

**HEMAKUTA INDUSTRIAL INVESTMENT CO.  
LTD**

**MUNIRABAD – KARNATAKA – 583 234**

**Annual Report**

**2011 - 12**

# HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

**Registered Office:**

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

E-mail ID: hemkutaind@gmail.com

**Administrative Office:**

101, Kshamalaya,  
New Marine Lines,  
Mumbai – 400 020  
Tel: 022-22053655

**BOARD OF DIRECTORS:**

Mr. Sushil Morarka - Chairman  
Mr. Abhishek Morarka - Managing Director  
Mr. Kannan Krishnan – Director  
Mr. Prabhash Jain – Director

**Auditors:**

Vishnu Kumar Agarwal,  
Chartered Account,  
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**

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### **NOTICE**

**NOTICE** is hereby given that the Annual General Meeting of **HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD** will be held on Saturday the 29<sup>th</sup> September, 2012 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 31<sup>st</sup> March 2012, the Profit and Loss Account for the year ended 31<sup>st</sup> March 2012 and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sushil Morarka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To confirm designation of Mr. Kannan Krishnan as additional Director as Director
4. 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  
**Chairman**

**Place: Mumbai**

**Date: 14<sup>th</sup> June, 2012**

#### **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 23<sup>rd</sup> Day of September, 2012 to 29<sup>th</sup> Day of September, 2012 (Both the days Inclusive) in connection with Annual General Meeting.
3. Proxies, in order to be effective should be duly completed, 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 31<sup>st</sup> March 2012

### Financial Results

Particulars		Current Year (In Rs.) (31.03.2012)	Previous Year (In Rs.) (31.03.2011)
	Profit/Loss Before Tax	(4,61,671)	(39,178)
Less	Provision for Tax	0	0
	Profit/Loss After Tax	(4,61,671)	(39,178)
Add	Balance Brought From Last Year	(3,37,95,435)	(3,37,56,257)
	Balance Carry Forward to Next Year	(3,42,57,106)	(3,37,95,435)

### 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. Sushil Morarka, Director of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment & to confirm designation of Mr. Kannan Krishnan as additional Director as Director.

### Auditors

Vishnu Kumar Agarwal, Chartered Account, 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 31<sup>st</sup> March 2012 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 31<sup>st</sup> March 2012 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

## **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 Under Section 217(1) of The Companies Act, 1956.**

### **A. Conservation of energy & research and development:**

The requirement for disclosure of particulars with respect to conservation of energy and research and development is not applicable to the Company.

### **B. Foreign Exchange**

Earned (on FOB basis):	Rs.NIL
Outgo	: Rs.NIL

## **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 only and trading of the shares were suspended from BSE since 2<sup>nd</sup> January, 2002

**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  
**Chairman**

**Place: Mumbai**

**Date: 14<sup>th</sup> June, 2012**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

### **1. Operating Results:**

The Company continue to fail to resume its activity in view of its long overdues with its earlier banker. However the said account was settled under OTS during the year under review. The Company has incurred the loss of Rs. 4,61,671/- mainly on account of writing of of Bad debts. During the coming years the Company is intend to resume activity and also approaching The Bombay Stock Exchange Ltd, where the shares are listed for listing of remaining shares (45000) and for revocation of trading.

### **2. Industry Trends and Business Analysis:**

During the year, the BSE Sensitive Index which was 19,420 at the start of the financial year, after making a low of 15,454 in December, 2011 ended at 17,404 on 30th March, 2012. The stock markets remained in low gear in 2011.

The revision of India's Long Term Sovereign rating from "Stable" to "Negative" by international ratings agency "Standard and Poor, has huge implications for the Indian Economy and adversely affected the way Foreign Investors view India as Investment destination. The revision has hurt sentiments of financial markets and tripped shares, the rupee and bonds.

### **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.

### **3. Future Prospects and Outlook:**

Inflation is refusing to come down significantly and the central bank willing to give up its rising interest rate stance. Combining these two factors and global economic crises with reluctant looking FIIs, the entire picture of Indian market looks gloomy.

