

HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

MUNIRABAD – KARNATAKA – 583 234

Annual Report

2012 - 13

HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

Registered Office:

Munirabad R.S.,
Dis. Koppal,
MUNIRABAD,
KARNATAKA – 583 234

E-mail ID: hemkutaind@gmail.com

Administrative Office:

204, Marine Chambers,
New Marine Lines,
Mumbai – 400 020.
Tel: 022-22053655

BOARD OF DIRECTORS:

Mr. Sushil Morarka
Mr. Abhishek Morarka
Mr. Kannan Krishnan
Mr. Prabhash Jain

Auditors:

Vishnu Agarwal & Associates,
Chartered Accounts,
Mumbai.

Bankers:

State Bank of India,
Empire House Branch,
Fort,
Mumbai – 400 001

REGISTRAR & SHARE TRANSFER AGENT:

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate,
J.R.Boricha Marg,
Near Lodha Excelus,
Lower Parel (E),
Mumbai – 400 011.
Tel: 022-2301 8261 / 2301 6761
Fax: 022-2301 2517
Email: busicomp@vsnl.com

HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

Munirabad R.S., Dis. Koppal, Munirabad, Karnataka – 583234

NOTICE

NOTICE is hereby given that the Annual General Meeting of **HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD** will be held on Saturday the 28th September, 2013 at 11.00 A.M at the Registered Office of the Company at Munirabad to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2013, the Profit and Loss Account for the year ended 31st March 2013 and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Abhishek Morarka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider appointment of Auditors

BY THE ORDER OF THE BOARD
For and behalf of the Board of Hemakuta
Industrial Investment Co. Ltd

Abhishek Morarka
Director

Place: Mumbai

Date: 18th July, 2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and Share Transfer Books of the Company will be closed from 22nd Day of September, 2013 to 28th Day of September, 2013 (Both the days Inclusive) in connection with Annual General Meeting.
3. Proxies, in order to be effective should be duly competed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
4. Members are requested to bring their copies of the Annual Report to the Meeting.

HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

Munirabad R.S., Dis. Koppal, Munirabad, Karnataka – 583234

DIRECTORS REPORT

To,
The Beloved Members,
Hemakuta Industrial Investment Co. Ltd.

Your Directors present the Annual Report together with the audited Accounts for the year ended 31st March 2013

Financial Results

Particulars		Current Year (In Rs.) (31.03.2013)	Previous Year (In Rs.) (31.03.2012)
	Profit/Loss Before Tax	(3,25,041)	(4,61,671)
Less	Provision for Tax	0	0
	Profit/Loss After Tax	(3,25,041)	(4,61,671)
Add	Balance Brought From Last Year	(3,42,57,106)	(3,37,95,435)
	Balance Carry Forward to Next Year	(3,45,82,147)	(3,42,57,106)

Dividend

In view of the inadequate profit during the year, the directors regret to recommend any dividend for the year under review.

Fixed Deposits

During the year company has not accepted any fixed deposits from the public.

Directors

Mr. Abhishek Morarka, Director of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Auditors

Vishnu Agarwal & Associates, Chartered Accounts, Mumbai retire at the ensuing Annual General Meeting and they have expressed their willingness to continue as Statutory Auditors of the Company and being eligible offers themselves for appointment and if appointed the same will be within the prescribed limits specified in section 224(1B) of the Companies Act, 1956. Members are therefore request to consider their appointment and fix their remuneration.

Auditors Report

Explanations to notes on accounts referred by the auditors in their reports are self-explanatory.

Directors Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 the directors state that:

- a) In the preparation of Annual Accounts for the financial year ended 31st March 2013 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2013 and of the profit and loss account of the Company under review.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provision for the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis

Compliance Certificate

In accordance with the requirements of Section 383A of the Companies Act, 1956, Certificate from Practicing Company Secretary certifying regarding compliance with the legal requirement, in respect of the company for the year ended 31st March, 2013, is enclosed and marked as Annexure-I

Particulars of Employees

As there are no employees in receipt of remuneration of Rs.24,00,000 or more for the year or Rs.2,00,000/- per month if employed for part of the year, the statement made under Section 217(AA) is not applicable.

