

DIRECTORS REPORT

To

The Members of
M/s. HEDGE FINANCE LIMITED

Your Directors are pleased to present the 4th Boards Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY (STANDALONE)

The Board's Report has been prepared based on the stand alone financial statements of the company.

SUMMARY OF FINANCIAL RESULTS

PARTICULARS	FOR THE F.Y 2014-15 (Rs. in Laacs),	FOR THE F.Y 2013-14 (Rs. in Laacs)
Profit before Interest and Tax	242.31	171.48
LESS: Interest	12.37	NIL
Profit before Tax	229.95	171.48
LESS: Provision for		
Income- Tax - Current Year	72.58	35.56
Deferred Tax	(0.18)	0.35
Profit after Tax	157.55	135.58
ADD: Surplus brought forward	(5.41)	(113.87)
	152.14	21.71
LESS : Proposed Dividends	102.22	NIL
LESS: Tax on Proposed Dividends	17.37	NIL
LESS: Transfer to Reserves	31.51	27.12
Amount Carried to Balance Sheet	1.04	(5.41)

2. DIVIDEND

The board recommends a dividend of Rs. 0.50/- per each fully paid equity shares of Rs. 10/- each. The dividend, if approved by the shareholders at the Annual General Meeting shall be paid/dispatched by the company to the members whose name will appear in the Register of Members, as on the date of ensuing Annual General Meeting.

3. **RESERVES**

The Company has transferred surplus of Rs. 31.51 Lacs to Statutory Reserve and kept under Reserves and Surplus in the Balance Sheet.

4. **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR**

We are glad to inform you that, your Company has performed on a more than satisfactory manner in during the previous Financial Year 2014-15 and, the growth of the company was tremendous. The Company has succeeded in achieving, a satisfactory distributable profit and is in a position to distribute dividends to its shareholders. Rs. 157.55 Lacs is the Net Profit posted by the company during the year in contrast to Rs. 135.58 Lacs posted in the previous financial year. The economic revival boosted by the new Government policies at the center is opening up a lot of opportunities for the business of the Company. Keeping the major focus on Loan against Securities, your Company is looking into various opportunities that may be available. Considering the growth prospects and the consequential requirement for additional fund, management is looking for various options available in viz. Refinance, issue of NCD by private placement etc.

For the year ended 31st March 2015, your Company registered a Turnover of Rs. 329.43 Lacs. The Profit before Tax for the year was Rs. 229.95 Lacs

5. **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There are no substantial changes in the nature of business of the Company during the current financial year compared to the earlier year.

6. **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

7. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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

8. **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The company has adequate internal financial controls such as defining authority to authorize financial transactions, Internal Audit and monthly review of financial statement mechanism in vogue. Further the company is not a listed company hence reporting on this clause does not arise.

09. **PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT.**

The company is not having any Subsidiary / Joint Ventures / Associate Companies. Hence reporting on this clause does not arise.

10. **DEPOSITS**

The company has not accepted any deposits during the current financial year as well as in earlier years.

11. **STATUTORY AUDITORS**

It is proposed to ratify and re-appoint the existing Statutory Auditors of the company M/S. Manikandan and Associates, Chartered Accountants, for the financial year 2015-16 at remuneration as fixed by the Board of Directors.

The Company has received a letter from M/S. Manikandan and Associates, Chartered Accountants, to the effect that their appointment as Statutory Auditors, if made, would be in compliance under section(s) 139 and 141(3) (g) and applicable provisions of the companies Act 2013 and they are not disqualified for such appointment.

12. **AUDITORS' REPORT**

The Auditors does not make any qualification, reservation or adverse remark or disclaimer on the financial statements prepared as per Sec 133 of Companies Act 2013 and notes on Accounts annexed thereto.

13. **SHARE CAPITAL**

The Company has not issued any Equity Shares, Sweat Equity Shares, employee Stock option and has not called for Buy back of Shares during the current financial Year.

14. **EXTRACT OF THE ANNUAL RETURN**

An extract of Annual Return in Form No. MGT-9 has annexed with this report.

15. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

A. **CONSERVATION OF ENERGY**

i) **The steps taken or impact on conservation of energy;**

Employees, customers are educated to save Electricity by Switch of the same at ideal times and to restrict travel in the course of business at most necessity only.

ii) **The steps taken by the company for utilising alternate sources of energy;**

The Company is committed to reduce the wastage of electricity and proposes to

use alternative sources of energy for its energy consumption needs in the long run.

- iii) The capital investment on energy conservation equipments:

During the year - NIL

B. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Technology Absorption, Adaptation and Innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation.

The Company being in the business of financial services does not acquire any technology other than the technology which is essential in the ordinary conduct of its business.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is not engaged in any business which results in foreign exchange earnings or which requires any foreign exchange outflow.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since the Company is not falling under any of the 3 conditions as specified in subsection (1) of Section 135 of Companies Act - 2013, it is not mandatory to constitute a CSR Committee for the Company. However, the Company is intending to conduct CSR activities in due course.

17. DIRECTORS

The Company had appointed the following directors during the Financial Year 2014-15.

SL No.	Name of the Director	DIN	Date of Appointment	Designation
1.	Pradeep Kumar Cheenankandy	01038074	25.02.2015	Additional Director
2.	Peediyakal Samuel George	01835766	25.02.2015	Additional Director

Mr. Bobby Jose Arakunnel, Whole Time Director (DIN - 01903646) would be liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors of your Company recommends his re-appointment.

Company has received proper declaration of independence from independent directors of the Company as required under Section 134 (3) read with Section 149 (6) of Companies Act, 2013.

18. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

6 Board Meetings were held during the Current Financial year. The date and attendance of meeting is as follows:

S.No	Date of Meeting	Attendance
1	02.05.2014	4
2	18.08.2014	4
3	24.09.2014	4
4	31.12.2014	4
5	25.02.2015	4
6	31.03.2015	6

19. **AUDIT COMMITTEE:**

The company has constituted an Audit Committee as required under section 177 of the Companies Act, 2013. The Committee comprises of three Directors viz. Mr. Sankaranarayanan Ramanathan Pallassana (DIN - 00025405), Mr. Alex K Babu (DIN - 01254207) and Mr. Peediyakal Samuel George (DIN - 01835766). The Board has accepted all the recommendations of the Audit Committee till date.

20. **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

Since the Company is not falling under the conditions specified in subsection (9) of Section 177 of Companies Act, 2013 read with rule 7 of Companies (Meeting of Board and its powers) Rules - 2014 it is not mandatory for the Company to constitute a Vigil Mechanism for the directors and employees.

21. **NOMINATION AND REMUNERATION COMMITTEE**

The Remuneration Committee of the Board comprises of three Directors viz Mr. Sankaranarayanan Ramanathan Pallassana (DIN - 00025405), Mr. Peediyakal Samuel George (DIN - 01835766) and Mr. Pradeep Kumar Cheenankandy (DIN - 01038074).

The Nomination and Remuneration Committee has formulated a Company Policy on Appointment of Directors and Remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters. The extracts of such policy is forming as annexure to this report.

22. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 :**

The Company have not made any investments in contraventions of Subsection (1) of Section 186. Apart from the loans, guarantees and investments made by the Company in the ordinary course of business as Non Banking Finance Company, it has granted loans to the related parties to the tune of Rs. 768.75 Lacs only.

23. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SEC 188(1) COMPANIES ACT 2013:**

There are no contracts or arrangements with related parties as indicated in Section 188 of Companies Act, 2013 read with Rule 15 (3) of Companies (Meeting of Board and its Powers) Rules, 2014 and Rule 8 of Companies (Accounts) Rules, 2014 the particulars of contracts or arrangements with related parties.

24. **MANAGERIAL REMUNERATION:**

Details of the employee(s) of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

None of the employees of the Company are in receipt of any remuneration which is in excess of the amounts as computed in accordance with the conditions specified in Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

25. **SECRETARIAL AUDIT REPORT:**

Since the Company is not falling under any of the Conditions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 it is not required to have a secretarial audit in the Company.