Further, uncertainties about the path of future global recovery and risks arising from large sovereign debt continue to threaten the return to stability in the international financial markets. These developments in the global financial markets transmitted to the domestic financial markets could give way to volatility in stock prices and the exchange rate.

**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 prudent business and risk management practices.

**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 2012 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. 3,42,57,106/- as against (-) Rs. 3,37,95,435/- 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**

**Sushil Morarka**

**Abhishek Morarka**

**Date : 14<sup>th</sup> June, 2012**

**Place: Mumbai**



## **AUDITOR'S REPORT**

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

I have audited the attached balance sheet of M/S.HEMAKUTA INDUSRIAL INVESTMENT CO. LTD. as at 31st March, 2012 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, 2011 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March,2012 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 there on 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, 2011 and
  - ii) in the case of the Profit & Loss Account of the Profit for the year ended on that date.

**PLACE : MUMBAI**

**DATE : 14<sup>th</sup> June, 2012**

**VISHNU KUMAR AGARWAL  
CHARTERED ACCOUNTANT  
M.NO. 37593**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE OF THE AUDITOR TO THE MEMBERS OF M/S.HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LTD.ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

1. (i) The Company has maintained proper record showing full particulars including quantitative details and situation of 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. 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 31<sup>st</sup>March, 2012 for a period of more than six months from the date they became payable.

10. In my opinion, the company has accumulated losses at the end of the financial year amounts to Rs. 342.57 lacs and has incurred cash losses in the current financial year of Rs. 4.62 lacs and has incurred cash loss in the immediately preceding financial year amounts to Rs. 0.39 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 : 14<sup>th</sup> June, 2012**

**VISHNU KUMAR AGARWAL  
CHARTERED ACCOUNTANT  
M.NO.37593**

**HEMAKUTA INDUSRIAL INVESTMENT COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH,2012**

<u>PARTICULARS</u>	<u>SCH.</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
<b><u>I.EQUITY AND LIABILITIES</u></b>			
<b>(1) Shareholder's funds</b>			
(a)Share Capital	1	1,25,00,000	1,25,00,000
(b) Reserves and Surplus			
Profit & Loss A/c.		-34,257,106	-33,795,435
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term borrowings	2	75,90,623	1,44,08,206
<b>(4) Current Liabilities</b>			
(a) Other current liabilities	3	1,77,00,420	3,69,04,530
<b>Total</b>		<u>35,33,937</u>	<u>3,00,17,301</u>
<b><u>II. Assets</u></b>			
<b>(1)Non-current assets</b>			
(a) Fixed assets			
(b) Non-Current investment		32,68,957	32,68,957
<b>(2)Current assets</b>			
(a) Cash & cash equivalents	4	2,64,980	-266,368
(b) Short-term loans and advances			2,70,14,712
<b>Total</b>		<u>35,33,937</u>	<u>3,00,17,301</u>

The above Balance Sheet along with notes thereon are hereby authenticated by me.

Accompany to my report of even date

VISHNU KUMAR AGARWAL  
CHARTERED ACCOUNTANT  
M.NO. 37593

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

Sushil Morarka

Abhishek Morarka

PLACE : MUMBAI  
DATE : 14<sup>th</sup> June, 2012

**HEMAKUTA INDUSRIAL INVESTMENT COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2012**

<u>PARTICULARS</u>	<u>Sch</u>	31.03.2012	31.03.2011
I. Revenue from operation			
II. Other Income		---	2,257
<b>Total Revenue (A)</b>		---	2,257
<b>III. Expenses:</b>			
<u>Other Expense</u>			
Administrative Expense		5,525	24,560
Audit Fees		9,000	---
Baddebts		3,80,117	---
Travelling		1,500	---
Filing Fees		10,200	---
Website Expenses.		13,736	---
Shares Expenses		38,092	---
Legal & Professional Expenses		---	15,000
Bank charges		3,501	1,875
<b>Total Expense (B)</b>		4,61,671	41,435
IV. Profit before exceptional & extraordinary items & tax	(A-B)	-461,671	-39,178
V. Exceptional Items		---	---
VI. Profit before extraordinary items & tax		-461,671	-39,178
VII. Extraordinary Items		---	---
VIII. Profit before tax (VII-VIII)		-461,671	-39,178
IX. Tax expense		---	---
X. Profit /Loss from the period from Continuing operations (VII-VIII)		---	---
		-461,671	-39,178
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)		-461,671	-39,178
XV. Earning per equity share:			