Particulars Regarding Conservation of energy, Technology absorption and foreign exchange earnings and outgo:

The details of above are not applicable in the case of your company.

Corporate Governance

Clause 49 of the listing agreement is not applicable to the Company as paid up capital of the Company is less than Rs.3,00,00,000/- and Not having net worth of Rs.25,00,00,000/- or more at any time in the history of the Company.

Dematerialisation:

The shares of the Company were in physical form and now CDSL has admitted for depository services and application with NSDL is filed for approval. The ISIN no is : INE088P01015. Trading of the shares was suspended from BSE since 2nd January, 2002 and the Company has already applied for revocation with the Exchange.

Acknowledgement

Your Directors place on record their appreciation of contribution made by staff, consultants at all level and for their efficient services rendered by them.

**For and behalf of the Board of Hemakuta
Industrial Investment Co. Ltd**

**Abhishek Morarka
Director**

**Place: Mumbai
Date: 18th July, 2013**

COMPLIANCE CERTIFICATE

[The Companies (Compliance Certificates) Rules 2001]

[Under proviso to sub-section (1) of section 383A]

To
The Members,
M/s. Hemakuta Industrial Investment Co. Ltd,
Regd. Office: Munirabad R.S.,
Dist.Koppal, Munirabad,
Karnataka - 583234.

I have examined the registers, records, books and papers of **M/s. Hemakuta Industrial Investment Co. Ltd,** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year,

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other Authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Company has the minimum prescribed paid up capital.
4. The Board of Directors duly met 6 times on 14.06.2012, 27.07.2012, 10.10.2012, 26.11.2012, 10.01.2013 and 05.03.2013 in respect of which Meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 23.09.2012 to 29.09.2012 (both the days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 29.09.2012 after giving due Notice to the Members of the Company and the Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held during the financial year on 30.03.2013 after giving due Notice to the Members of the Company and the Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. According to the information provided by the Company, the Company has not advanced any loans to its Directors and / or Persons or Firms or Companies referred under the section 295 of the Act during the year under report; but amount is outstanding against the loans already advanced and for which the compliances as per the provisions of the Act is to be done.

9. According to the information provided by the Company, the Company has not entered into any contracts falling within purview of Section 297 of the Act.
10. The Company is maintaining Register under section 301 of the Act during the financial year.
11. According to the information provided by the Company, the Company has not done any transaction attracting section 314 of the Act.
12. The Company has not issued duplicate share certificates during the financial year.
13. During the financial year under scrutiny:
 - i) There was no transfer/transmission /allotment of shares;
 - ii) Since no dividend was declared, the Company has not deposited any amount in a separate bank account.
 - iii) Since no dividend was declared posting of warrants does not arise.
 - iv) According to the information provided by the company, there were no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be transferred to Investor Education and Protection Fund.
 - v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year except the appointment of Mr. K. Kannan as Director at the AGM held on 29.09.2012, who was earlier appointed as Additional Director at the Board Meeting on 10.10.2011.
15. The company is not having any Managing Director and therefore the question of compliance in this regard does not arise.
16. The Company has not appointed any sole selling agents during the financial year.
17. According to the information provided by the Company, the Company was not required to get approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act except the Bombay Stock Exchange in which application requesting the exchange for the revocation of the trading activities is pending and also listing of 4,50,000 shares was pending with the exchange, which was cleared by the exchange subsequent to 31.03.2013.
18. The Directors have disclosed their interest in other Firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not bought back shares during the financial year.
20. There was no redemption of Preference shares/debentures during the year under scrutiny.
21. The Company has not kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

22. The Company has invited or accepted any deposits except inter-corporate loans and loans from Directors falling within the purview of section 58A during the financial year and Company is advised to comply the requirements of the provisions of section 58 of the Act and related Rules.
23. The amounts borrowed by the Company from directors, members, public financial institutions, banks and others during the financial year are within the borrowing limits of the Company as per the information provided by the company.
24. The Company has not made any loans or advances or investments to other bodies corporate during the financial year and therefore no entries have been made in the Register kept for the purpose; but the amount is outstanding against the loans already made. The company has not given guarantees or provided securities to other bodies corporate.
25. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under review.
29. The Company has not altered the Articles of Association during the financial year.
30. According to the information provided by the Company there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company for offences under the Act during the financial year.
31. The Company has not received any amount as security from its employees during the year under certification.
32. The Company has not constituted a separate Trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place : Salem.
Date : 10.07.2013

S/d
S. Solaiyappan
Company Secretary:
C. P. No.: 3573

ANNEXURE – A

Registers as Maintained by the Company:-

Register of Members u/s 150(1) & Index of Members u/s 151 of the Act

Register of Transfer of shares u/s 108 of the Act

Register of Directors u/s 303 (1) of the Act.