26. **CORPORATE GOVERNANCE CERTIFICATE:**

The Company is not a listed Company. Hence corporate governance as stipulated in Clause 49 of the Listing agreement is not applicable.

27. **RISK MANAGEMENT POLICY:**

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.

28. **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Director report state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made for the same;
- ii) appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2015 and of the Profit of the Company for the year ended 31st March 2015;
- iii) proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis; and
- v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. **ACKNOWLEDGEMENTS**

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

BY THE ORDER OF THE BOARD



Managing Director



Director

Date : 22/06/2015

Place : Kochi

Enclosures : Annexures to Boards report

1. Company Policy on appointment of directors and remuneration
2. Extracts of Annual Return in Form MGT-9

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65923KL2011PLC027672
2.	Registration Date	15th February, 2011
3.	Name of the Company	Hedge Finance Limited
4.	Category/Sub-category of the Company	Company Limited by Shares - Indian Non Government Company
5.	Address of the Registered office & contact details	Hedge Finance Ltd, Hedge House, Mamangalam, Palarivattom P.O, Kochi, Kerala - 682025
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	No

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Financing Business	6492	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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	NIL	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Dem at	Physic al	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	56044 23	56044 23	23.6308 587		58,04,423.0 0	58,04,42 3.00	24.474 15188	0.84%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)		56044 23	56044 23	23.63		58,04,423.0 0	58,04,42 3.00	24.47	0.84
B. Public Shareholding									
a) Institutions									
b) Mutual Funds	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
d) Central Govt	-	-	-	-	-	-	-	-	-
e) State Govt(s)	-	-	-	-	-	-	-	-	-
f) Venture Capital Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FIs	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-		NIL	NIL	-	NIL	NIL	NIL	NIL	-

2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
i) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		18112	18112	76.37	NIL	17912121	17912121	75.53	(0.84)
121		121	121				1		
ii) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - DR									
Sub-total (B)(2):-		18112	18112	76.37	NIL	17912121	17912121	75.53	(0.84)
Total Public Shareholding		18112	18112	76.37	NIL	17912121	17912121	75.53	(0.84)
(B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		23716	23716	100%	-	23716544	23716544	100%	NIL
		544	544				4		

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in sharehold ing during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber ed to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Alex K Babu	31,40,787	13.24%	NIL	33,40,787	14.09%	NIL	0.84%
2	Bobby Jose Arakunnel	3,00,000	1.26%	NIL	3,00,000	1.26%	NIL	NIL
3	Bhuvanendran Narayanan Nair	3,00,000	1.26%	NIL	3,00,000	1.26%	NIL	NIL
4	Raji.C.P	3,00,000	1.26%	NIL	3,00,000	1.26%	NIL	NIL
5	Teslin Abraham	3,00,000	1.26%	NIL	3,00,000	1.26%	NIL	NIL
6	Nithya Alex	3,00,000	1.26%	NIL	3,00,000	1.26%	NIL	NIL
7	Pradeepkumar Cheenankandy	9,63,636	4.06%	NIL	9,63,636	4.06%	NIL	NIL
	Total	56,04,423	23.63%	NIL	58,04,423	24.47%	NIL	0.84%

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	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
	At the beginning of the year	56,04,423	23.63%	56,04,423	23.63%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	<u>Transfer of shares</u>				
	Transfer of shares from Mr. KV Cherian to Mr. Alex K Babu on	1,00,000	0.42%	57,04,423	24.05 %

21.04.2014				
Transfer of shares from Mr. Mathew Varghese to Mr. Alex K Babu on 10.07.2014	1,00,000	0.42%	58,04,423	24.47%
At the end of the year	58,04,423	24.47%	58,04,423	24.47%

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

1. K C Babu

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	45,45,455	19.17%	45,45,455	19.17%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer of 10,00,000 Equity Shares from Mr. Prasanth Prabhakaran Eledath to Mr. KC Babu on 21.11.2014	10,00,000	4.21%	55,45,455	4.21%
	Transfer of 5,00,000 Equity Shares from Mr. Joy Arakkal to Mr. KC Babu on 31.03	5,00,000	2.11%	60,45,455	25.49
	At the end of the year	60,45,455	25.49%	60,45,455	25.49%