The above Balance Sheet along with notes thereon are hereby authenticated by me. Accompany to my report of even date

**VISHNU KUMAR AGARWAL**  
**CHARTERED ACCOUNTANT**  
**M.NO. 37593**

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

**PLACE : MUMBAI**  
**DATE : 14<sup>th</sup> June, 2012**

**Sushil Morarka**

**Abhishek Morarka**

**HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD.  
SCHEDULE OF BALANCE SHEET**

**HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LIMITED**

**SCHEDULE SFORMING PART OF ACCOUNT**

	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
<b><u>SCH.1: Share Capital</u></b>		
<b>Authorised Shared Capital</b>		
<b>500000 Equity Shares of Rs.10 each</b>	<b><u>5,00,00,000</u></b>	<b><u>5,00,00,000</u></b>
Issued, Subs. & Paid Up		
1250000 Equity Shares of RS.10 each	<u>1,25,00,000</u>	<u>1,25,00,000</u>
<b><u>SCH.2: LONG-TERM BORROWINGS</u></b>		
<b><u>SECURED LOANS</u></b>		
On Hypothecation of stock		24,16,866
Interest Accrued		<u>44,09,717</u>
<b>A</b>		<u>68,26,583</u>
<b><u>UNSECURED LOANS</u></b>		
From Directors	50,48,263	50,48,263
From Companies	<u>25,42,360</u>	<u>25,33,360</u>
<b>B</b>	<u>75,90,623</u>	<u>75,81,623</u>
<b>A+B</b>	<u>75,90,623</u>	<u>1,44,08,206</u>
<b><u>SCH.3: OTHER CURRENT LIABILITIES</u></b>		
A) Audit fees Payable	25,060	25,060
B) Bell Tools Pvt. Ltd.	1,62,000	1,62,000
C) Candy Filters	1,75,13,360	3,33,68,691
D) Interest payable	---	32,88,779
E) UCO Bank Legal Expenses	---	60,000
	<u>1,77,00,420</u>	<u>3,69,04,530</u>
<b><u>SCH.4: CASH &amp; CASH EQUIVALENTS</u></b>		
Cash in hand	2,55,060	3,04,032
Bank balance	<u>9,920</u>	<u>-570,400</u>
	<u>2,64,980</u>	<u>-266,368</u>

**Schedules forming part of the Balance Sheet as at 31st March, 2010**

**Details Of Non-Current Investment**

<u>Description</u>	<u>As on 31.03.2012</u>	<u>As on 31.3.2011</u>
1 76040 Equity Shares of Rs. 10/- each Indi Sugar & Refineries Ltd.	760400.00	760400.00
2 26817 Equity Shares of Rs. 10/- each Tungbhadra Pulp & Board Mills Ltd.	268170.00	268170.00
3 5400 Equity Shares of Rs. 10/- each Candy Filters (I) Ltd.	34750.00	34750.00
4 250 Equity Shares of Rs. 100/- each Munirabad Drug Co. Ltd.	25000.00	25000.00
5 25 Partly Paid Equity Shares of Rs. 100/- each Safety Glass & Fibres Ltd.	625.00	625.00
6 51171 `A' Class Shares of Rs. 10/- each Stressed Concrete Construction Ltd.	512.00	512.00
7 1290000 `B' Class Shares of Rs. 50/- each Stressed Concrete Construction Ltd.	99500.00	99500.00
8 48000 Equity Shares of Rs. 5/- each of Salar Jung Sugar Mills Ltd.	240000.00	240000.00
9 1000 Non-Cumulative redeemable shares of Rs. 100/- each of Gundech Estate Pvt. Ltd.	100000.00	100000.00
10 1000 Non-Cumulative redeemable shares of Rs. 100/- each of Gundech Properties Pvt. Ltd.	100000.00	100000.00
11 400 Non-Cumulative redeemable shares of Lawson Trading Co. Pvt. Ltd.	40000.00	40000.00
12 200000 9.5% Redeemable Preference Shares of Rs. 10/- each Coverd Wire Ltd.	200000.00	200000.00
13 10000 Equity Shares of Rs. 10/- each shares of Kapila Daries Pvt. Ltd.	100000.00	100000.00
14 650 Equity Shares of Rs. 10/- each Shares of Amalagamated Commercial Traders Ltd.	1300000.00	1300000.00
	<b>3268957.00</b>	<b>3268957.00</b>