Register of Directors shareholdings u/s 307 (1) of the Act.

Register of Charges u/s 143(1) of the Act.

Register of Contracts u/s 301 of the Act.

Register of Fixed Deposits u/r 7 of the Companies (Acceptance of Deposits) Rules, 1975.

Registers for Attendance for Board and General Body Meetings.

Minutes Books for the Board and General Body Meetings

Fixed Assets Register

Books of Accounts u/s 209 of the Act.

ANNEXURE – B

Forms and Returns filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March 2013.

e-Forms Nos. 23AC & ACA with Balance Sheet as at 31.03.2012 and Statement of Profit & Loss for the year ended 31.03.2012 u/s 220 of the Act vide document dt. 11.10.2012.

e-Form No.66 with Compliance Report for the year ended 31.03.2012 u/s 383A(1) of the Act vide document dt. 16.10.2012.

e-Form No. 20B with Schedule V in respect of Annual Return as on 29.09.2012 u/s 159 of the Act vide document dt. 13.10.2012.

e-Form No. 32 for the Change in Designation of Director u/s 303 (2) of the Act - filed vide Doc. Dt. 11.10.2012.

S/d
S. Solaiyappan
Company Secretary:
C. P. No.: 3573

AUDITOR'S REPORT

The Members of
M/S.HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LTD.

I have audited the attached balance sheet of M/S.HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD. as at 31st March, 2013 and the Profit and Loss Account of the year ended on that date annexed thereto and report that:

- 1 As required by the Companies (Auditors' Report) Order 2003, issued by the Ministry of Finance (Department of Company Affairs) in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as were considered appropriate. I enclose in the annexure a statement on the matters specified in paragraph 4 of the said Order.
2. I conducted my audit in accordance with auditing standards generally accepted in India. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. Further to my comments in the annexure referred to in paragraph 1 above
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of my audit;
 - b) In my opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from my examination of such books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In my opinion, the balance Sheet & the Profit & Loss Account comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of section 274(1) (g) of the Companies Act, 1956.
 - f) In my opinion and to the best of my information and according to the explanations given to me the said financial statements, read together with the Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view :
 - i) In the case of the Balance Sheet of the state of affairs to the Company as at 31st March, 2013 and
 - ii) in the case of the Profit & Loss Account of the Profit for the year ended on that date.

PLACE : MUMBAI

DATE : 18th July, 2013

**For VISHNU AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN: 134443W)**

**S/d
(MANU AGARWAL) Partner
M. No. 146713**

THE AUDITOR TO THE MEMBERS OF M/S.HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LTD.ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. (i) The Company has maintained proper record showing full particulars including quantitative details and situation or fixed assets.
(ii) Fixed assets of the company have been physically verified by the Management at reasonable intervals., No material discrepancies were noticed.
(iii) There has been no disposal of substantial part of the fixed assets during the year
2. (i) Inventory has been physically verified by the management at reasonable intervals during the year.
(ii) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
(iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3 (i) The Company has taken unsecured loans from directors & their associates amounts to Rs. 50.48 Lacs listed in the register maintained under section 301 of Companies Act, 1956 where the terms and conditions are not prima- facie prejudicial to the interest of the company.
(ii) The Company has not granted any loans, secured or unsecured to companies, firm or other parties listed in the Register maintained under section 301 of the Companies Act,1956
4. (i) According to the information and explanation given to me, there are adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchase of inventory & fixed assets and for the sale of goods.
5. i) The Company has entered into transaction that need to be entered into a register in pursuance of the section 301 of the Act.
ii) In my opinion and according to the information and explanation given to me, transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act exceeding Rs. 5.00 Lacs in respect of any party during the year, have been entered into at price which are reasonable having regard to prevailing market price at the relevant time.
6. The Company has not accepted deposits from the Public to which the Provisions of section 58(A) & 58(AA) of the Companies Act,1956 and rules framed there under apply.
7. In my opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
8. To the best of my knowledge and according to the information given to me, the Central Government has not Prescribed maintenance of cost records under section 209(1)(d) of the Companies Act,1956 in respect of the Company's product
9. The company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, Employees State Insurance Scheme, Income tax, Sales tax and other material statutory dues applicable to it. According to the information and explanation given to me, there are no undisputed statutory dues payable in respect of Income - Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Cess & other statutory dues with the appropriate authorities which were outstanding as on 31stMarch, 2013 for a period of more than six months from the date they became payable.

