



9th
ANNUAL REPORT
2019-20

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS

Alex Kalluvila Babu
Managing Director

K P Padmakumar
Whole Time Director

Rapheal Thomas
Director

Ajit Kumar Kuruppath
Independent Director

P C John
Independent Director

REGISTERED OFFICE

Hedge House, Mamangalam
Kochi-682 025
Kerala
CIN : U65923KL2011PLC027672
www.hedgefinance.com

Statutory Auditors
Manikandan & Associates
Chartered Accountants,
Room: 78, II Floor, DD Oceano Mall,
Marine Drive, Ernakulam,
Kochi-682 011

Secretarial Auditors
SEP & Associates
Company Secretaries,
Building No.Cc 43/2695-A,
Karya Parambil Lane,
SRM Road,
Kochi-68201

Bankers
HDFC Bank Ltd
The Federal Bank Ltd
South Indian Bank Ltd
Yes Bank Ltd
Indusind Bank Ltd
Axis Bank Ltd

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting the **9th Annual Report** on the business and operations of the company together with the Audited Statement of Accounts for the Financial Year ended 31st March 2020.

Financial Performance:

During the year under review, performance of your Company was as under:

Amount in ₹

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Total revenue	19,66,35,349	12,36,10,517
Total Expenses	18,24,86,613	12,84,56,072
Profit/(Loss) before taxation	1,41,48,736	(48,45,555)
Less/Add:		
Current Tax	30,23,115	-
Deferred Tax	(2,98,510)	(12,91,265)
Total Tax Expenses	27,24,605	(12,91,265)
Profit / Loss after tax	1,14,24,131	(35,54,290)
Add: Balance B/F from the previous year	(27,90,428)	1,35,78,231
Less: dividend and dividend distribution tax	-	1,28,14,369
Less: Transfer to reserve	22,84,826	-
Balance Profit / (Loss) C/F to the next year after setting off accumulated loss	63,48,877	(27,90,428)

Dividend:

During the Financial Year 2019-20, the Board recommends payment of 2.5% dividend, on the paid-up capital of the Company, to eligible shareholders.

State of Company's Affairs and Future Outlook

Financial Year (FY) 2019-20 was a year in which the Company achieved a turn around and recorded a net profit status in its operations.

The Covid 19 pandemic and the resultant economic slowdown did affect the Company's operations in the last quarter of the last fiscal. The lock down declared across the nation on 25th March 2020 and the Covid protocols introduced in many areas of operations of the Company, substantially affected the March 2020 performance, a month in which generally all financial institutions record handsome improvement in business. Despite this set back the total income of the company increased by 59.08 % over fiscal 2018-19. The net profit of ₹ 86,33,703/-registered is after wiping off the accumulated loss of ₹ 27,90,428/- in fiscal 2018-19.

Consistent with the asset growth of 39.60% over last fiscal achieved by deeper foray in the retail end of the market, the Company also expanded and diversified its liability structure by opting for issuance of secured debentures listed in the Bombay Stock Exchange. In all 5 tranches of issue were effected taking the total liabilities under Debenture portfolio to ₹ 106.97 Crore, at 31 March 2020. All the financial metrics of the Company like Return on assets, Return on Equity, Average Cost of liabilities, income to cost ratio all registered considerable improvement.

Despite the fact that Covid 19 and the economic distress makes the outlook for fiscal 2020-21 very uncertain, your company believes that the post Covid 19 outlook will throw open more lending opportunities in the retail segments and plan to widen its foray into segments like retail trade, personal finance, micro finance and loan against gold. The Company Proposes to further deepen the retail customer base of investors by making further forays in the listed segment of the market and also increase the borrowings from the banking segment concurrent with need for funds.

Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the Financial Year of the company to which the Financial Statements relate and the date of the report:

As indicated above, other than the impact due to COVID 19, there were no material changes and commitments which affected the financial position of the Company, and which had an impact on the functioning and working of the Company. Despite the adverse economic situation during the last quarter of the FY, the Company could effectively manage its operations, and going forward the Management will constantly scan the business environment and adopt strategies suited for the emerging changes.

Change in nature of business, if any, during FY 2019-20:

Your Company has not deviated from its line of business activity nor has expanded the area of activities.

Reserves:

During the Financial Year 2019-20, your company has registered a net profit of ₹ 1,14,24,131/- and an ₹ 22,84,826/- is transferred to reserves.

Share Capital:

The Capital structure of the Company is as follows:

Share Capital	31.03.2020	31.03.2019
Authorized Share Capital 50,000,000 Equity Shares of ₹10/- each (75,000,000 Equity shares of Rs.10/- each) 25,000,000 Preference Shares of Rs.10/- each (Nil)	500,000,000 250,000,000	750,000,000 -
Issued Share Capital 23,716,544 Equity Shares of ₹ 10/- each	237,165,440	237,165,440
Subscribed and fully paid up Share Capital 21,293,817 Equity Shares of ₹ 10/- each fully paid up	212,938,170	212,938,170
Subscribed but not fully Paid up Share Capital 1,150,000 Equity Shares of ₹ 10/- each in which ₹ 3.05/share paid up 1,272,727 Equity Shares of ₹ 10/- each in which ₹ 6.5/share paid up	3,507,500 8,272,726	3,507,500 8,272,726
Total	224,718,396	224,718,396

Changes in Share Capital:

There was no change in the share capital of the company during the Financial Year 2019-20.

Debentures Issue

During the financial year 2019-20 the company had issued 537,255 Secured Non-Convertible Redeemable Debentures of ₹ 1000/- each aggregating to ₹537,255,000 /- and 225,000 Unsecured Non-Convertible Redeemable Debentures of ₹ 1000/- each up to an amount of ₹225,000,000 /- by way of

private placement, and (1,50,000) Secured Non-Convertible Redeemable Debentures of ₹ 1000/- each aggregating to ₹15,000,000 /-, which were listed on Bombay Stock Exchange. This is the first time the Company has issued privately placed listed Secured Non-Convertible Redeemable Debentures

Revision of Financial Statement:

There was no revision of the Financial Statements of any earlier years during the year under review.

Extract of Annual Return:

As provided under Section 92(3) of the Act, extract of Annual Return for the Financial Year 2019-20, in Form MGT-9, is required to be enclosed is attached to the report as **Annexure I**.

Subsidiary / Joint Ventures:

For the Financial Year ended on 31stMarch 2020, the Company had no holding company, subsidiaries, and joint ventures.

Composition of Board:

During the Financial Year under review, the Board comprised of the following members:

DIN	Name of the Director	Designation	Date of Appointment	Date of Cessation
01254207	Alex K Babu	Managing Director	15/02/2011	NA
00023176	Kiliyanat Puliasseri Padmakumar	Whole Time Director	01/07/2019	NA
00042147	Palathunkal Chacko John	Director	04/09/2019	NA
03588605	Kuruppath Ajitkumar	Director	04/09/2019	NA
06379667	Rapheal Thomas	Director	19/04/2018	NA

On the recommendation of Nomination and Remuneration Committee, Mr. Kiliyanat Puliasseri Padmakumar, was appointed as whole time Director and Mr. Kuruppath Ajitkumar and Mr. P C John were inducted on the Board of the Company as Independent Directors at the Annual General meeting held on 26/09/2019, and independent Directors are having over 30 years' experience in Banking sector.

All Independent Directors have given their declarations that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

On the recommendation of Nomination and Remuneration Committee, Mr. Kiliyanat Puliasseri Padmakumar, was appointed as Whole Time Director and Mr. Kuruppath Ajitkumar and Mr. P C John were inducted on the Board of the Company as Independent Directors at the Annual General meeting held on 26/09/2019, and all these Directors are having over 30 years' experience in Banking sector.

All Independent Directors have given their declarations that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

The Board, based on the recommendation of the Nomination Committee of the Board, recommends to the shareholders, the reappointment of Mr. Alex K Babu, Managing Director, and Mr. Kiliyanat Puliasseri Padmakumar, Whole Time Director on the Board of the Company, at this Annual General Meeting.

Key Managerial Personnel:

The Key Managerial Personnel comprised of the following members: -

DIN/PAN	Name	Designation
01254207	Alex K Babu	Managing Director
CIJPS6370Q	Suraj Ramachandran	Chief Financial Officer
ACXPG2744C	Girish Kumar G*	Company Secretary

* Ms. Anju Thomas who was the Company Secretary of the Company till October 2019, and the Company has appointed Mr. Girish Kumar G as Company secretary with effect from 01/03/2020

Meetings of the Board of Directors:

During the Financial Year 2019-20, 33 meetings of Board of Directors of the company were held as detailed below;

Date of the meeting	K P Padmakumar	Alex Kalluvila Babu	Rapheal Thomas	Ambarish Naresh sampath	John George	Palathunkal Chacko John	Kuruppath Ajitkumar
04.04.2019	NA	Present	Absent	Present	Present	NA	NA
06.04.2019	NA	Present	Absent	Present	Present	NA	NA
30.04.2019	NA	Present	Absent	Present	Present	NA	NA
01.05.2019	NA	Present	Absent	Present	Present	NA	NA
11.05.2019	NA	Present	Absent	Present	Present	NA	NA
01.06.2019	NA	Present	Present	Present	Present	NA	NA
01.07.2019	Present	Present	Absent	Present	Present	NA	NA
02.07.2019	Present	Present	Absent	Present	Present	NA	NA
19.07.2019	Present	Present	Absent	Present	Present	NA	NA
20.07.2019	Present	Present	Absent	Present	Present	NA	NA
01.08.2019	Present	Present	Absent	Present	Present	NA	NA
01.09.2019	Present	Present	Absent	Present	Present	NA	NA
04.09.2019	Present	Present	Absent	Present	Present	Present	Present
01.10.2019	Present	Present	Absent	NA	NA	Absent	Absent
01.11.2019	Present	Present	Absent	NA	NA	Absent	Absent
02.11.2019	Present	Present	Absent	NA	NA	Absent	Absent
23.11.2019	Present	Present	Absent	NA	NA	Absent	Absent
25.11.2019	Present	Present	Absent	NA	NA	Absent	Absent
02.12.2019	Present	Present	Absent	NA	NA	Absent	Absent
06.12.2019	Present	Present	Absent	NA	NA	Absent	Absent
31.12.2019	Present	Present	Absent	NA	NA	Absent	Absent
02.01.2020	Present	Present	Present	NA	NA	Absent	Absent
08.01.2020	Present	Present	Absent	NA	NA	Absent	Absent
09.01.2020	Present	Present	Absent	NA	NA	Absent	Absent
29.01.2020	Present	Present	Absent	NA	NA	Present	Present
01.02.2020	Present	Present	Absent	NA	NA	Absent	Absent
10.02.2020	Present	Present	Present	NA	NA	Absent	Absent
06.03.2020	Present	Present	Present	NA	NA	Absent	Absent
20.03.2020	Present	Present	Absent	NA	NA	Absent	Absent
21.03.2020	Present	Present	Absent	NA	NA	Absent	Absent
24.03.2020	Present	Present	Absent	NA	NA	Absent	Absent
25.03.2020	Present	Present	Absent	NA	NA	Present	Present
30.03.2020	Present	Present	Absent	NA	NA	Present	Present

General Meeting:

Date of Meeting	Nature of Meeting	No. of Directors attended the meeting	No. of members attended the meeting including Directors
03.04.2019	Extra Ordinary General Meeting	2	5
29.04.2019	Extra Ordinary General Meeting	2	5
26.09.2019	Annual General Meeting	2	12
22.02.2020	Extra Ordinary General Meeting	2	5

Independent Directors Meeting:

Date of Meeting	P C John	Kuruppath Ajitkumar
Category	Independent Director	Independent Director
29.01.2020	Present	Present

Audit Committee:

The Company has constituted an Audit Committee as required under Section 177 of the Companies Act, 2013. The Board has accepted all the recommendations of the Audit Committee during the year 2019-20 and Mr. John George was the Chairman of such Committee meeting.