**HEMAKUTA INDUSTRIAL INVESTMENT COMPANY LIMITED**

**YEAR 2011-2012**

**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>	9,000	NIL

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:**

(In Lacs)

Related Parties	Ref. in 1(a)	Ref. in 1(b)	Total
<b>Expenses:</b>	-	176.75	176.75
<b>Outstanding:</b>			
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	31.3.2012		

(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	3,534	Total Assets	3,534
Sources of funds			
Paid up capital	12,500	Secured Loans	NIL
Reserve & Surplus	(34,257)	Unsecured Loans	7,591
Current Liabilities	17,700		
Application of funds			
Net Fixed Assets	0	Investment	3,269
Mis. Expenditure	0	current Assets	265

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

Turnover	0	Total Expenditure	461.67
Profit before Tax	(461.67)	Profit After Tax	(461.67)
Earning per share	Rs. 0.54	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.

**PLACE : MUMBAI**

**DATE : 14<sup>th</sup> June,2012**

**VISHNU KUMAR AGARWAL  
CHARTERED ACCOUNTANT**

**M.NO.37593**

HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD  
CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended 31-Mar-12 Rupees	For the year ended 31-Mar-11 Rupees
A	Cash flow from Operating Activities	
	(4,61,671)	-39,178
	Net Profit before Tax and other extraordinary items	
	Adjustment for	
	0	0
	Taxation	
	0	0
	Depreciation	
	(4,61,671)	-39,178
	Operating Profit before working capital changes	
	Adjustments for	
	0	0
	Trade Receivable	
	0	0
	Short term provisions	
	0	0
	Investments	
	0	0
	Inventories	
	0	0
	Short term borrowings	
	0	0
	Work in progress	
	0	0
	Short term loans & advances	
	2,70,14,712	25,000
	Current Assets	
	0	0
	Other Current Liabilities	
	(1,92,04,110)	11,030
	Cash Generated from Operations	
	62,86,235	-3,148
	Cash flow from Investing Activities	
	0	0
	Purchase/Sale of Fixed Assets	
	0	0
B	Purchase/Sale of Investments	
	0	0
	Net Cash from Investing Activities	
	0	0
	Cash flow from Financing Activities	
	0	0
	Repayment of long term Borrowings	
	(68,17,583)	0
C	Net Cash from Financing Activities	
	0	0
	NET INCREASE/(DECREASE)	
	IN CASH & CASH EQUIVALENT ( A + B + C )	
	531,348	-3,148
	Cash & Cash Equivalent at the Commencement of the year	
	(2,66,368)	(2,63,219)
	CASH & CASH EQUIVALENT AT THE END OF THE YEAR	
	2,64,980	(2,66,368)

As per our Report of even date

**VISHNU KUMAR AGARWAL**  
CHARTERED ACCOUNTANT  
M. No. 37593

For and on behalf of the Board of Directors

Place : Mumbai  
Date :14th June, 2012

Sushil Morarka  
DIRECTOR

Abhishek Morarka  
DIRECTOR

# HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD

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

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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 29<sup>th</sup>  
September, 2012 at 11.00 a.m. and at any adjournment thereof.

Affix	15
Paise	
Revenue	
Stamp	

Signed this \_\_\_\_ day of \_\_\_\_\_, 2012

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.



*If undelivered please return to:*

Registered Office

**HEMAKUTA INDUSTRIAL INVESTMENT CO. LTD**

Munirabad R.S., Dis. Koppal,  
Munirabad, Karnataka – 583 234