Rs. 345.82 lacs and has incurred cash losses in the current financial year of Rs. 3.25 lacs and has incurred cash loss in the immediately preceding financial year amounts to Rs. 4.62 lacs.

11. The company has not defaulted in repayment of dues to the bank.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable.
14. According to the information and explanations given to me, the company is not dealing or trading in shares, securities, debentures and other investments. The company does not hold any investment.
15. According to the information and explanations given to me, the Company has not given any Guarantee for loans taken by others from bank.
16. The Company has not obtained any term loans during the year and hence reporting requirements of para (xvi) are not applicable.
17. According to the information and explanations given to me, funds raised on long term basis have not been used for short term investment & vice versa during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. There are no debentures outstanding as at year end.
20. The Company has not raised money during the year through a public issue.
21. According to the information and explanations given to me, during the year no fraud on or by The Company has been noticed or reported.

PLACE : MUMBAI
DATE: 18th July, 2013

For VISHNU AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN: 134443W)

S/d
(MANU AGARWAL) Partner
M. No. 146713

HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH,2013

<u>PARTICULARS</u>	<u>SCH.</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
<u>I.EQUITY AND LIABILITIES</u>			
(1) Shareholder's funds			
(a) Share Capital	1	1,25,00,000	1,25,00,000
(b) Reserves and Surplus			
Profit & Loss A/c.		-3,45,82,147	-3,42,57,106
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term borrowings	2	76,99,063	75,90,623
(4) Current Liabilities			
(a) Other current liabilities	3	1,80,05,858	1,77,00,420
Total		<u>36,22,774</u>	<u>35,33,937</u>
<u>II. Assets</u>			
(1) Non-current assets			
(a) Fixed assets			
(b) Non-Current investment		32,68,957	32,68,957
(2) Current assets			
(a) Cash & cash equivalents	4	3,53,817	2,64,980
Total		<u>36,22,774</u>	<u>35,33,937</u>

The above Balance Sheet and notes relevant thereto is hereby authenticated by us.

Accompany to our report of even date

For VISHNU AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN: 134443W)

By Order of the Board
For Hemakuta Industrial Investment Co. Ltd

S/d
(MANU AGARWAL) Partner
M. No. 146713

Sushil Morarka Abhishek Morarka

PLACE : MUMBAI
DATE: 18th July, 2013

HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2013

<u>PARTICULARS</u>	<u>Sch</u>	31.03.2013	31.03.2012
I. Revenue from operation			
II. Other Income		---	---
Total Revenue (A)		<u>---</u>	<u>---</u>
III. Expenses:			
<u>Other Expense</u>			
Administrative Expense		---	5,525
Audit Fees		16,854	9,000
Bad debts		---	3,80,117
Traveling		---	1,500
Filling Fees		43,884	10,200
Website Expenses.		-	13,736
Shares Expenses		24,360	38,092
Legal & Professional Expenses		10,500	---
Bank charges		---	3,501
Listing Fees		1,80,526	---
Postage and Telegram charges		6,000	---
Printing & Stationary		3,250	---
Misc. Expenses		36,667	---
Computer Expenses		3,000	---
Total Expense (B)		<u>-3,25,041</u>	<u>4,61,671</u>
IV. Profit before exceptional & extraordinary items & tax	(A-B)	-3,25,041	-4,61,671
V. Exceptional Items		---	---
VI. Profit before extraordinary items & tax		-3,25,041	-4,61,671
VII. Extraordinary Items		---	---
VIII. Profit before tax (VII-VIII)		<u>-3,25,041</u>	<u>-4,61,671</u>
IX. Tax expense		---	---
X. Profit /Loss from the period from Continuing operations (VII-VIII)		-3,25,041	-4,61,671
XI. Profit /Loss from discontinuing operation		---	---
XII. Tax expense of discontinuing operation		---	---
XIII. Profit /Loss from Discontinuing operation (after tax) (XII-XIII)		---	---
XIV. Profit/loss for the period (XI+XIV)		<u>-3,25,041</u>	<u>-4,61,671</u>