2. Rapheal P Thomas

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	25,00,000	10.54%	25,00,000	10.54%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	25,00,000	10.54%	25,00,000	10.54%

3. Cheriya Varghese

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	10,00,000	4.22%	10,00,000	4.22%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	10,00,000	4.22%	10,00,000	4.22%

4. Dr. Joseph V.T & Dr. Celine Joseph

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	10,00,000	4.22%	10,00,000	4.22%

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	10,00,000	4.22%	10,00,000	4.22%

5. Kiran B

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	10,00,000	4.22%	10,00,000	4.22%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	10,00,000	4.22%	10,00,000	4.22%

6. Mathew Philip

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	10,00,000	4.22%	10,00,000	4.22%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	10,00,000	4.22%	10,00,000	4.22%

7. Lissy Mathew

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	10,00,000	4.22%	10,00,000	4.22%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	10,00,000	4.22%	10,00,000	4.22%

8. Asha John

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	2,50,000	1.05%	2,50,000	1.05%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	2,50,000	1.05%	2,50,000	1.05%

9. Ajit Jones Mathew

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	1,50,000	0.63%	1,50,000	0.63%

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
At the end of the year	1,50,000	0.63%	1,50,000	0.63%

10. Aswati Annie Abraham

SN	For Each of the Top 10 Shareholders	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
	At the beginning of the year	1,50,000	0.63%	1,50,000	0.63%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	1,50,000	0.63%	1,50,000	0.63%

E) Shareholding of Directors and Key Managerial Personnel:

1. Alex Kalluvila Babu

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	31,40,787	13.24%	31,40,787	13.24%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	<u>Transfer of shares</u> Transfer of shares from Mr. KV Cherian to Mr. Alex K Babu on 21.04.2014	1,00,000	0.42%	32,40,787	13.66%

Transfer of shares from Mr. Mathew Varghese to Mr. Alex K Babu on 10.07.2014	1,00,000	0.42%	33,40,787	0.42%
At the end of the year	33,40,787	14.09%	33,40,787	14.09%

2. Pallassana Ramanathan Sankaranarayanan

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

3. Vettikuzhiyil Sankaran Nair Bhuvanendran

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	3,00,000	1.26%	3,00,000	1.26%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	3,00,000	1.26%	3,00,000	1.26%

4. Bobby Jose Arakunnel

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	3,00,000	1.26%	3,00,000	1.26%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	3,00,000	1.26%	3,00,000	1.26%

5. Pradeepkumar Cheenankandy

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	9,63,636	4.06%	9,63,636	4.06%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	9,63,636	4.06%	9,63,636	4.06%

6. Peediyakal Samuel George

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	16,66,666	7.02%	16,66,666	7.02%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	16,66,666	7.02%	16,66,666	7.02%

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	(All amounts in Rs. Lacs)			
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition	NIL	623.92	NIL	623.92
* Reduction	NIL	-	NIL	NIL
Net Change	NIL	623.92	NIL	623.92
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	623.92	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	623.92	NIL	623.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (In Rs. Lacs)
		Alex K Babu	Bhuvanendran N	Bobby Jose	
1	Gross salary	(Amounts in Rs. Lacs)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.50	9.50	9.50	28.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	9.50	9.50	9.50	28.50
	Ceiling as per the Act	12.9	12.9	12.9	42*

* Due to inadequacy of profit for the purpose of managerial remuneration, the limit under Section II of Part II of Schedule V has been taken as the ceiling.