The Composition and details of meeting of Audit Committee is as follows:

Date of Meeting	Alex K Babu	Ambrish Naresh Sampat	John George
Category	Executive and Non-independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director
04.09.2019	Present	Present	Present

* Due to the resignation of Mr. Ambrish Naresh Sampat and John George, independent Directors on 04.09.2019, Committee was reconstituted on the Board meeting held on 04.09.2019 with the newly appointed Independent Directors.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Directors decides on the policies and details of remuneration payable to the Directors. The Committee had met three times during the Financial Year under review i.e on 01.07.2019, 04.09.2019 and 29.01.2020 and all its members were present except Mr. Raphel Thomas. and Mr. Ambrish Naresh Sampat was the Chairman of such Committee Meetings. The composition of the Nomination and Remuneration Committee is as follows: -

Date of the meeting	Raphel Thomas	*Ambrish Naresh Sampat	*John George
Category	Non-Executive and Non-independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director
01.07.2019	Absent	Present	Present
04.09.2019	Absent	Present	Present
Date of the meeting	Raphel Thomas	* Palathunkal Chacko John	* Kuruppath Ajitkumar
29.01.2020	Absent	Present	Present

* Due to the resignation of Mr. Ambrish Naresh Sampat and John George, independent Directors on 04.09.2019, Committee was reconstituted on the Board meeting held on 04.09.2019 with the newly appointed Independent Directors.

Remuneration Policy:

The Company has laid down remuneration criteria for directors, key managerial personnel, independent Directors, other employees in the Remuneration Policy. **The main contents of this policy are as follows:**

1. The remuneration structure is based on the qualification and skill levels at the time of joining the organisation and reviewed on a yearly basis by way of an assessment of their actual performance, through a robust “Performance Management System”.
2. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully and is comparable to the compensation structure obtaining in other NBFCs and the broader financial sector.
3. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
4. Remuneration to executive directors, key managerial personnel involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
5. Non-Executive Independent Directors of the Company are paid sitting fee for attending Board/ Committees meetings and reimbursement of expenses for participation in Board/Committee meetings.

Particulars of Loan, Guarantees and investments under Section 186:

The Company, being a Non-Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, is exempted from the provisions of Loans made by Company under Section 186 of Companies Act, 2013. An investment amounting to Rs.1,21,95,000/- in one of the group company Hedge Equities Ltd existed at the beginning of the financial year and is continuing at the end of the financial year for the same amount as the company has not made any further investment or sale during the period.

Particulars of Contracts or Arrangements with Related Parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 read along with rule 8 of the Companies (Accounts) Rules, 2014 and Part A of Schedule V of SEBI LODR Regulations has been enclosed in Form AOC-2 attached as **Annexure II**

Auditors:

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s Manikandan & Associates, Chartered Accountants, having firm registration number 008520S, were appointed by the Company at the 8th Annual General Meeting for a period of Two Years. Hence, they were continuing as the Statutory Auditors of the company during the period under review.

There is no qualification or adverse remark in Auditors’ Report. There is no incident of fraud requiring reporting by the Auditors under Section 143(12) of the Act.

Cost Auditors

The provisions of Companies (Cost Records & Audit) Amendment Rules 2014 are not applicable to your Company. The Central government has not specified maintenance of cost records for the Company under sub – section (1) of section 148 of the Companies act 2013. Therefore, there is no requirement for appointment of Cost Auditors.

Secretarial Auditors:

Section 204 of the Companies Act, 2013 with regard to Secretarial audit is applicable to your Company during the year under review, since the Company has listed Secured Non-Convertible Redeemable Debentures, and the Board had appointed SEP & Associates, Company Secretaries, Building No.CC 43/2695-A, Karya Parambil Lane, SRM Road, Kochi-682018 as Secretarial Auditors, and their report is also attached as **Annexure III**.

Your Company confirms that there are no qualifications in the secretarial Auditor’s Report for the year under review.

Compliance with Secretarial Standards on Board and General Meetings

The Company has complied with Secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Conservation of Energy, Technology, Absorption and Foreign Exchange

The particulars as prescribed under sub-section (3) (m) Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 as amended up to date, are set out hereunder:

A. Conservation of energy:

Though your Company does not have energy intensive operations, it continues to adopt energy conservation measures in its administrative and other operations to the extent possible in spirit of contributing towards green ecology initiative which is globally gaining popularity and adoptability. Adequate measures have been taken to conserve energy by using energy-efficient computers and equipment, which would help in conservation of energy.

B. Technology Absorption, Adaptation and Innovation, Research and Development:

Your Company has neither carried out any research and development activities during the year under review nor incurred any expenditure thereupon. However, your Company is always finding out newer ways of attracting customers and launching new initiatives to capture market dominance.

C. Foreign Exchange Earnings and Outgo:

During the period under report, your Company had not earned any amount of foreign exchange nor had incurred expenditure in foreign exchange.

Risk Management Policy:

As per the Risk Management Policy of the company all fixed assets and machineries are properly maintained, and this Policy has been reviewed by the Board on an annual basis.

The company has a proper Risk Management Policy towards operations and administrative affairs of the company. The Managing Director will review the policy at regular intervals of time and ensure proper implementation of the policy formulated.

Details of significant and material orders passed by the Regulators or Courts or Tribunal:

There were no significant material orders passed by any Regulators or Courts or Tribunal during the year under review which would have impact on the going concern status of the Company and its future operation.

Adequacy of internal financial controls with reference to the Financial Statements:

The Company has an adequate system of internal controls in place. These controls have been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

Deposits:

The Company has not accepted any deposits. The directives issued by Reserve Bank of India and as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the company.

Corporate Social Responsibility (CSR) Policy:

The provisions of Section 135(1) of the Companies Act 2013 read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 relating to Corporate Social Responsibility is not applicable to your Company, and accordingly, the Company has not disclosed the particulars of the CSR policy, CSR Committee constitution and other matters under this head.

Statement Indicating the manner in which Formal Annual Evaluation has been made of the overall performance of the Board:

Since the Company has issued Secured Non-Convertible Redeemable Debentures, which are listed on Bombay Stock Exchange, as required by the regulations, a meeting of Directors was held, wherein the performance of Whole Time Directors and the overall flow of information, both from the quality of the content and time factor, between the Company Management and the Board and also the overall governance of the Company was discussed and found to be satisfactory. Moreover, it was noted that there were no whistle blower incidents, or any other incidents which impact the reputation of the Company

Disclosure of Establishment of Vigil Mechanism:

The provisions of Section 177(9) of the Companies Act, 2013 was not applicable to the company during the first eight months of the year and consequent to the listing of Non-Convertible Debentures in December 2020, the aforesaid provision became applicable. The company being an entity which always promotes and follow ethical paths has established the necessary mechanism through Whistle Blower policy duly approved by the Board, for employees to report concerns about unethical behaviour. No person has denied access to the Audit Committee. The policy of the company ensures standards of professionalism, honesty, integrity, and ethical behaviour. Going forward the company will be reviewing this policy based on the regulatory requirements to keep in pace with requirements.

Disclosure under Sexual Harassment of Women at Workplace (prevention, prohibition & Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at work place and has adopted a sexual harassment policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has constituted necessary Committee as required under the above-mentioned Act.

There was no Sexual Harassment of Women reported during the year ended 31.03.2020. There are proper and adequate arrangements so as to avoid occurrence of sexual harassment.

Directors Responsibility Statement

In accordance with the provisions of the Section 134(5) of the Companies Act 2013, the Board of Directors to best of their knowledge and ability, confirm that:

- a) in the preparation of annual accounts for the Financial Year ended 31stMarch 2020, the applicable accounting standards had been followed and there was no departure from the accounting standards followed.
- b) the directors had selected such accounting policies and applied them consistently and made judgments 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 31stMarch 2020 and of the profit / (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 the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis.
- e) had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees:

The statement of particulars of employees as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to your Company.

Acknowledgement:

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication, and commitment.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from RBI, suppliers, redistribution stockists, retailers, business partners and others associated with the Company as its trading partners.

It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

**For and on behalf of the Board of Directors
HEDGE FINANCE LIMITED**

sd/-

sd/-

**Place: Kochi
Date: 14/08/2020**

**Alex Kalluvila Babu
Managing Director
DIN: 01254207**

**K P Padmakumar
Whole Time Director
DIN: 00023176**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rules 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN	:	U65923KL2011PLC027672
ii) Registration Date	:	15/02/2011
iii) Name of the company	:	HEDGE FINANCE LIMITED
iv) Category/ Sub- Category of the Company	:	Company Limited by Shares/ Indian Nongovernment Company
v) Address of the Registered Office and contact details	:	Hedge House, Palarivattom P.O, Mamangalam, Kochi, Ernakulam - 682 025
vi) E-mail	:	cfo@hedgefinance.com
vii) Whether listed company	:	Yes
viii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	CDSL Ventures Limited Milind Saraf Manager-RTA Operations I-202 Deck Level, Tower No. 4, 2nd Floor, Above Belapur Railway Station, Belapur – Navi, Mumbai-400614 Maharashtra022-61216903 milinds@cdslindia.com

II. Principal Business Activities of the Company

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

-

Sl. No.	Name and description of main products / services	NIC Code of the product/ Service	% to total turnover of the company
1.	To carry on business of lending money either through hire purchase, leasing, gold loan	64910	85.81
2	Management of Mutual Fund distribution	66301	11.94

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
Nil					

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category –wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the Year
A. Promoters									
(1) Indian									
a) Individual/ HUF	4789787	963636	5753423	24.26	4889787	963636	5853423	24.68	0.42
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total(A)(1):	4789787	963636	5753423	24.26	4889787	963636	5853423	24.68	0.42
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total(A)(2):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoters (A)=(A)(1) + (A)(2)	4789787	963636	5753423	24.26	4889787	963636	5853423	24.68	0.42
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify) –	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1): -	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corporate									
Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									

I. Individual shareholders holding nominal sh. Capital up to ₹1 lakh	Nil	1000	1000	0.01	Nil	1000	1000	0.01	Nil
ii. Individual shareholders holding nominal sh. Capital in excess of ₹1 lakh	10195455	7766666	17962121	75.74	11245455	6616666	17862121	75.31	1.27
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2): -	10195455	7767666	17963121	75.75	11245455	6617666	17863121	75.32	1.27
Total Public Shareholding (B)=(B)(1) + (B)(2)	10195455	7767666	17963121	75.75	11245455	6617666	17863121	75.32	1.27
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	14985242	8731302	23716544	100%	16135242	7581302	23716544	100%	Nil

***Please note the paid-up share capital of the company is ₹ 224718396/-, the difference between the amount of paid up share capital and the number of shares is due to partly paid up shares held by Mr. Alex Kalluvila Babu**

(ii) Shareholding of Promoters

SL No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Alex K Babu	4489787	18.93	Nil	4589787	19.35	Nil	2.21
2	Pradeep Kumar C	963636	4.06	Nil	963636	4.06	Nil	Nil
3	Nithya Alex	300000	1.26	Nil	300000	1.26	Nil	Nil

(iii) Change in Promoter's Share Holding (Please specify, if there is no change)

There has been certain change in the shareholding of the promoters

Sl. No	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Alex K Babu					
	At the beginning of the year (01.04.2019)		4489787	18.93	4489787	18.93
	Addition of 100000 shares	Transfer	100000	0.04	100000	0.04
	At the end of the year (31.03.2020)		4589787	19.35	4589787	19.35
2	Pradeep Kumar C					
	At the beginning of the year (01.04.2019)		963636	4.06	963636	4.06
		No change	Nil	Nil	Nil	Nil

