)	Amt(Rs.)
a. Key Manegerial Person		
Interest received	6,578	12,569
Loan advanced received back	82,504	94,935
Loan advanced	200,000	NIL
Advance against salary given	NIL	50,000
Advance against salary received back	NIL	65,000
Loan Taken	300,000	NIL
Loan Taken repaid	300,000	NIL
Professional Fees	32,400	NIL
Salary, Bonus, etc	613,150	528,023

Balance outstanding at the year end is as

iii. under :	As At	As At
	31.03.2019	31.03.2018
	Amt(Rs.)	Amt(Rs.)
a. Key Manegerial Person		
Short-term Loan	201,059	76,985
Professional Fees Payable	32,400	NIL
Salary & Bonus Payable	56,098	202,183
b. Enterprises over which Key Management personnel are able to exercise significant influence :		
Deposits Given	350,000	350,000
Investments	3,113,000	3,113,000

Note-26	Earnings Per Share (EPS)	2018-19	2017-18
		Amt (Rs.)	Amt (Rs.)
i)	Weighted Average Number of Equity Shares outstanding during the year	3000000	3000000
ii)	Net Profit after tax available for Equity Shareholders (Rs.)	2408830	3693408
iii)	Basic and Diluted Earnings Per Share (Rs.)	0.80	1.23
iv)	Nominal Value Per Share (Rs.)	10/-	10/-

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



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Note-27 Previous year figures

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

As per our report of even date

For S. S. Rathi & Co

Chartered Accountants
(Firm Regn. No.108726W)

D. P. Rathi
Partner

Mem. No. 042068

Place : Mumbai

Dated : 30th May,2019

For and on behalf of the Board of Directors
Sd/-

Ujwal Lahoti
Director
DIN:00360785

Umesh Lahoti
Director
DIN:00361216

Rajesh Venket Banger

Chief Financial Officer

Pragati P. Sawant

Company Secretary

Recent accounting pronouncements

The MCA has notified below amendments which are effective 1st April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.