The above Profit & Loss A/c. along with notes thereon are hereby authenticated by us.

**For VISHNU AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN: 134443W)**

S/d
**(MANU AGARWAL) Partner
M. No. 146713**

**PLACE : MUMBAI
DATE: 18th July, 2013**

Accompany to our report of even date

**By Order of the Board
For Hemakuta Industrial Investment Co. Ltd**

Sushil Morarka

Abhishek Morarka

HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LIMITED

SCHEDULES FORMING PART OF ACCOUNT

	As at 31.03.2013	As at 31.03.2012
<u>SCH.1: Share Capital</u>		
Authorised Shared Capital		
500000 Equity Shares of Rs.10 each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subs. & Paid Up		
1250000 Equity Shares of RS.10 each	<u>1,25,00,000</u>	<u>1,25,00,000</u>
<u>SCH.2: LONG-TERM BORROWINGS</u>		
<u>SECURED LOANS</u>		
	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
<u>UNSECURED LOANS</u>		
From Directors	50,70,003	50,48,263
From Companies	<u>26,29,060</u>	<u>25,42,360</u>
	76,99,063	75,90,623
	<u>2,01,99,063</u>	<u>75,90,623</u>
<u>SCH.3: OTHER CURRENT LIABILITIES</u>		
A) Audit fees Payable	41,914	25,060
B) Bell Tools Pvt. Ltd.	2,74,360	1,62,000
C) Candy Filters	1,75,13,360	1,75,13,360
D) Interest payable	26,224	---
E) UCO Bank Legal Expenses	<u>1,50,000</u>	---
	<u>1,80,05,858</u>	<u>1,77,00,420</u>
<u>SCH.4: CASH & CASH EQUIVALENTS</u>		
Cash in hand	3,44,426	2,55,060
Bank balance	<u>9,391</u>	<u>9,920</u>
	<u>3,53,817</u>	<u>2,64,980</u>

HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LIMITED

YEAR 2012-2013

SCHEDULE 5

SIGNIFICANT ACCOUNTING POLICIES :

a) Accounting conventions

The accounts are prepared under the Historical Cost Convention method.

b) Basis of Accounting

- The accounts are prepared as per "Accrual Basis of Accounting" unless otherwise stated.
- The accounts are prepared on the "Going Concern Basis"

c) Revenue Recognition

Profit/ Losses from Trading activity is recognition on "FIFO" basis on trade dates.

Contingent Liabilities

No provision is made for liabilities that are contingent in nature but, if material, the same are disclosed by way of notes to the accounts

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS

1. Payment to Auditors :

Statutory Audit Fees	<u>Current Year</u>	<u>(Previous Year)</u>
<u>Amount (in Rs.)</u>	16,854	9,000

2. Managerial Remuneration Paid to Directors :

Amount (in Rs.) :- NIL (Previous Year : NIL)

3. In the opinion of the management, the current Assets, Loans and Advances are approximately of the value started, if realized in ordinary course of the business.

4. Previous year's figure are regrouped/rearranged wherever necessary to make them comparable with those of current year.

5. As none of the employees have completed the qualifying period under the payment of Gratuity Act, 1952, therefore no provision has been made in respect of accrued gratuity liability.

6. There were no employees drawing more than 24,00,000/- Per annum employed throughout the year and drawing Rs. 2,00,000/- Per month, if employed for part of the year.