	At the end of the year (31.03.2020)		963636	4.06	963636	4.06
3	Nithya Alex					
	At the beginning of the year (01.04.2019)		300000	1.26	300000	1.26
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		300000	1.26	300000	1.26

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters, and Holders of GDRs & ADRs)

Sl. No.	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	K C Babu					
	At the beginning of the year (01.04.2019)		6395455	26.97	6395455	26.97
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		6395455	26.97	6395455	26.97
2	DR. P S George					
	At the beginning of the year (01.04.2019)		16,66,666	7.03	16,66,666	7.03
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		16,66,666	7.03	16,66,666	7.03
3	Kiran B					
	At the beginning of the year (01.04.2019)		1200000	5.06	1200000	5.06
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		1200000	5.06	1200000	5.06
4	Dr. Joseph V T & Celine Joseph					
	At the beginning of the year (01.04.2019)		1000000	4.22	1000000	4.22
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		1000000	4.22	1000000	4.22
5	Cheriyath Varghese					
	At the beginning of the year (01.04.2019)		1000000	4.22	1000000	4.22
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		1000000	4.22	1000000	4.22
6	Lissy Mathew					
	At the beginning of the year (01.04.2019)		425000	1.79	425000	1.79
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		425000	1.79	425000	1.79
7	Mathew Philip					
	At the beginning of the year (01.04.2019)		425000	1.79	425000	1.79
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		425000	1.79	425000	1.79
8	Asha John					
	At the beginning of the year (01.04.2019)		250000	1.05	250000	1.05
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		250000	1.05	250000	1.05
9	Aswathi Annie Abraham					
	At the beginning of the year (01.04.2019)		150000	0.63	150000	0.63
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		150000	0.63	150000	0.63

10	Ajit Jones Mathew					
	At the beginning of the year (01.04.2019)		150000	0.63	150000	0.63
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		150000	0.63	150000	0.63

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Alex K Babu					
	At the beginning of the year (01.04.2019)		4489787	18.93	4489787	18.93
	Addition of 100000 shares	Transfer	100000	0.04	100000	0.04
	At the end of the year (31.03.2020)		4589787	19.35	4589787	19.35
2	P.C John					
	At the beginning of the year (01.04.2019)		Nil	Nil	Nil	Nil
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		Nil	Nil	Nil	Nil
3	Kuruppath Ajitkumar					
	At the beginning of the year (01.04.2019)		Nil	Nil	Nil	Nil
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		Nil	Nil	Nil	Nil
4	Suraj Ramachandran					
	At the beginning of the year (01.04.2019)		Nil	Nil	Nil	Nil
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		Nil	Nil	Nil	Nil
5	Girish kumar. G					
	At the beginning of the year (01.04.2019)		Nil	Nil	Nil	Nil
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		Nil	Nil	Nil	Nil
6	Mr. Rapheal Thomas					
	At the beginning of the year (01.04.2019)		3500000	14.76	3500000	14.76
		No change	Nil	Nil	Nil	Nil
	At the end of the year (31.03.2020)		3500000	14.76	3500000	14.76

(vi) Indebtedness:

Indebtedness of the company including interest outstanding/accrued but not due for payment

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) principal amount	31,79,25,321	15,00,00,000	0	46,79,25,321
ii) interest due but not paid	0	0	0	0
iii) interest accrued but not due	0	0	0	0
Total (i +ii+iii)	31,79,25,321	15,00,00,000	0	46,79,25,321
Change in Indebtedness during the financial year				

*Addition	70,73,97,718	22,50,00,000	0	93,23,97,718
*Reduction	-18,19,40,000	-15,00,00,000	0	-33,19,40,000
Net changes	52,54,57,718	7,50,00,000	0	60,04,57,718
Indebtedness at the end of the financial year				
i) principal amount	84,47,40,947	22,50,00,000	0	1,06,97,40,947
ii) interest due but not paid	29,69,407	84,082	0	30,53,489
iii) interest accrued but not due	2,35,15,814	72,36,117	0	3,07,51,931
Total (i+ii+iii)	87,12,26,168	23,23,20,199	0	1,10,35,46,367

(vii) Remuneration of Directors and Key Managerial Personnel

Remuneration to Managing Director, Whole-Time Director and/or Manager

Sl. No	Particulars of Remuneration	Name of Managing Director / WTD / Manager		
		Alex K Babu (MD)	Padmakumar K P (Whole Time Director)	Total amount
	Gross Salary			
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,216,604	13,50,000	3,566,604
	b) Value of perquisites under Section 17(2) Income Tax Act 1961	0	0	0
	c) Profit in lieu of salary under Section 17(3) Income Tax Act 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	-As % of profit	0	0	0
	-Others, specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	2,216,604	13,50,000	3,566,604

B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Name of Director		Total amount
1	Independent Directors	P.C John	Kuruppath Ajitkumar	
	-Fee for attending Board Committee Meetings	20000	20000	40000
	-Commission		0	0
	-Others please specify		0	0
	Total (1)		40000	40000
2	Other Non-Executive Directors		0	0
	-Fee for attending Board Committee Meetings		0	0
	-Commission		0	0
	-Others, please specify		0	0
	Total (2)		0	0
	Total (B)= (1+2)		40000	40000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross Salary				
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1205000	290677+80000	765000	2340677/-
	b) Value of perquisites under Section 17(2) Income Tax Act 1961	0	0	0	0
	c) Profit in lieu of salary under Section 17(3) Income Tax Act 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	-As % of profit	0	0	0	0
	-others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	1205000	370677	765000	2340677/-

XII. Penalties / Punishment / Compounding of Offences:

Type	Sections of the Companies Act	Brief Description	Details of penalties/punishment/compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Director					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**For and on behalf of the Board of Directors
HEDGE FINANCE LIMITED**

sd/-

sd/-

Place: Kochi
Date: 14/08/2020

Alex Kalluvila Babu
Managing Director
DIN: 01254207

K P Padmakumar
Whole Time Director
DIN: 00023176

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and Part A of Schedule V of SEBI LODR Regulations)

1. Details of contracts or arrangements or transactions at arm's length basis

(a) Name(s) of the related parties Nature of Relationship :

Sl. No	Name of Entity	Nature of Relationship
1	Hedge Equities Limited	Common Directors and the Directors hold more than 2% of the paid-up share capital in Hedge Equities Limited

(b) Nature of contracts / arrangements / Transactions

Name of the Related Party	Hedge Equities Limited
Nature of contract / agreement / transaction	Rent paid
Duration of contract / agreements / transactions	1 year (from 01/04/2019 to 31/03/2020)
Salient terms of the contracts or arrangements or transaction including the value, if any	NA
Date of approval by the Board, if any	04.09.2019
Amount paid as advances, if any	Nil

2. Details of material contracts or arrangement or transactions not at arm's length basis:

NIL

**For and on behalf of the Board of Directors
HEDGE FINANCE LIMITED**

sd/-

sd/-

**Place: Kochi
Date: 14/08/2020**

**Alex Kalluvila Babu
Managing Director
DIN: 01254207**

**K P Padmakumar
Whole Time Director
DIN: 00023176**

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,
The Members,
HEDGE FINANCE LIMITED
Hedge House, Mamangalam
Palarivattom P.O, Kochi - 682025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HEDGE FINANCE LIMITED** (CIN: U65923KL2011PLC027672) (hereinafter called the “Company”). Secretarial Audit was conducted for the financial year ended on 31st March 2020 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 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, Company has, during the audit period covering the financial year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) as amended and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (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;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (h) The Securities and Exchange Board of India (Bankers to the Issue) Regulations, 1994;
 - (i) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014;
- (vi) As informed to us, the following other laws are specifically applicable to the Company:
1. Reserve Bank of India Act, 1934;
 2. Master Direction- Non- Banking Financial Company- Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
 3. Non- Banking Financial Companies- Corporate Governance (Reserve Bank) Directions, 2015 as applicable to Non-deposit taking NBFC;
 4. Master Direction- Non- Banking Financial Company Returns (Reserve Bank) Directions, 2016.

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.
- (iii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

Adequate notice is given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority and the same was captured and recorded as part of the minutes. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with its 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 there were no instances of:

- i.** Issuance of securities including Public/Right/Preferential issue of shares other than issue and listing of Non-Convertible Debentures.
- ii.** Redemption / Buy-back of securities
- iii.** Merger /amalgamation / reconstruction;
- iv.** Foreign technical collaborations.

This report is to be read with Annexure A of even date and the same forms an integral part of this report.

**For SEP & Associates
Company Secretaries
(ICSI Unique Code: P2019KE075600)**

sd/-

**CS Sivakumar P
Managing Partner
FCS: F3050, COP No. 2210
UDIN: F003050B000596632**

**Place: Kochi
Date: 14/08/2020**

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members

HEDGE FINANCE LIMITED

Hedge house, Mamangalam

Palarivattom P.O, Kochi – 682 025

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of the provisions of all laws, rules, regulations, standards applicable to **HEDGE FINANCE LIMITED** (hereinafter called the “Company”) is the responsibility of management of the Company. Our examination was limited to the verification of the records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of the Secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to issue Secretarial Audit Report, based on the audit of the relevant record maintained and furnished to us by the Company, along with explanations where so required.
3. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial and other records, legal compliance mechanism and corporate conduct. We believe that the process and practices we followed provide a reasonable basis for our Secretarial Audit Report.
4. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
5. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required. 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 as conducted the affairs of the Company.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2020 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SEP & Associates
Company Secretaries
(ICSI Unique Code: P2019KE075600)

sd/-

CS Sivakumar P
Managing Partner
FCS: F3050, COP No. 2210
UDIN: F003050B000596632

Place: Kochi
Date: 14/08/2020

INDEPENDENT AUDITOR'S REPORT

The Members of
HEDGE FINANCE LIMITED

Opinion

We have audited the standalone financial statements of **Hedge Finance Limited**, which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss, and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2020, and its Profit/Loss, and its Cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

There is no material uncertainty related to going concern

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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

Nil

Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. 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 purpose 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c. In our opinion, the company has no independent branches and hence there is no need to prepare report on the accounts of Branch Office of the company audited under sub section (8).
 - d. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.

e. In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f. In our opinion, the comments or observations don't have any adverse effect on functioning of the company.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to 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.

h. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) the Company does not have any pending litigations which would impact its financial position
- ii) the Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For, MANIKANDAN & ASSOCIATES

sd/-

C. K. Manikandan
(Partner)
Chartered Accountants
Membership No.208654
Firm.No.008520S
UDIN : 20208654AAAADO6863

Place: Kochi
Date: 26/06/2020

**Annexure 1 to the Independent Auditors' Report of
Hedge Finance Limited as of and for the year ended March 31st, 2020
(referred to in our report of even date)**

- i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) The title deed of the immovable property is held in the name of the company.
- ii. (a) The company does not have any inventory and hence this clause is not applicable
(b) The company does not have any inventory and hence this clause is not applicable
(c) The company does not have any inventory and hence this clause is not applicable
- iii. The company has granted loan to Hedge Equities Limited and balance outstanding as on 31/03/2020 is NIL
 - a. The terms and conditions of the grant of such loans are not prejudicial to the company's interest
 - b. The company is regular in payment of interest where applicable.
 - c. Since no amount is overdue this clause is not applicable.
- iv. The company has not granted any loans, investments, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013 and hence this clause is not applicable to the company.
- v. The Company has not accepted any deposits from the public as per the provisions of sections 73 to 76 of the Companies Act and the rules framed there under. Hence this clause is not applicable to the Company.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any services rendered by the company.
- vii. (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues.
(b) According to the information and explanations given to us, there are no dues outstanding of income tax, GST and cess on account of any dispute.
- viii. The Company has not defaulted in repayment of loans or borrowing to any financial institutions, banks, Government or dues to debenture holders.
- ix. The company has raised fund by way of issuing secured non-convertible debentures listed in Bombay Stock Exchange and the same were applied for the purpose for which they were raised.
- x. There are no instances of fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.

xii. The company is not a Nidhi company and hence paragraph 3(xii) of Companies (Auditors Report) order, 2016 is not applicable to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.

xiv. The company has issued redeemable non-convertible debentures and the company has complied with Section 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which it was raised.

xv. The company has not entered into any non-cash transactions with Directors or persons connected with him.

xvi. The company is registered under section 45IA of the Reserve bank of India Act, 1934 and has obtained registration certificate.