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount (In Rs. Lacs)
		(Amounts in Rs. Lacs)		
1	Independent Directors	Pallassana Ramanathan Sankaranarayanan		
	Fee for attending board committee meetings	Nil		Nil
	Commission	Nil		Nil
	Others, please specify	Nil		Nil
	Total (1)	Nil		Nil
2	Other Non-Executive Directors	Pradeep Kumar Cheenankandy	Peediyakal Samuel George	
	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil
	Total Managerial Remuneration			28.50
	Overall Ceiling as per the Act			42*

* Due to inadequacy of profit for the purpose of managerial remuneration, the limit under Section II of Part II of Schedule V has been taken as the ceiling.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD


SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-


VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For Hedge Finance Limited

Date : 22/06/2015
Place : Ernakulam


Managing Director


Director



Independent Auditors' Report

To the members of Hedge Finance Limited Report on the standalone financial statements

We have audited the accompanying standalone financial statements of **Hedge Finance Limited** (the "Company"), which comprise the Balance sheet as at 31st March, 2015, the Statement of Profit and Loss and the cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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:

- a) in the case of the Balance sheet, of the State of Affairs of the Company as at 31st March, 2015;
- b) in the case of the Statement of Profit and Loss, of the Profit for the period ended on that date.
- c) in the case of the cash flow statement, of the cash flows for the period ended on that date.

Emphasis of Matter- Nil

1. Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as amended, issued by the Central Government of India in terms sub-section (11) of section 143 of the Companies Act 2013, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
- c) In our opinion, the company has no 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.
- e) In our opinion, the Balance sheet , Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 133 of the Companies Act, 2013
- f) In our opinion, the comments or observations don't have any adverse effect on functioning of the company.
- g) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.

- h) There is no such qualification , reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
- i) 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 has no pending litigations on its financial statements.
 - ii. The Company has no for material foreseeable losses.
 - iii. There is no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For, MANIKANDAN & ASSOCIATES

C.K.MANIKANDAN
(PARTNER)

CHARTERED ACCOUNTANTS

MEMBERSHIP NO: 208654

FIRM REG NO: 008520S

Place: Kochi

Dated: 22.06.2015

Annexure to the Independent Auditors' Report

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed. In our opinion, the company have been properly dealt with in the books of account.
- (ii) The Company has no inventory. Therefore the provisions of clause 3(ii) are not applicable to the company.
- (iii) (a) The Company has given loan to M/S Hedge Equities Ltd and the balance outstanding as on 31.03.2015 is Rs.7,68,75,000.50/-
- (b) In respect of the aforesaid loans, the parties are regular in repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to rendering of services. There is no transaction with regard to the sale of goods. We have not observed any major weakness in the internal control system during the course of audit.
- (v) The Company has not accepted any deposits from the public. Hence this clause is not applicable.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (5) of Section 148 of the Act for any of the products of the company.
- (vii) (a) According to the information and explanations given to us and on the basis of records produced before us, for verification, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, employees State insurance, income tax, sales tax, wealth tax, service tax, customs duty, cess and other material statutory dues applicable to it
- (b) In our opinion and according to the information and explanations given to us, there are no dues of provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other statutory dues which have not been deposited on account of any dispute.
- (c) There is no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) As the company is registered for a period less than five years, clause (viii) of paragraph 3 (Auditor's Report) (Amendment) Order, 2015, is not applicable to the company for the current year.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its financial institution , bank or beventureholders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The company has utilized the term loans for the purpose for which the loan were obtained.
- (xii) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For, MANIKANDAN & ASSOCIATES

C.K. MANIKANDAN
(PARTNER)

CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 008520S

Place: Kochi
Dated: 22.06.2015



To the Board of Directors of

Hedge Finance Ltd

1. We audited the attached Balance Sheet of Hedge Finance Ltd as at March, 2015 and also the Profit and Loss Account 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, 2008, 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, 2015. 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, 2015 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 March, 2015.

d. The Board of Directors has passed a resolution on 02-05-2014, for Non-Acceptance of Public deposits.

e. The Company has not accepted any public deposits during the year ended March 31, 2015.

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 Banking Financial (Non- Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 during the year ended March 31, 2015.