7. Other qualification information as required by Para II of schedule VI of the companies Act, 1956.

Amount (in Rs.) :- Nil (Previous Year : NIL)

8. No Provision has been made in the accounts towards the demands raised by the income tax Department for the assessment year 2001-02 amounts to Rs. 82.04 lacs and for the assessment Year 2002-03 amounts to Rs. 2.03 crores till the date and the appeals against those assessment Are pending before the authorities.

9. Related Parties disclosure:

Relationship:

a) Key Management Personnel:

Mr. Sushil R. Morarka

Mr. Abhishek Morarka

b) Associated Companies:

1. Hemkuta Sugar & Allied Industries Ltd.

2. Rigveda Properties Ltd.

3. Realstone Exports Ltd.

4. BellTools Ltd.

5. Candy Filters (Bombay) Ltd.

**Transactions carried out with related parties referred to in 1 above,
in ordinary course of business:**

Current Year:

(In lacs)

Related Parties		Ref. in 1(a)	Ref. in 1(b)	Total
Expenses:		-	176.75	176.75
Outstanding:				
Payable		50.70	26.29	76.99

Previous Year:

(In Lacs)

Related Parties		Ref. in 1(a)	Ref. in 1(b)	Total
Expenses:		-	176.75	176.75
Outstanding:				
Payable		50.48	25.42	75.91

10. Balance Sheet Abstract and company's general business profile:

(i) Registration Details

Registration No.	03116	State Code	08
Balance Sheet date 31.3.2013			

(ii) Capital Raised during the year (Amt. in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

(iii) Position of mobilisation and Deployment of funds (Amount in Rs. Thousand)

Total Liabilities	3,623	Total Assets	3,623
Sources of funds			
Paid up capital	12,500	Secured Loans	NIL
Reserve & Surplus	(34,582)	Unsecured Loans	7,699
Current Liabilities	18,005		
Application of funds			
Net Fixed Assets	0	Investment	3,269
Mis. Expenditure	0	current Assets	354

(iv) Performance of company (Amt in Rs. Thousand)

Turnover	0	Total Expenditure	325.04
Profit before Tax	(325.04)	Profit After Tax	(325.04)
Earning per share	0	Dividend Rate %	NIL

(v) Generic Name of Principal Product of the company

Item code No. (ITC Code) :	
Product Description :	

For the current activities, this is not applicable.

**For VISHNU AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN: 134443W)**

**PLACE : MUMBAI
DATE: 18th July, 2013**

**S/d
(MANU AGARWAL) Partner
M.No. 146713**

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

1. Operating Results:

The Company continues to fail to resume its activity in view of adverse financial Conditions. The Company has incurred the loss of Rs. 3.25,041/- mainly on account of payment to BSE towards payment of arrears listing fees. During the coming years the Company is intend to resume activity and has already approached The Bombay Stock Exchange Ltd, where the shares are listed for revocation of trading. The remaining shares (45000) has been listed by the Exchange in the month of May, 2013. CDSL has also admitted the Company's shares for depository services in May, 2013

2. Industry Trends and Business Analysis:

Financial Year 2013, a year that witnessed India's lowest GDP growth in a decade. The Indian Economy is estimated to have registered a growth rate of 5.0 percent in 2012-13.

During the year, the BSE Sensitive Index which was 17429 at the start of the financial year, after making a low of 15,748 in June 2012 ended at 18,835 on 31th March, 2013.

3. Opportunities and Threats

With the globalization and electronic age, Indian Stock Market changed over the past decade. Nearly 100% of all transactions are executed through electronic media online trading system. The developments of high-tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading venues offering diverse pools of liquidity.

Current elevated rates of inflation pose significant risks to future growth. With the attention of Government focused in containing the inflation, the economic growth may see a deceleration with corporate turning in moderate growth.