For, MANIKANDAN & ASSOCIATES

sd/-

Place: Kochi
Date: 26/06/2020

C. K. Manikandan
(Partner)
Chartered Accountants
Membership No.208654
Firm.No.008520S
UDIN : 20208654AAAADO6863

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

We have audited the internal financial controls over financial reporting of Hedge Finance Limited (the company) as of 31 March 2020 in conjunction with our Audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the standards on Auditing ,issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act,2013,to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India Those Standards and the Guidance Note require that we comply with the 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.

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 assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company,(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls over Financial Reporting

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

Opinion

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

For, MANIKANDAN & ASSOCIATES

sd/-

Place: Kochi
Date: 26/06/2020

C. K. Manikandan
(Partner)
Chartered Accountants
Membership No.208654
Firm.No.008520S
UDIN : 20208654AAAADO6863

To the Board of Directors of

Hedge Finance Ltd

1. We have audited the attached Balance Sheet of Hedge Finance Ltd as at March 31st, 2020 and also the Statement of Profit and Loss for the year ended on that date annexed thereto and issued our audit opinion.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit report.

2. As required by the Non – Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ('the RBI') and amended from time to time ('the Directions'), based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the Directions:

a) The company is engaged in the business of a Non- Banking Financial Institution ('NBFI') as defined in section 45 –I (a) of the Reserve Bank of India Act, 1934 ('the Act') during the year ended March 31, 2020. The company was registered with the RBI as an NBFI without accepting public deposits vide certificate of Registration ('CoR') number (COR No. N-16.00190 dated 16/04/2012 from the RBI.)

b) Based on the asset/income pattern as on March 31, 2020 determined by the Management in accordance with the audited financial statements for the year ended as on that date, and with reference to paragraph 15 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is entitled to continue to hold such CoR.

c) Based on the criteria set forth by the RBI in Company Circular No. DNBS.PD .CC No.85/03.02.089/2006-07 dated December 6, 2006 for classification of NBFCs, the company has been correctly classified as Loan Company as defined in Non-Banking Financial Companies, Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year ended 31st March, 2020.

d) The Board of Directors has passed a resolution on 19-04-2018 for Non-Acceptance of Public deposits.

- e) The Company has not accepted any public deposits during the year ended March 31st, 2020.
- f) The company has complied with the prudential norms relating to income recognition, accounting Standards, asset classification and provisioning for bad & doubtful debts as applicable to it in terms of Non- Systemically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 during the year ended March 31st ,2020.
3. We have no responsibility to update this report for events and circumstances occurring after the date of our audit opinion mentioned in paragraph 1.
4. This report is issued solely for reporting matters specified in paragraphs 3 and 4 of the Directions, to the Board of Directors and is not to be used or distributed for any other purpose.

For, MANIKANDAN & ASSOCIATES

sd/-

C. K. Manikandan
(Partner)
Chartered Accountants
Membership No.208654
Firm.No.008520S
UDIN : 20208654AAAADO6863

Place: Kochi
Date: 26/06/2020

Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company
[as required in terms of paragraph 13 of Non –Systemically Important Non- Banking Financial (Non-Deposit Accepting or Holding)) Companies Prudential Norms (Reserve Bank) Directions, 2016]

(₹ In lakhs)

Particulars			
Liabilities side			
(1)	Loans and advances availed by the non-banking financial inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount Overdue
	a) Debentures: Secured	8712.26	Nil
	: Unsecured	2323.20	Nil
	(Other than falling within the meaning of public deposits)		
	b) Deferred credits	Nil	Nil
	c) Term loans	4.79	Nil
	d) Inter corporate loans and borrowing	Nil	Nil
	e) Commercial paper	Nil	Nil
	f) Other Loans (specify nature)	Nil	Nil
	Assets side		
		Amount outstanding	
(2)	Break up of Loans and Advances including Bills receivable (other than those included in (4) below:		
	Secured	9947.93	
	Unsecured	1511.92	
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	a) Financial lease		Nil
	b) Operating lease		
	(ii) Stock on hire including hire charges under Sundry debtors”		Nil
	a) Assets on hire		
	b) Repossessed Assets		
	iii Other loans counting towards AFC activities		Nil
	a) Loans where assets have been repossessed		
	b) Loans other than (a) above		
(4)	Break – up of Investments:		
	<i>Current Investments:</i>		
	1) Quoted;		
	i) Shares: (a) Equity		89.65

	(b) Preference	Nil		
	(ii) Alternative Investment fund	25.54		
	(iii) Units of mutual funds	10.00		
	(iv) Government Securities	Nil		
	(v) Others	Nil		
	2) Unquoted:	Nil		
	i) Shares: (a) Equity	Nil		
	(b) Preference	Nil		
	ii) Debentures and Bonds	Nil		
	iii) Units of mutual funds	Nil		
	iv) Government securities	Nil		
	v) Others			
	Long term investments:			
	1) Quoted:			
	i) Shares: (a) Equity	121.95		
	(b) Preference	Nil		
	ii) Debentures and Bonds	Nil		
	iii) Units of Mutual funds	Nil		
	iv) Government Securities	Nil		
	v) Others			
	2) Unquoted:			
	i) Shares : (a) Equity	Nil		
	(b) Preference	Nil		
	ii) Debentures and Bonds	Nil		
	iii) Units of mutual funds	Nil		
	iv) Government securities	Nil		
	v) Others	Nil		
(5)	Borrower group wise classification of assets financed as in (2) and (3) above	Amount net of Provisions		
		Secured	Unsecured	Total
	Category			
	1.Related Parties			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies in the same group	Nil	Nil	Nil
	c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	9839.40	1506.14	11345.54
	Total	9839.40	1506.14	11345.54
(6)	Investor group –wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
	Category			
	1.Related parties			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies in the same group	Nil	Nil	Nil
	c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	Nil	Nil	Nil
	Total	Nil	Nil	Nil

(7)	Other information			
	1) Gross Non-Performing Assets			
	i) Related Parties	Nil	Nil	Nil
	ii) Other than related Parties	284.05	2.01	286.05
	2) Net Non-performing Assets			
	i) Related parties	Nil	Nil	Nil
	ii) Other than related parties	199.67	Nil	199.67
	Assets acquired in satisfaction of debt	Nil	Nil	Nil

For and on behalf of the Board of Directors

sd/-

Alex Kalluvila Babu
(Managing Director)
DIN:01254207

sd/-

K P Padmakumar
(Whole Time Director)
DIN:00023176

sd/-

Vinay Sasidharan
(Chief Executive Officer)

sd/-

Place: Kochi
Date: 26/06/2020

Suraj Ramachandran
(Chief Financial Officer)

sd/-

Girish Kumar Ganapathy
(Company Secretary)

HEDGE FINANCE LTD
BALANCE SHEET AS AT 31st MARCH 2020

(Amount in ₹)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<u>I. EQUITY AND LIABILITIES</u>			
(1) Share Holder's Fund			
(a) Share Capital	4	22,47,18,396	22,47,18,396
(b) Reserves & Surplus	5	2,42,71,973	1,28,47,842
(c) Money Received against shares warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	6	69,72,81,148	31,79,25,321
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions	7	-	-
(4) Current Liabilities			
(a) Short-term borrowings	8	-	1,80,44,587
(b) Trade payables	9	1,29,88,505	31,73,539
(c) Other current liabilities	10	41,72,31,987	34,09,51,780
(d) Short-term provisions	11	1,51,29,190	1,21,79,554
Total		1,39,16,21,199	92,98,41,020
<u>II. ASSETS</u>			
Non-current assets			
(1) (a) Property Plant and Equipment	12		
(i) Tangible assets		4,19,91,472	4,20,75,930
(ii) Intangible assets		7,18,116	4,13,768
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	1,21,95,000	1,69,61,000
(c) Deferred tax assets (net)	14	25,76,615	22,78,105
(d) Long-term loans and advances	15	34,78,60,940	11,10,79,530
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	16	1,25,20,431	80,39,063
(b) Trade receivables		-	-
(c) Cash and cash equivalents	17	14,56,96,949	1,86,58,503
(d) Short-term loans and advances	18	81,72,00,488	72,33,75,910
(e) Other current assets	19	1,08,61,188	69,59,210
Total		1,39,16,21,199	92,98,41,020

For and on behalf of the Board

sd/-

Alex Kalluvila Babu
(Managing Director)
DIN:01254207

sd/-

Vinay Sasidharan
(Chief Executive Officer)

Place: Kochi
Date: 26/06/2020

sd/-

K P Padmakumar
(Whole Time Director)
DIN:00023176

sd/-

Suraj Ramachandran
(Chief Financial Officer)

As per our Report of even date attached
For, Manikandan & Associates

sd/-

C.K.MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 008520S
UDIN : 20208654AAAADO6863

sd/-

Girish Kumar Ganapathy
(Company Secretary)

HEDGE FINANCE LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(Amount in ₹)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
I Revenue from operations	20	17,51,48,110	10,60,75,385
II Other Income	21	2,14,87,239	1,75,35,132
III Total Revenue		19,66,35,349	12,36,10,517
IV Expenses			
Employee Benefits Expenses	22	3,97,00,576	3,05,83,072
Depreciation and amortization expenses	23	32,14,217	19,21,869
Finance costs	24	9,57,29,080	6,08,78,440
Other expenses	25	4,38,42,740	3,50,72,691
Total Expenses		18,24,86,613	12,84,56,072
V Profit before exceptional and extraordinary items and tax (III - IV)		1,41,48,736	(48,45,555)
VI Exceptional items			
VII Profit before extraordinary items and tax (V - VI)		1,41,48,736	(48,45,555)
VIII Extraordinary items			
IX Profit before tax (VII- VIII)		1,41,48,736	(48,45,555)
X Tax expense:			
(1) Current tax		30,23,115	-
(2) Deferred tax		(2,98,510)	(12,91,265)
XI Profit (Loss) for the period (IX-X)		1,14,24,131	(35,54,290)
XII Earnings per equity share:			
(1) Basic	26	0.51	(.16)
(2) Diluted		0.51	(.16)

Note 1 to 43 and CashFlow statement form an integral part of this financial statements

For and on behalf of the Board

sd/-

Alex Kalluvila Babu
(Managing Director)
DIN:01254207

sd/-

Vinay Sasidharan
(Chief Executive Officer)

Place: Kochi
Date: 26/06/2020

sd/-

K P Padmakumar
(Whole Time Director)
DIN:00023176

sd/-

Suraj Ramachandran
(Chief Financial Officer)

**As per our Report of even date attached
For, Manikandan & Associates**

sd/-

C.K.MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 008520S
UDIN : 20208654AAAADO6863

sd/-

Girish Kumar Ganapathy
(Company Secretary)

HEDGE FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st - March - 2020

(Amount in ₹)