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

Kochi
Dated : 22.06.2015

For, MANIKANDAN & ASSOCIATES

MANIKANDAN CN
(PARTNER)

CHARTERED ACCOUNTANTS
MEMBERSHIP No.208654
FIRM.No.008520S

Schedule to the Balance Sheet of a Non-Deposit taking Non Banking Financial Company

[as required in terms of paragraph 13 of Non- Banking Financial (Non Deposit Accepting) Companies

Prudential Norms (Reserve Bank) Directions, 2007]

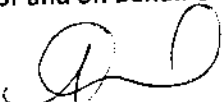
(Rs in lakhs)

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	Nil	Nil
	:Unsecured	Nil	Nil
	(Other than falling within the meaning of public deposits)		
	(b) Deferred credits	Nil	Nil
	(c) Term loans	623.92	Nil
	(d) Intercorporate loans and borrowing	Nil	Nil
	(e) Commercial paper	Nil	Nil
	(f) Other Loans (specify nature)	Nil	Nil
Assets side			
(2)	Break up of Loans and Advances including Bills receivable (other than those included in (4) below:		
	(a) Secured	2878.68	Nil
	(b) Unsecured	Nil	Nil
(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	Nil
	(b) Operating lease		
	ii. Stock on hire including hire	Nil	Nil

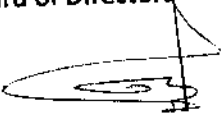
	charges under Sundry debtors" (a) Assets on hire (b) Repossessed Assets lii Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than 9a) above	Nil	Nil
4	Break – up of Investments: <i>Current Investments:</i> 1. Quoted; (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others 2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government securities (v) Others <i>Long term investments:</i> 1. Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual funds (iv) Government Securities (v) Others 2. Unquoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government securities (v) Others	Nil Nil Nil 12.27 Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil	Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil 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	768.75	Nil	768.75
	(c) Other related parties	246.42		246.42
	2. Other than related parties	1861.52	Nil	1861.52
	Total	2876.69	Nil	2876.69
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			
7	Other information			
	(i) Gross non performing assets	Nil	Nil	Nil
	(ii) Related parties	Nil	Nil	Nil
	(iii) Other than related parties	Nil	Nil	Nil
	(iv) Net Non performing assets	Nil	Nil	Nil
	(v) Related parties	Nil	Nil	Nil
	(vi) Other than related parties	Nil	Nil	Nil
	Assets acquired in satisfaction of debt	Nil	Nil	Nil


For and on Behalf of the Board of Directors


Alex K Babu

(Managing Director)


Bhuvanendran N

(Director)


Bobby Jose

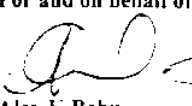
(Director)

Place:Kochi

Date:22.06.2015

Particulars	Note No.	As at Mar 31, 2015	As at Mar 31, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	4	21,88,10,895.50	21,88,10,895.50
(b) Reserves and surplus	5	59,66,715.00	21,70,523.00
(c) Money received against share warrants		-	-
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	6	16,511.00	34,700.00
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	7	6,41,67,264.00	29,38,338.50
(d) Short-term provisions	8	1,24,86,517.00	3,09,074.00
TOTAL		30,14,47,902.50	22,42,63,531.00
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	22,89,266.00	4,19,050.00
Accumulated depreciation / amortisation		4,10,543.00	80,712.00
		18,78,723.00	3,38,338.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	10	28,78,68,816.00	12,38,29,672.00
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments	11	12,27,286.00	5,87,17,152.00
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and Bank Balances	12	38,21,086.00	3,41,29,522.00
(e) Short-term loans and advances	13	7,60,306.50	4,62,089.00
(f) Other current assets	14	58,91,685.00	67,86,758.00
TOTAL		30,14,47,902.50	22,42,63,531.00

For and on behalf of the Board


 Alex K Babu
 (Managing Director)


 Bhuvanendran N
 (Director)


 Bobby Jose
 (Director)

As per our Report of even date attached
 For MANIKANDAN & ASSOCIATES


 C.K. MANIKANDAN
 (PARTNER)