2. Future Prospects and Outlook:

With some moderation in headline WPI inflation, there has been a reduction in the repo rate by the RBI by 50 basic points in April 2012 and 25 basis points in January 2013 there is chance of fall in real interest rate scenario during the coming year. With widespread reform measures initiated in recent months and the global economy poised for a moderate recovery in 2013-14, the Indian economy is expected to witness an improved outlook in 2013-14. The overall growth rate is expected to be in the range of 6.1 to 6.7 percent in 2013-14

4. Risks and concerns:

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk. The Company is confident of managing these risks by maintaining a conservative financial profile, and by following

5. Financial performance:

a) Share Capital:

The Company's issued and subscribed share capital consists of Equity Share capital only. The paid-up share capital of the company as at 31st March 2013 stood at Rs.125.00 lakhs comprising of 1250000 Equity Shares of Rs. 10 Each.

b) Reserves and Surplus:

During the year under review, the reserves and surplus is negative to the extend of Rs. 3,45,82,147/- as against (-) Rs. 3,42,57,106/- during previous year.

6. Cautionary Statement:

Statements in this "Management's Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" are only predictions within the meaning of applicable securities laws and regulations and are subject to risks, uncertainties, and assumptions that are difficult to predict. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include interest rates and changes in the Government regulations, tax regimes, economic developments and other factors such as litigation etc.

**By Order of the Board
For Hemakuta Industrial Investment Co. Ltd**

**Abhishek Morarka
DIRECTOR**

Date : 18th July, 2013

Place: Mumbai

VISHNU AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Central Building No.1, 1st Floor, Left Wing ,Bomanji Master Road,
Opp Kalbadevi Main Post Office,Mumbai- 400 002.

FORM A

1	Name of Company	HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD	
2	Annual financial statement for the year ended	31st March, 2013	
3	Type of Audit observation	Matter of Emphasis	
4	Frequency of observation	Repeatedly	
5	To be signed by- Director	Sd/-	Abhishek Morarka Director
	Auditor of the company	Sd/-	Manu Agarwal - Partner

FORM B

1	Name of Company	HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD	
2	Annual financial statement for the year ended	31st March, 2013	
3	Type of Audit qualification	NIL	
4	Frequency of qualification	NIL	
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Income Tax Demand Pending since F.Y.2002-03	
6	Additional comments from the board/audit committee chair	NIL	
7	To be signed by- Director	Sd/-	Abhishek Morarka Director
	Auditor of the company	Sd/-	Manu Agarwal - Partner

HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

Statements of Cash Flow Prepared Pursuant to the Listing Agreement with Stock Exchange for the
Year ended 31st March, 2013.

CASH FLOW FROM OPERATIONS	<u>2012-13</u>	<u>2011-12</u>
Profit/Loss	(-) 3,25,041	(-)4,61,671
Add: Depreciation	0	0
Loss on Sale of Assets	0	0
Operating Profit before Working Capital changes	(-) 3,25,041	(-)4,61,671
Increase/ Decrease in Current Assets	0	2,70,14,712
Increase in Current Liabilities	3,05,438	(-)1,92,04,110
Net Cash from Operations	(-)19,603	73,48,931
CASH FLOW FROM INVESTING		
Sale of Fixed Assets	0	0
Decrease in Investments	0	0
CASH FLOW FROM FINANCING		
Increase in Unsecured Loans	1,08,440	(-)68,17,583
NET CASH ACCRUAL	88,837	5,31,348
Cash at Opening	2,64,980	(-)2,66,368
Cash at Closing	3,53,817	2,64,980
NET CASH ACCRUAL	88,837	5,31,348