Particulars	As At 31st March 2020	As At 31st March 2019
CASH FLOWS FROM OPERATING ACTIVITY		
Net profit before taxation and extraordinary items	1,41,48,736	(48,45,555)
Add : Adjustment For :		
Depreciation / amortization	32,14,217	19,21,869
Provision for standard asset &NPA	29,49,636	69,49,008
Interest on debenture	9,51,51,738	5,76,68,371
Less: Adjustment For :		
Income from Investment	25,20,783	5,45,225
Operating profit before working capital changes	11,29,43,544	6,11,48,469
Movements in working capital		
Decrease/(increase) in long term loans & Advances	(23,67,81,410)	11,07,62,429
Decrease/(increase) in short term loans & Advances	(9,38,24,578)	(28,66,27,266)
Decrease/(increase) in Other current assets	(39,01,978)	23,04,964
Increase/(Decrease) in current liabilities	3,08,76,884	1,44,18,421
Cash generated from /(used in) operations	(19,06,87,538)	(9,79,92,984)
Less: Direct tax paid (including TDS)	30,23,115	
Net cash flow from /(used in) Operating Activities (A)	(19,37,10,653)	(9,79,92,984)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(34,34,107)	(2,79,02,078)
Purchase of Investment	(8,96,21,60,971)	(1,42,86,58,248)
Sale of Investment	8,96,46,81,754	1,42,92,03,472
Income From Investments		
Other investment	2,84,632	(2,28,00,063)
Net cash flow from Investing Activities (B)	(6,28,692)	(5,01,56,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		
Proceeds from Debentures	76,73,92,492	31,30,00,000
Increase/Decrease in Loan from financial institution	(1,82,99,623)	(7,36,99,165)
Redemption of Debentures	(33,25,63,340)	(4,10,44,834)
Interest on debentures	(9,51,51,738)	(5,76,68,371)
Dividend Paid	-	(1,06,46,909)
DDT paid	-	(21,67,460)
Net cash flow from Financing Activities (C)	32,13,77,791	12,77,73,261
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	12,70,38,446	(2,03,76,640)
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	1,86,58,503	3,90,35,143
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	14,56,96,949	1,86,58,503

For and on behalf of the Board

sd/-

Alex Kalluvila Babu
(Managing Director)
DIN:01254207

sd/-

K P Padmakumar
(Whole Time Director)
DIN:00023176

As per our Report of even date attached
For, Manikandan & Associates

sd/-

C.K.MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 008520S
UDIN : 20208654AAAADO6863

sd/-

Vinay Sasidharan
(Chief Executive Officer)

sd/-

Suraj Ramachandran
(Chief Financial Officer)

sd/-

Girish Kumar Ganapathy
(Company Secretary)

Place: Kochi
Date: 26/06/2020

HEDGE FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

1. Corporate Information

The Company incorporated on 15th February 2011 vide Certificate of Incorporation No. U65923KL2011PLC027672 issued by the Registrar of Companies, Kerala to carry on the business of lending money either with or without security, carry on the business of hire purchase finance, leasing, gold loan, carry on the business of financiers, but the company shall not do the business of banking within the meaning of Banking Regulation Act, 1949 and subject to the Rules and Regulations issued by the Reserve Bank of India from time to time. The company has obtained Certificate of Commencement of Business on 18th June 2012.

2. Basis of preparation of Financial Statements

The Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the guidelines issued by Reserve Bank of India as applicable to a non-deposit accepting NBFC. The Financial Statements are prepared under the historical convention on accrual basis of accounting (except otherwise stated) and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013

3. Significant Accounting Policies

i. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Such interests, where instalments are overdue in respect of nonperforming assets are recognized on realization basis.

iii. Inflation

Assets and Liabilities are recorded at historical cost to the company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

iv. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

v. Depreciation

Depreciation on Fixed Assets has been provided on Straight Line Method in the manner prescribed in Schedule II to the Companies Act, 2013 by adopting the useful lives prescribed as part C of schedule II to the Companies Act, 2013 and retaining 5% of the original cost as residual value.

vi. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization and accumulated Impairment losses if any. Intangible assets are amortized on straight line basis over the estimated useful economic life of 5 years

vii. Impairment of Assets

A Substantial portion of the company's asset comprise "Financial Assets" to which Accounting Standard 28 on impairment of Asset issued by the Institute of Chartered Accountants of India is not applicable. In the opinion of the company the fixed assets possessed by the company are in the nature of "Corporate Assets" and are not cash generating unit as defined by the said Accounting Standard and there is no impairment of any Fixed Asset.

viii. Employee Benefits

(i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(ii) Payment of Gratuity to employees is not covered by any Gratuity Scheme. The company has made provision for gratuity

ix. Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income", issued by Institute of Chartered Accountants of India. Income Tax comprises both current tax and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

The tax effect of the timing difference that results between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance sheet date.

Deferred tax asset are recognized only to the extent there is reasonable certainty of its realization

x. Foreign Currency Transactions- Nil (Previous year Nil)

xi. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. The weighted average numbers of equity share outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xii. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit & Loss.

xiii. Related Party Disclosure

Disclosures are made as per the requirements of the Accounting Standard 18 read with the clarifications issued by The Institute of Chartered Accountants of India.

xiv. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases.

xv. Provisions and Contingencies

There are no contingencies as at the balance sheet date that needs to be disclosed. Also there are no events occurring after the balance sheet date that necessitate adjustment of assets and liabilities or other events that require disclosure.

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

xvi. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in hand and at bank with an original maturity of three months or less.

HEDGE FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 - March - 2020
 (All amounts are in Indian Rupees, unless otherwise stated)

Note No:-4 Equity Share Capital	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount In ₹	Number	Amount In ₹
Authorised				
Equity Shares of ₹ 10/- each	5,00,00,000	50,00,00,000	7,50,00,000	75,00,00,000
Preference Shares of ₹ 10/- each	2,50,00,000	25,00,00,000	-	-
	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
Issued				
Equity Shares of ₹ 10/-each	2,37,16,544	23,71,65,440	2,37,16,544	23,71,65,440
	2,37,16,544	23,71,65,440	2,37,16,544	23,71,65,440
Subscribed & fully Paid up				
Equity Shares of ₹10/-each fully paid up	2,12,93,817	21,29,38,170	2,12,93,817	21,29,38,170
	2,12,93,817	21,29,38,170	2,12,93,817	21,29,38,170
Subscribed but not fully Paid up				
Equity Shares of ₹ 10/- each ₹ 3.05/share paid up	11,50,000	35,07,500	11,50,000	35,07,500
Equity Shares of ₹ 10/- each ₹ 6.5/share paid up	12,72,727	82,72,726	12,72,727	82,72,726
	24,22,727	1,17,80,226	24,22,727	1,17,80,226
Total	2,37,16,544	22,47,18,396	2,37,16,544	22,47,18,396

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares Shares of ₹.10/-	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount In ₹	Number	Amount In ₹
Shares outstanding at the beginning of the year	2,37,16,544	22,47,18,396	2,37,16,544	22,47,18,396
Shares Issued during the year				
Share amount received for partly paid up shares				
Preference shares converted into equity shares during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	2,37,16,544	22,47,18,396	2,37,16,544	22,47,18,396

b. Terms/rights attached to equity shares

The company has only one type of equity shares having par value of ₹ 10/- each. Every member shall have one vote for every share held by him. The transfer, transmission or consolidation of shares shall be effected within one month from the date of lodgement of application. The company in the general meeting may declare dividends & the Board may from time to time pay to the members such interim dividends as justified by the profits of the company.

c. Details of Shareholders holding more than 5% shares in the company

Name of the share holder	As at 31st March, 2020	
	No of shares	% of holding
Alex K Babu	4589787	19.35%
Raphael P Thomas	3500000	14.76%
Dr P S George	1666666	7.03%
K C Babu	6395455	26.97%

(Amount in ₹)

NOTE No. 5 Reserves and Surplus	As at 31st March 2020	As at 31st March 2019
a. Statutory Reserve		
Opening Balance	1,56,38,270	1,56,38,270
Current year transfer	22,84,826	-
Total (A)	1,79,23,096	1,56,38,270
b. Surplus		
Opening balance	-27,90,428	1,35,78,231
(+) Net Profit/(Net Loss) For the current year	1,14,24,131	-35,54,290
(+) Transfer from Reserves	-	-
(-) Dividend Paid	-	1,06,46,909
(-) Dividend Tax Paid	-	21,67,460
(-) Transfer to Reserves 20%	22,84,826	-
Total (B)	63,48,877	(27,90,428)
Total	2,42,71,973	1,28,47,842

(Amount in ₹)

NOTE No. 6 Long Term Borrowings	As at 31st March 2020	As at 31st March 2019
SECURED LOANS		
a) Bonds/Debentures		
I. Private Non Convertible Debentures (Listed)		
(Secured by way of pari passu charge on all outstanding loan receivables including present and future)		
(i) Issue 5 series II (Maturity on 30/03/2023) Interest @ 11%	5,00,00,000	-
(ii) Issue 5 series I (Maturity on 02/12/2022) Interest @ 11%	10,00,00,000	-
II. Secured, redeemable, privately placed Non Convertible Debentures		
(Secured by way of pari passu charge on all outstanding loan receivables including present and future)		
Interest Rate		
Maturity during 2024-2025 10.75% to 11.75%	10,70,10,000	-
Maturity during 2023-2024 10.25 % to 12%	10,67,18,508	11,21,75,000
Maturity during 2022-2023 10.00% to 12.00%	30,24,47,358	6,75,03,750
Maturity during 2021-2022 9.75% to 11.75%	2,08,80,825	7,34,14,344
Maturity during 2020-2021 9% to 12.50%	-	6,43,52,734
b) Term Loan-Vehicle		
(i) From Banks	2,24,457	4,79,493
The Federal Bank Ltd (Secured by hypothecation of vehicle purchased)		
UNSECURED LOAN		
a) Bonds/Debentures		
Unsecured Privately placed Non convertible debentures Maturity during 2022-2023	1,00,00,000	-
Total	69,72,81,148	31,79,25,321

The company has issued Redeemable non convertible secured and unsecured debentures in various schemes. The debentures issued have repayment period depending on the scheme it falls under. The schemes range from monthly, annually and maturity interest payment. The rate of interest on these debentures range from 9% to 12.5% p.a.

(Amount in ₹)		
NOTE No. 7	As at 31st	As at 31st
Long Term Provisions	March 2020	March 2019
(a) Provision for employee benefits	-	-
(b) Others		
(1) Interest accrued but not due on debentures & sub debt	-	-
Total	-	-

(Amount in ₹)		
NOTE No. 8	As at 31st	As at 31st
Short Term Borrowings	March 2020	March 2019
SECURED LOAN		
(a) Loans repayable on demand		
i) From Bank		
1. South Indian Bank Ltd	-	14,778
ii) From Others		
1. Aditya Birla Finance	-	33
2. Bajaj Finance Ltd	-	1,80,29,776
Total	-	1,80,44,587

(Amount in ₹)		
NOTE No. 9	As at 31st	As at 31st
Trade Payables	March 2020	March 2019
i) Dues to creditors for expenses	1,29,88,505	31,73,539
Total	1,29,88,505	31,73,539

(Amount in ₹)		
NOTE No. 10	As at 31st	As at 31st
Other Current Liabilities	March 2020	March 2019
a) Current Maturities of Long-term Debt		
(i) Secured, Privately Placed NCD	15,76,84,256	16,74,65,967
(ii) Secured, Redeemable NCD Public Issue	-	-
(iii) Unsecured, Privately Placed NCD	21,50,00,000	15,00,00,000
b) Term Loan	2,55,036	2,55,036
c) Interest accrued but not due on debentures	3,07,51,931	1,71,14,874
d) Interest accrued and due on debentures	30,53,489	19,35,443
e) Other Current Liabilities :		
i) Statutory payables	26,76,729	24,16,903
ii) Other Payables	78,10,546	17,63,557
Total	41,72,31,987	34,09,51,780

(Amount in ₹)		
NOTE No. 11	As at 31st	As at 31st
Short Term Provisions	March 2020	March 2019
i) Contingent Provision for Standard Assets	27,93,449	19,76,047
ii) Provision for Bad and Doubtful debt		
(a) Provision for Non Performing Assets	86,38,129	71,79,483
(b) Provision for Advance	30,24,024	30,24,024
iii) Provision for Depreciation on Investments		
(a) Provision for diminution in value of investment	6,73,588	-
Total	1,51,29,190	1,21,79,554

(Amount in ₹)

Note No. 12											
Property Plant and Equipment											
Asset	Gross Block				Accumulated Depreciation / Amortization Expense					Net Block	
	Balance As At 01.04.2019	Additions	Disposals	Balance As At 31.03.2020	Balance As At 01.04.2019	Depreciation / Amortization Expense charge for the year	Adjustment due to revaluations	On disposals	Balance As At 31.03.2020	Balance As At 31.03.2020	Balance As At 31.03.2019
i) Tangible Assets											
Computers & Accessories	40,74,075	5,12,413	-	45,86,488	20,48,329	11,40,857	-	-	31,89,186	13,97,302	20,25,746
Office Equipments	7,17,210	23,147	-	7,40,356	1,53,543	69,081	-	-	2,22,624	5,17,732	5,63,667
UPS And Battery	2,42,769	84,417	-	3,27,186	2,18,649	12,298	-	-	2,30,947	96,239	24,120
Air Conditioner	9,51,921	2,49,799	-	12,01,720	97,957	2,03,776	-	-	3,01,733	8,99,987	8,53,964
Mobile Phone	1,77,890	14,043	-	1,91,933	1,32,102	56,157	-	-	1,88,259	3,674	45,788
Printers & Scanners	77,545	1,01,819	-	1,79,364	32,109	36,229	-	-	68,338	1,11,026	45,436
Buildings	3,19,52,775	-	-	3,19,52,775	3,24,204	5,83,687	-	-	9,07,891	3,10,44,884	3,16,28,571
Furnitures & Fixtures	42,57,087	15,88,446	-	58,45,533	65,220	4,53,090	-	-	5,18,310	53,27,223	41,91,867
Electrical Fittings	8,93,416	3,60,024	-	12,53,440	16,314	99,234	-	-	1,15,548	11,37,892	8,77,102
Motor Vehicle											
HYUNDAI I20 ASTA KL 7 CB 8800	7,87,574	-	-	7,87,574	4,10,482	93,524	-	-	5,04,006	2,83,568	3,77,092
MARUTHI DEZIRE KL 7 BZ 6987	7,63,592	-	-	7,63,592	4,50,155	90,677	-	-	5,40,832	2,22,760	3,13,437
Breeza-ZDI	14,14,887	-	-	14,14,887	3,36,496	1,68,018	-	-	5,04,514	9,10,373	10,78,391
Activa 5G	56,015	-	-	56,015	5,266	11,937	-	-	17,203	38,812	50,749
Total (A)	4,63,66,756	29,34,107	-	4,93,00,863	42,90,826	30,18,565	-	-	73,09,391	4,19,91,472	4,20,75,930
i) Intangible Assets											
Computer Software	5,60,000	5,00,000	-	10,60,000	1,46,232	1,95,652	-	-	3,41,884	7,18,116	4,13,768
Total (B)	5,60,000	5,00,000	-	10,60,000	1,46,232	1,95,652	-	-	3,41,884	7,18,116	4,13,768
Total (A + B)	4,69,26,756	34,34,107	-	5,03,60,863	44,37,058	32,14,217	-	-	76,51,275	4,27,09,588	4,24,89,698
Previous Year	1,90,24,678	2,79,02,078	-	4,69,26,756	25,15,189	19,21,869	-	-	44,37,058	4,24,89,698	1,65,09,489

(Amount in ₹)

NOTE No. 13 Non-current Investments	As at 31st March 2020	As at 31st March 2019
a) Investment in Equity instruments In Associate company Hedge Equities Limited - Unquoted shares	1,21,95,000	1,21,95,000
b) Investments in Mutual Funds (Quoted at cost)#	-	47,66,000
Total	1,21,95,000	1,69,61,000

(Amount in ₹)

NOTE No. 14 Deffered Tax Assets (Net)	As at 31st March 2020	As at 31st March 2019
Opening Deferred Tax Asset Fixed Asset	22,78,105	9,86,840
Impact of difference between tax depreciation and depreciation charged for financial reporting	(4,68,395)	(5,15,477)
Provision for Advances	7,66,905	18,06,742
Total	25,76,615	22,78,105

(Amount in ₹)

NOTE No. 15 Long-term Loans and Advances	As at 31st March 2020	As at 31st March 2019
a) Unsecured, considered good Rent Deposit	11,20,974	52,974
Other Deposits	1,50,000	1,50,000
b) Other loans & advance Secured considered good	34,51,40,202	6,63,83,569
Unsecured considered good	14,49,764	4,44,92,987
Total	34,78,60,940	11,10,79,530

(Amount in ₹)

NOTE No. 16 Current Investments	As at 31st March 2020	As at 31st March 2019
a) Investment in Equity instruments	89,65,615	54,39,063
b) Investments in Mutual Funds (Quoted at cost)#	10,00,000	-
c) Investments in Alternative Investment Fund (Quoted at cost)#	25,54,816	26,00,000
Total	1,25,20,431	80,39,063

(Amount in ₹)

NOTE No. 17 Cash and Cash Equivalents	As at 31st March 2020	As at 31st March 2019
a) Balances with banks In current accounts	14,55,66,009	1,86,12,463
b) Cash	1,21,440	29,495
c) Others: Trading Stamp Paper	9,500	16,545
Total	14,56,96,949	1,86,58,503

(Amount in ₹)

NOTE No. 18 Short Term Loans and Advances	As at 31st March 2020	As at 31st March 2019
a) Secured, considered good-Related parties	-	27,11,58,801
b) Secured considered good-Others	62,12,48,273	27,02,79,808
c) Secured considered Doubtful	2,84,04,882	2,79,85,441
d) Unsecured ,considered good-Related parties	-	70,07,254
e) Unsecured, Considered good - others	14,95,41,517	13,09,81,140
f) Unsecured considered doubtful	2,00,553	2,00,553
Advance income tax (net of provisions for taxation and tax deducted at source)	1,06,60,294	1,07,53,748
Other Advances	71,44,969	50,09,165
Total	81,72,00,488	72,33,75,910

(Amount in ₹)

NOTE No. 19 Other Current Assets	As at 31st March 2020	As at 31st March 2019
(Unsecured, considered good unless otherwise stated)		
(a) Prepaid Expenses	5,47,423	2,72,004
(b) Other Receivables	97,56,711	66,87,206
(c) GST input Credit	5,57,054	-
Total	1,08,61,188	69,59,210

(Amount in ₹)

NOTE No. 20 Revenue From Operations	As at 31st March 2020	As at 31st March 2019
Interest Income	17,51,48,110	10,60,75,385
Total	17,51,48,110	10,60,75,385

(Amount in ₹)

NOTE No. 21 Other Income	As at 31st March 2020	As at 31st March 2019
Loan Processing Income	54,99,055	1,24,763
Income from Investments	24,11,198	4,99,319
Income from Mutual Fund	73,95,068	1,47,54,173
Other Income	53,18,981	10,64,752
Commission-Insurance	8,62,937	10,92,125
Total	2,14,87,239	1,75,35,132

(Amount in ₹)

NOTE No. 22 Employee Benefits Expenses	As at 31st March 2020	As at 31st March 2019
Salaries & Allowances	3,43,65,805	2,82,94,106
Staff Bonus & Incentive, Others	32,43,135	9,43,737
Contribution to PF &ESI	20,91,636	13,45,229
Total	3,97,00,576	3,05,83,072

(Amount in ₹)

NOTE No. 23 Depreciation and amortization expenses	As at 31st March 2020	As at 31st March 2019
Depreciation of tangible assets	30,18,565	18,71,637
Amortization of Intangible Assets	1,95,652	50,232
Total	32,14,217	19,21,869

(Amount in ₹)

NOTE No. 24 Finance Cost	As at 31st March 2020	As at 31st March 2019
Interest Expenses	4,65,921	31,81,115
Interest on Non-convertible secured debentures	7,58,38,517	4,24,13,151
Interest on Non-convertible Unsecured debentures	1,93,13,221	1,52,55,220
Bank Charges & Processing Fee	1,11,421	28,954
Total	9,57,29,080	6,08,78,440

(Amount in ₹)

NOTE No. 25 Other expenses	As at 31st March 2020	As at 31st March 2019
Advance Written Off	-	5,97,177
Advertisement Charges	20,87,129	35,57,939
Annual Maintenance Charges	1,53,951	1,16,087
Audit fee & Expenses (Refer Note no:25 (a))	6,50,000	6,50,000
Books & Periodicals	12,588	-
Business Promotion	1,28,439	1,72,000
CIBIL Charges	3,13,636	-
Commission	1,93,81,621	27,82,762
Consultancy fee	27,80,843	72,81,035
GST Reversal	19,39,332	18,71,441
Donation	1,45,740	5,04,890
DP transaction & Trading Charges	1,14,298	1,49,404
Electricity charges	21,55,812	12,91,655
Flood Relief	-	2,03,491
Food & Lodging Expenses	2,01,731	2,15,500
Insurance Expense	41,845	2,10,302
Internet Charges	79,903	70,985
Meeting Expense	20,715	-
Mutual Fund registration Expenses	-	20,803
Office Expenses	3,15,764	7,33,210
Postage & Courier	65,942	20,858
Presents & Compliments	14,590	7,880
Printing & Stationery	6,62,850	4,32,247
Professional Charges	26,26,569	18,79,659
Provision For Advance Paid	-	30,24,024
Provision for NPA	14,58,646	34,85,693
Provision for Standard Assets	8,17,402	4,39,291
Provision for diminution in value of investment	6,73,588	-
Rates & Taxes	4,61,103	3,40,964
Rent	19,77,486	4,20,500
Repairs & Maintenance	4,63,524	7,89,895
Sitting Fee Directors	40,000	-
Subscription Charges	24,06,988	19,00,313
Telephone & Mobile Charges	70,665	1,09,906
Travelling Expense	15,80,040	17,92,779
Total	4,38,42,740	3,50,72,691

Payment to Auditors (Note no: 25 (a))		
As Auditor		
a.Audit Fee	6,00,000	6,00,000
b.For Taxation Matters	25,000	25,000
c.For Management Services		
d.For Other Services	25,000	25,000
Total	6,50,000	6,50,000

NOTE No. 26 Earnings Per Share (EPS)	As at 31st March 2020	As at 31st March 2019
The following reflects the profit and share data used in the basic and diluted EPS computations :		
Net profit / (loss) for calculation of EPS	1,14,24,131	(35,54,290)
Weighted average number of equity shares in calculating basic EPS (Nos.)	2,22,47,840	2,22,47,840
Weighted average number of equity shares in calculating diluted EPS(Nos.)	2,22,47,840	2,22,47,840
EPS		
(1) Basic	0.51	-0.16
(2) Diluted	0.51	-0.16