**For VISHNUAGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN: 134443W)**

S/d
**(MANU AGARWAL) Partner
M. No. 146713**

**PLACE : MUMBAI
DATE: 18th July, 2013**

**By Order of the Board
For Hemakuta Industrial Investment Co. Ltd**

Sushil Morarka Abhishek Morarka

HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

Munirabad R.S., Dis. Koppal, Munirabad, Karnataka – 583234

Registered Folio No: _____

No. of Shares held: _____

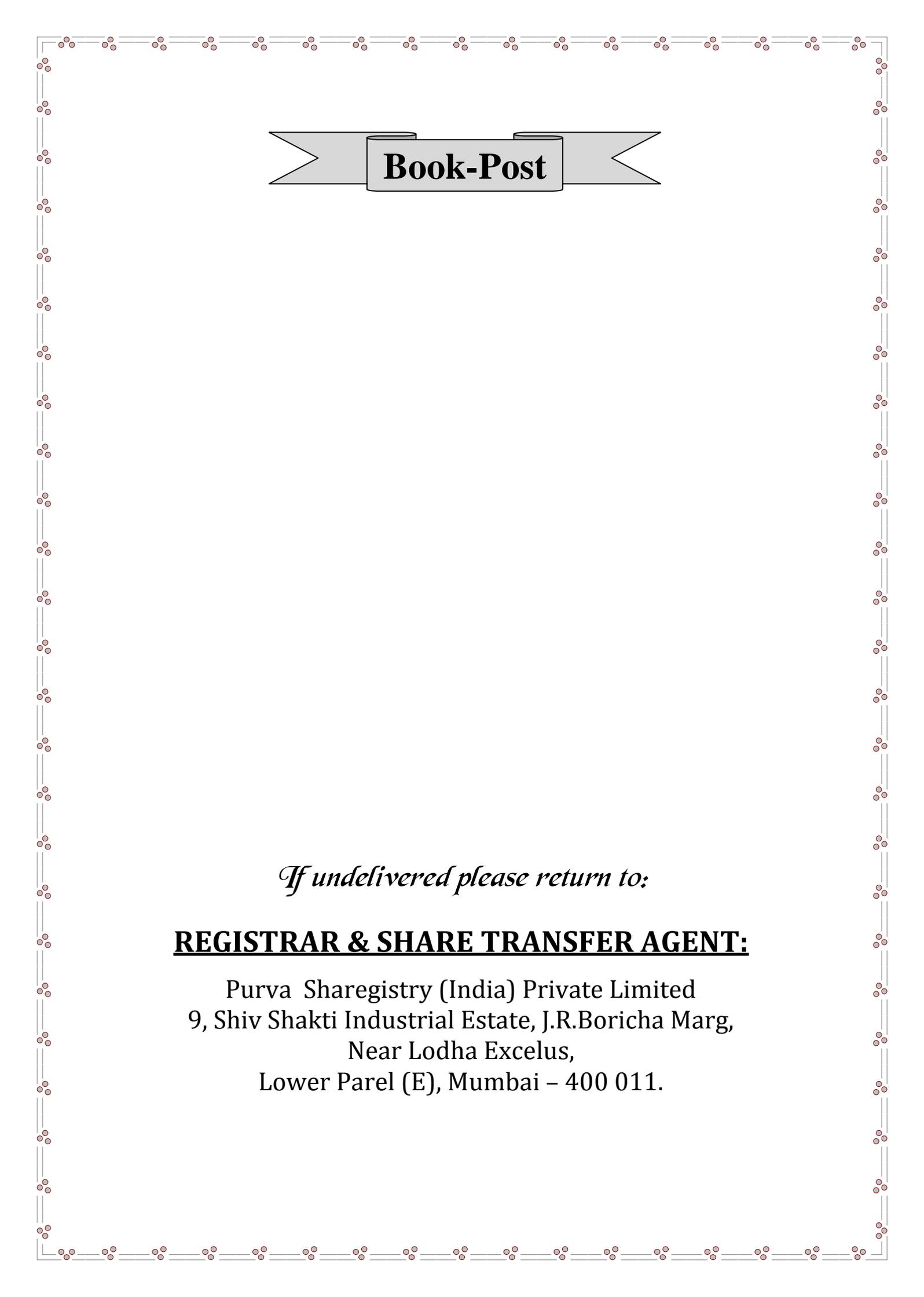
PROXY FORM

I / We _____ of _____ being a
Member(s) of **Hemakuta Industrial Investment Co. Ltd.** Hereby appoint
_____ of _____ or failing him
_____ of _____ as my / our proxy to
vote for me / us on my / our behalf at the Annual General Meeting to be held on 28th
September, 2013 at 11.00 a.m. and at any adjournment thereof.

Affix	15
Paise	
Revenue	
Stamp	

Signed this ____ day of _____, 2013

Note: This form duly completed and signed must be deposited at the Registered Office
of the Company not less than 48 hours before the Meeting.



Book-Post

If undelivered please return to:

REGISTRAR & SHARE TRANSFER AGENT:

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate, J.R.Boricha Marg,
Near Lodha Excelus,
Lower Parel (E), Mumbai - 400 011.