27. Note 16 Contd – Current Investments

Details of Investments purchased and sold during the year

a) Mutual Funds

Fund Name	Purchase Amount	Sale Amount
Aditya Birla Sun Life Frontline Equity Fund -Growth-Direct Plan	5,00,000	11,76,996
DSP Focus Fund - Direct Plan – Growth	5,00,000	12,78,707
HDFC Liquid Fund - Direct Plan - Growth Option	2,54,20,00,000	2,54,28,78,260
HDFC Overnight Fund - Direct Plan - Growth Option	6,35,85,00,000	6,35,97,30,162
Kotak Emerging Equity Fund- Direct Plan – Growth	4,80,000	12,01,580
Kotak Standard Multicap Fund - Direct Plan – Growth (Erstwhile Kotak Select Focus)	5,00,000	10,87,505
Franklin India Smaller Companies Fund	5,00,000	12,16,492
Motilal Oswal Multicap 35 Fund	5,00,000	10,50,236

b) Shares

Name of Company	Purchase Amount	Sale Amount
Adani Gas Ltd	9,97,468	10,35,564
Aditya Birla Capital	-	4,91,350
Aurobindo Pharma	5,00,177	5,43,021
Biocon Ltd	4,98,752	5,59,818
BSE Ltd	-	42,840
Cadila Healthcare	4,97,175	5,39,957
Cipla Ltd	4,98,657	4,95,848
Coal Indian Ltd	2,06,69,939	1,99,04,173
Container Corp (I)	-	10,77,916
Dewan Housing	4,06,500	2,25,467

Divi's Lab	6,94,027	7,24,590
Dr. Reddy's Lab	6,86,010	7,27,075
Embassy Office Parks	-	1,49,604
Federal Bank	-	4,91,250
Future Retails	8,63,587	6,64,620
Gabriel India	-	4,97,798
Geojit Financial Ser	4,56,542	5,57,836
Glenmark Pharma	7,08,628	7,55,720
Gujarat Gas	9,98,320	11,38,817
Hdfc Standard Life	-	4,91,487
Hdfcultshtrfdregpgro	95,00,000	95,95,038
Icici Lombard Gen	2,69,288	8,22,597
Idfc First Bank Ltd	7,94,320	10,27,550
Iifl Wealth Mana	1,27,500	7,39,599
Indraprasth Gas	17,84,920	19,12,258
Kitex Garments	9,17,439	9,29,932
Larsen & Toubro	5,14,519	5,13,244
Lupin Ltd	5,22,850	5,40,700
Mahanagar Gas Ltd	10,01,042	10,08,689
Maruti Suzuki	-	4,99,776
Reliance Ind	5,72,825	6,28,206
Sbi Life	-	3,89,091
South Indian Bank	9,79,336	11,04,000
State Bank Of India	-	8,87,700
Sun Pharma	4,61,390	9,75,543
Tata Motors	7,72,720	8,50,293
Torrent Pharma	8,94,865	9,28,049
Yes Bank	7,20,700	5,94,800

28. Note 06: Contd

Debentures

1. Secured Redeemable Non-Convertible Debentures - Listed, Privately placed.

The Outstanding amount of Secured Redeemable Non-Convertible Debentures raised through private issue stood at ₹ 15,00,00,000 (Previous Year Nil). The debentures are issued fresh during this year.

Issue	Date Of Maturity	As on 31.3.2020	Interest Rate
Issue 5- series I	02/12/2022	10,00,00,000	11%
Issue 5- series II	30/03/2023	5,00,00,000	11%

2. Secured Redeemable Non-Convertible Debentures - Unlisted, Privately Placed.

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period up to 60 months with an outstanding amount of Rs. 6947.41 lakhs (Previous year: Rs.4849.12 lakhs.). During the year the company issued debentures amounting to ₹ 2098.29 lakhs

(₹ in Lakhs)

Redemption Period	As on 31.3.2020	Interest Rate
2024-2025	1070.10	10.75 - 11.75%
2023-2024	1067.19	10.25 - 12.00%
2022-2023	3024.47	10.00 - 12.00%
2021-2022	208.81	9.75 - 11.75%
2020-2021	1576.84	9.00 - 12.50%

Term Loan -Vehicle from The Federal Bank Ltd, Kaloor Branch

Sl. No	Financial Institution	Facility availed	Sanction Limit and Interest rate	Repayment terms	Primary and Collateral Security	Balance as at March 31, 2020	Balance as at March 31, 2019
1	The Federal Bank Limited	Term Loan	10.25 (Present Interest rate is 8.95 p.a)	Repayable in 60 equal instalments	Hypothecation of Brand New Maruti Breeza	2.24	4.79

29.Note 08: Contd Short Term borrowings

(₹ in Lakhs)

Sl. No	Financial Institution	Facility availed	Sanction Limit and Interest rate	Repayment terms	Primary and Collateral Security	Balance as at March 31, 2020	Balance as at March 31, 2019
1	Aditya Birla Finance	Cash Credit	15 Crores (Present Interest rate is 11% p.a)	Repayable on Demand	Pledge of Basket of securities as per the approved list of securities of ABFL at applicable margins. No unapproved scrip will be accepted except without specific approval for the same.	Nil	0.00033
2	Bajaj Finance Limited	Cash Credit	10 Crores (Present Interest rate is 10.5% p.a)	Bullet repayment	Securities as per Bajaj Finance Ltd 's Approved List.	Nil	180.29
3	South Indian Bank.	Overdraft	1.2Crores (Present Interest Rate is 10.95 p.a)	(a) On Demand (b) The working capital limits should be renewed within 12 Months.	1 st charge on current assets, book debts, loans & advances and receivables created out of our finance. EM of 2 units (3A & 3B Commercial space in Hedge House situated at No. 40/3443,40/3444, Sy.No.136/13A Pearl Opulence, Palarivattom, Ekm.	Nil	0.15

30.Note 10: Contd Other current liabilities

(₹ in Lakhs)

Sl. No	Financial Institution	Facility availed	Interest rate	Repayment terms	Primary and Collateral Security	Balance as at March 31, 2020	Balance as at March 31, 2019
1	The Federal Bank Limited	Term Loan	10.25 (Present Interest rate is 8.95 p.a)	Repayable in 60 equal instalments	Hypothecation of Brand New Maruti Breeza	2.55	2.55

31. Loan portfolio classification and provision for Standard / Non-Performing Assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding		Provision for Assets		Net Loans Outstanding	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Standard Asset	1,11,73,79,756	79,03,03,559	27,93,450	19,83,591	1,11,45,86,306	78,83,19,968
Sub Standard Asset	4,19,441	-	41,944	-	3,77,497	-
Doubtful Asset	2,81,85,994	2,81,85,994	85,96,185	71,71,939	1,95,89,809	2,10,14,055
Loss Asset	-	-	-	-	-	-
Total	1,14,59,85,191	81,84,89,553	1,14,31,579	91,55,530	1,13,45,53,612	80,93,34,023

Particulars	Gross Loan Outstanding		Provision for Assets		Net Loans Outstanding	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
BUSINESS LOAN - SECURED - OD						
Standard Asset	15,93,50,654	18,36,77,320	3,98,377	4,59,193	15,89,52,277	18,32,18,127
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total	15,93,50,654	18,36,77,320	3,98,377	4,59,193	15,89,52,277	18,32,18,127
BUSINESS LOAN - SECURED - TERM - BULLET PAYMENT						
Standard Asset	87,28,899	10,78,62,047	21,822	2,69,655	87,07,077	10,75,92,392
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	2,79,85,441	2,79,85,441	83,95,632	69,71,386	1,95,89,809	2,10,14,055
Loss Asset	-	-	-	-	-	-
Total	3,67,14,340	13,58,47,488	84,17,454	72,41,041	2,82,96,886	12,86,06,447
BUSINESS LOAN - UNSECURED - OD						
Standard Asset	42,69,667	3,21,08,594	10,674	80,271	42,58,993	3,20,28,323
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total	42,69,667	3,21,08,594	10,674	80,271	42,58,993	3,20,28,323
BUSINESS LOAN - UNSECURED - TERM - BULLET PAYMENT						
Standard Asset	2,27,03,284	3,21,97,624	56,758	80,494	2,26,46,526	3,21,17,130
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-

Total	2,27,03,284	3,21,97,624	56,758	80,494	2,26,46,526	3,21,17,130
CAR LOAN - NEW						
Standard Asset	1,14,83,098	-	28,708	-	1,14,54,390	-
Sub Standard Asset					-	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	1,14,83,098	-	28,708	-	1,14,54,390	-
CAR LOAN - USED						
Standard Asset	8,34,40,638	-	2,08,602	-	8,32,32,036	-
Sub Standard Asset					-	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	8,34,40,638	-	2,08,602	-	8,32,32,036	-
CONSUMER LOAN						
Standard Asset	11,60,24,126	11,67,44,130	2,90,060	2,99,693	11,57,34,066	11,64,44,437
Sub Standard Asset					-	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	11,60,24,126	11,67,44,130	2,90,060	2,99,693	11,57,34,066	11,64,44,437
EQUIPMENT FINANCE - HYPOTHECATION LOAN - EMI						
Standard Asset	3,74,25,523	55,66,574	93,564	13,916	3,73,31,959	55,52,658
Sub Standard Asset	4,19,441		41,944		3,77,497	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	3,78,44,964	55,66,574	1,35,508	13,916	3,77,09,456	55,52,658
LIGHT COMMERCIAL VEHICLE - USED						
Standard Asset	84,26,257		21,066	-	84,05,191	-
Sub Standard Asset					-	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	84,26,257	-	21,066	-	84,05,191	-
LOAN AGAINST SECURITIES (LAS)						
Standard Asset	6,04,32,676	81,18,650	1,51,082	20,297	6,02,81,594	80,98,353
Sub Standard Asset					-	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	6,04,32,676	81,18,650	1,51,082	20,297	6,02,81,594	80,98,353
MARGIN FUNDING						
Standard Asset	35,245	2,47,12,904	88	61,782	35,157	2,46,51,122
Sub Standard Asset					-	-

Doubtful Asset						-	-
Loss Asset						-	-
Total	35,245	2,47,12,904	88	61,782	35,157	2,46,51,122	
MORTGAGE LOAN - OD							
Standard Asset	17,11,03,546	17,61,43,541	4,27,759	4,40,359	17,06,75,787	17,57,03,182	
Sub Standard Asset						-	-
Doubtful Asset						-	-
Loss Asset						-	-
Total	17,11,03,546	17,61,43,541	4,27,759	4,40,359	17,06,75,787	17,57,03,182	
MORTGAGE LOAN - TERM - BULLET PAYMENT							
Standard Asset	18,41,95,840	10,14,10,662	4,60,490	2,53,527	18,37,35,350	10,11,57,135	
Sub Standard Asset						-	-
Doubtful Asset						-	-
Loss Asset						-	-
Total	18,41,95,840	10,14,10,662	4,60,490	2,53,527	18,37,35,350	10,11,57,135	
MORTGAGE LOAN - TERM - EMI							
Standard Asset	-	3,30,480		826		3,29,654	
Sub Standard Asset							
Doubtful Asset							
Loss Asset							
Total	-	3,30,480	-	826	-	3,29,654	
MSME SECURED LOANS							
Standard Asset	24,18,01,344	-	6,04,503		24,11,96,841	-	
Sub Standard Asset						-	-
Doubtful Asset						-	-
Loss Asset						-	-
Total	24,18,01,344	-	6,04,503	-	24,11,96,841	-	
MSME UNSECURED LOANS							
Standard Asset	18,73,214	-	4,683		18,68,531	-	
Sub Standard Asset						-	-
Doubtful Asset						-	-
Loss Asset						-	-
Total	18,73,214	-	4,683	-	18,68,531	-	
PERSONAL LOAN - UNSECURED - TERM - BULLET PAYMENT							
Standard Asset	30,54,864	50,639	7,637	127	30,47,227	50,512	
Sub Standard Asset						-	-
Doubtful Asset						-	-
Loss Asset						-	-
Total	30,54,864	50,639	7,637	127	30,47,227	50,512	

PERSONAL LOAN - UNSECURED - TERM - EMI						
Standard Asset	5,63,724	1,79,222	1,409	448	5,62,315	1,78,774
Sub Standard Asset					-	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	5,63,724	1,79,222	1,409	448	5,62,315	1,78,774
STAFF LOAN - TERM - BULLET PAYMENT						
Standard Asset	22,47,919	5,82,967	5,620	1,457	22,42,299	5,81,510
Sub Standard Asset					-	-
Doubtful Asset	2,00,553	2,00,553	2,00,553	2,00,553	-	-
Loss Asset					-	-
Total	24,48,472	7,83,520	2,06,173	2,02,010	22,42,299	5,81,510
STAFF LOAN - TERM - EMI						
Standard Asset	2,19,238	6,18,205	548	1,546	2,18,690	6,16,659
Sub Standard Asset					-	-
Doubtful Asset					-	-
Loss Asset					-	-
Total	2,19,238	6,18,205	548	1,546	2,18,690	6,16,659
Grant Total	1,14,59,85,191	81,84,89,553	1,14,31,579	91,55,530	1,13,45,53,612	80,93,34,023

32. Managerial Remuneration under section 197 of the Companies Act, 2013

(₹ in Lakhs)

Salaries & allowances	2020	2019
Alex K Babu	22.16	22.16
Padmakumar K.P	13.50	NIL

33. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	2020	2019
Profit after tax attributable to equity shareholders (₹)	1,14,24,131	(35,54,290)
Weighted average number of equity shares outstanding during the year	22471840	22471840
Basic / Diluted Earnings per share (₹)	0.51	(0.16)
Nominal value per share (₹)	10	10

34. No amount was due for transfer to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 on March 31st 2020.

35. There is no Micro and Small enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2020. This information as required to be disclosed under the Micro, Small and Medium enterprises development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

As on 31 Mar 2020 As on 31 Mar 2019

36. Expenditure in foreign currency	NIL	NIL
37. Value of imports	NIL	NIL
38. Value of all imported raw material	NIL	NIL
39. Foreign remittance on account of dividends	NIL	NIL
40. Earnings in foreign exchange	NIL	NIL
41. Contingent liabilities	NIL	NIL

42. The company has reclassified or regrouped previous year figures to confirm to this year's financials.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

(All amounts are in Indian Rupees, unless otherwise stated)

43. As per Accounting Standard 18, the disclosures of transaction with the related parties as defined in the accounting standard are given below:

I) List of related parties where control exists and related parties with whom transaction have taken place and relationships.		
Sl No	Name of related party	Relationship
1	ALEX KALLUVILA BABU	MANAGING DIRECTOR
2	K.P. PADMAKUMAR	WHOLE TIME DIRECTOR
3	RAPHEAL THOMAS	DIRECTOR
4	SURAJ RAMACHANDRAN	CFO
5	GIRISH KUMAR G	CS
6	K C BABU	RELATIVE OF MD
7	NITHYA ALEX	RELATIVE OF MD
8	JACOB KALLUVILA BABU	RELATIVE OF MD
9	NANCY BABU	RELATIVE OF MD
10	TWO STAR AJANTHA PROPERTIES PRIVATE LIMITED	COMMON DIRECTORSHIP
11	HEDGE EQUITIES LIMITED	COMMON DIRECTORSHIP
12	HEDGE SCHOOL OF APPLIED ECONOMICS LIMITED	COMMON DIRECTORSHIP
13	HEDGE COMMODITIES LIMITED	COMMON DIRECTORSHIP
14	ANUJA PROPERTY DEVELOPERS PRIVATE LIMITED	COMMON DIRECTORSHIP
15	HEDGE INFO SYSTEMS PRIVATE LIMITED	COMMON DIRECTORSHIP
16	HEDGE PROPERTIES PRIVATE LIMITED	COMMON DIRECTORSHIP
17	GILGAL PROPERTY DEVELOPERS PRIVATE LIMITED	COMMON DIRECTORSHIP
18	AESTHETICS SECURITIES PRIVATE LIMITED	COMMON DIRECTORSHIP
19	CORDATE PROPERTY DEVELOPERS PRIVATE LIMITED	COMMON DIRECTORSHIP
20	LEXINE BUILDERS AND DEVELOPERS PRIVATE LIMITED	COMMON DIRECTORSHIP
21	TRIGGER LOGISTICS PRIVATE LIMITED	COMMON DIRECTORSHIP
22	OMNICORE SOLUTIONS PRIVATE LIMITED	COMMON DIRECTORSHIP
23	CARLTON LOGISTICS PRIVATE LIMITED	COMMON DIRECTORSHIP
24	YOUNG PRESIDENTS ORGANIZATION (KERALA CHAPTER)	COMMON DIRECTORSHIP
25	MODUS LOGISTICS PRIVATE LIMITED	COMMON DIRECTORSHIP
26	ALSTON BUILDERS AND DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
27	CALEB SECURITIES PRIVATE LIMITED	RELATIVE OF KMP
28	CORNELIAN REALTORS AND DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
29	BABY MEMORIAL HOSPITAL LIMITED	RELATIVE OF KMP
30	FREO RENTALS AND LEASING PRIVATE LIMITED	RELATIVE OF KMP
31	KENSHA BUILDERS AND DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
32	FEDEX SECURITIES LIMITED	RELATIVE OF KMP
33	KADAKKETH FARM PRODUCTS PRIVATE LIMITED	RELATIVE OF KMP
34	ANUBA PROPERTY DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
35	UNIROYAL MARINE EXPORTS LTD	RELATIVE OF KMP
36	GANYA REALTORS AND DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
37	CASPER SECURITIES PRIVATE LIMITED	RELATIVE OF KMP

38	HIMAX BUILDERS INDIA PRIVATE LIMITED	RELATIVE OF KMP
39	GAVRIELLA BUILDERS AND DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
40	BABYMARINE SEAFOOD RETAIL PRIVATE LIMITED	RELATIVE OF KMP
41	ENSO FINANCIAL CONSULTANCY PRIVATE LIMITED	RELATIVE OF KMP
42	NIYOG CONSULTANCY SERVICES PRIVATE LIMITED	RELATIVE OF KMP
43	WHITEFIELD DAIRY PRIVATE LIMITED	RELATIVE OF KMP
44	BABYMARINE EXPORTS PRIVATE LIMITED	RELATIVE OF KMP
45	CIANNA PROPERTY DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
46	BABY BUILDERS PRIVATE LIMITED	RELATIVE OF KMP
47	JAS CULINARY SPECIALITIES PRIVATE LIMITED	RELATIVE OF KMP
48	ALTHOM PROPERTY DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
49	NITHYAJA PROPERTY DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
50	ANAS PROPERTY DEVELOPERS PRIVATE LIMITED	RELATIVE OF KMP
51	EO CHAPTER 180 FOUNDATION	RELATIVE OF KMP
52	KALLUVILA AGRO PRODUCTS PRIVATE LIMITED	RELATIVE OF KMP
53	SHREWSBERRY FARM PRODUCTS PRIVATE LIMITED	RELATIVE OF KMP
54	ECO MALABAR TOURISM PRIVATE LIMITED	RELATIVE OF KMP
55	LAAB M SCREENS PRIVATE LIMITED	RELATIVE OF KMP
56	BABY MARINE EASTERN EXPORTS	RELATIVE OF KMP
57	MAX LAB CINEMAS & ENTERTAINMENT PRIVATE LIMITED	RELATIVE OF KMP

II) Transactions during the year and balances at the year-end*

SI No.	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management person or their relatives	
		As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
1	Loan advanced						
	K C BABU	-	-	-	-	-	-
	NITHYA ALEX	-	-	-	31,11,491	-	-
	NANCY BABU	-	-	-	9,64,16,176	-	-
	RAJ.C.P	-	-	-	21,50,127	-	-
	BABU CHANDY	-	-	-	7,72,37,900	-	-
	SURAJ RAMACHANDRAN	-	46,768	-	-	-	-
	HEDGE EQUITIES LIMITED	-	-	-	-	-	5,20,00,000
	HEDGE SCHOOL OF APPLIED ECONOMICS LTD	-	-	-	-	-	70,07,254
	CORNELIAN REALTORS AND DEVELOPERS PRIVATE LTD	-	-	-	-	-	2,93,50,700
	KENSHA BUILDERS AND DEVELOPERS PRIVATE LTD	-	-	-	-	-	1,18,44,448
	BABYMARINE SEAFOOD RETAIL PRIVATE LTD	-	-	-	-	-	2,63,09,577
	BABY MARINE EASTERN EXPORTS	-	-	-	-	-	-
	MAX LAB CINEMAS & ENTERTAINMENT PRIVATE LTD	-	-	-	-	-	9,10,45,414
2	Interest on Loan						
	K C BABU	-	-	58,61,850	-	-	-
	NITHYA ALEX	-	-	2,24,062	6,60,955	-	-
	NANCY BABU	-	-	64,53,977	1,35,07,582	-	-
	JACOB K BABU	-	-	-	3,460	-	-
	RAJ.C.P	-	-	-	3,61,740	-	-
	BABU CHANDY	-	-	-	89,29,491	-	-
	SURAJ RAMACHANDRAN	11,341	18,756	-	-	-	-
	HEDGE EQUITIES LIMITED	-	-	-	-	1,13,84,478	91,72,993
	HEDGE SCHOOL OF APPLIED ECONOMICS LTD	-	-	-	-	11,98,909	5,754
	CORNELIAN REALTORS AND DEVELOPERS PRIVATE LTD	-	-	-	-	34,51,457	44,02,363
	KENSHA BUILDERS AND DEVELOPERS PRIVATE LTD	-	-	-	-	12,74,256	17,73,476
	LEXINE BUILDERS & DEVELOPMENTS P LTD	-	-	-	-	-	7,48,681
	CORDATE PROPERTY DEVELOPERS P LTD	-	-	-	-	-	7,86,735
	GANYA REALTORS AND DEVELOPERS	-	-	-	-	-	5,83,688
	BABYMARINE SEAFOOD RETAIL PRIVATE LTD	-	-	-	-	38,40,033	38,12,649

	BABY MARINE EASTERN EXPORTS	-	-	-	-	10,62,351	-
	MAX LAB CINEMAS & ENTERTAINMENT PRIVATE LTD	-	-	-	-	30,74,460	95,69,226
3	Remuneration						
	ALEX K BABU	22,16,604	22,16,604	-	-	-	-
	K.P. PADMAKUMAR	13,50,000	-	-	-	-	-
4	Salaries & Allowances						
	SURAJ RAMACHANDRAN (CFO)	7,65,000	6,90,000	-	-	-	-
	GIRISH KUMAR GANAPATHY (CS)	80,000	-	-	-	-	-
	ANJU THOMAS	-	3,80,400	-	-	-	-
5	Rent paid						
	HEDGE EQUITIES LTD.	-	-	-	-	2,40,000	2,40,000
6	Travelling Expenses						
	ALEX K BABU	1,97,575	5,36,933	-	-	-	-
	SURAJ RAMACHANDRAN (CFO)	32,403	20,557	-	-	-	-
7	Other Receivables						
	HEDGE EQUITIES LTD.	-	-	-	-	-	45,29,901
8	Investments in Group Companies						
	HEDGE EQUITIES LTD.	-	-	-	-	1,21,95,000	1,21,95,000

For and on behalf of the Board

As per our Report of even date attached
For, Manikandan & Associates

sd/-

Alex Kalluvila Babu
(Managing Director)
DIN:01254207

sd/-

K P Padmakumar
(Whole Time Director)
DIN:00023176

sd/-

C.K.MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 008520S
UDIN : 20208654AAAADO6863

sd/-

Vinay Sasidharan
(Chief Executive Officer)

sd/-

Suraj Ramachandran
(Chief Financial Officer)

sd/-

Girish Kumar Ganapathy
(Company Secretary)

Place: Kochi
Date: 26/06/2020

**GOLD
LOANS** >>>



**BUSINESS
LOANS** >>>



**EQUIPMENT
LOANS** >>>



**CAR
LOANS** >>>



HEDGE FINANCE LIMITED

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