CHARTERED ACCOUNTANTS

Membership No: 208554

Firm Reg No: 008520S

Place: Kochi

Dated: 22.06.2015

Particulars		Note No.	As at March 31, 2015	As at March 31, 2014
I.	Revenue from operations	15	3,29,42,837.00	2,65,28,072.00
II.	Other income	16	22,10,626.00	32,02,549.00
III.	Total Revenue (I + II)		3,51,53,463.00	2,97,30,621.00
IV.	Employee benefits expenses	17	38,51,726.00	27,55,889.00
V.	Finance costs	18	13,14,521.00	65,956.00
VI.	Other expenses	19	66,62,711.00	96,80,236.00
VII.	Depreciation and amortization expense		3,29,831.00	80,712.00
VIII	Total Expenses (IV + V+ VI + VII)		1,21,58,789.00	1,25,82,793.00
IX	Profit before tax (III- VIII)		2,29,94,674.00	1,71,47,828.00
	Tax expense:			
	(1) Current tax		72,57,549.00	35,55,616.00
	(2) Deferred tax		(18,189.00)	34,700.00
X	Total Tax Expense:		72,39,360.00	35,90,316.00
XI	Profit for the year (IX -X)		1,57,55,314.00	1,35,57,512.00
XII	Earnings per equity share:	20		
	(1) Basic		0.72	0.62
	(2) Diluted		0.72	0.62

For and on behalf of the Board

As per our Report of even date attached
For, MANIKANDAN&ASSOCIATES

Alex K Babu
(Managing Director)

Bhuvanendran N
(Director)

Bobby Jose
(Director)

C.K.MANIKANDAN
(PARTNER)

CHARTERED ACCOUNTANTS

Membership No: 20865

Firm Reg No: 008520S

Place: Kochi

Dated: 22.06.2015

HEDGE FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

	31st March 2015	31st March 2014
CASH FLOWS FROM OPERATING ACTIVITY	2,29,94,674.00	1,71,47,828.00
Net profit before taxation and extraordinary items		
Add : Adjustment For :		
Depreciation / amortization	3,29,831.00	80,712.00
contingent provision against standard asset	2,18,321.00	3,09,074.00
Less:Adjustment For :		
Income from Investment	19,16,501.00	16,81,951.00
Operating profit before working capital changes	2,16,26,325.00	1,58,55,663.00
Movements in working capital		
Decrease/(increase) in long term loans & Advances	- 16,42,57,465.00	(73,33,833.00)
Decrease/(increase) in Other current assets	5,96,855.50	1,77,15,772.00
Increase/(Decrease) in current liabilities	6,12,28,925.50	(6,63,855.50)
Cash generated from /(used in) operations	- 8,08,05,359.00	97,18,083.50
Less:Direct tax paid (including TDS)	70,60,628.35	40,17,705.00
Net cash flow from /(used in) Operating Activities (A)	- 8,78,65,987.35	2,15,56,041.50
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed assets	- 18,48,816.00	(4,19,050.00)
Purchase of Investment	- 28,54,82,600.47	(23,48,21,845.00)
Sale of Investment	34,09,72,466.80	17,90,68,364.00
Income From Investments	19,16,501.00	16,81,951.00
Other investment	20,00,000.00	(20,00,000.00)
Net cash from Investing Activity (B)	5,75,57,551.33	(5,64,90,580.00)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issue of shares	-	1,74,99,998.50
Proceeds from secured debentures		
Increase/Decrease in Loan from bank		
Net cash from Investing Activity (c)	-	1,74,99,998.50
Net increase/decrease in cash and cash equivalents (A)+(B)+(C)	- 3,03,08,436.02	(1,74,34,540.00)
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	3,41,29,522.00	5,15,64,063.00
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	38,21,086.00	3,41,29,522.00

Notes on accounts

The schedules and the notes thereon form an integral part of the Cash Flow Statement.
This is the Cash Flow Statement referred to in our report of even date.


for **Manikandan and Associates**
Chartered Accountants

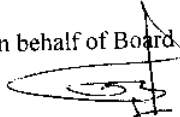
CA. Manikandan CK
PARTNER

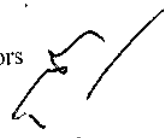
Membership No.208654
Firm Reg No: 008520S

Kochi
Date:22.06.2015

For and on behalf of Board of Directors


Alex K Babu
(Managing Director)


Bhuvanendran N
(Director)


Bobby Jose
(Director)

HEDGE FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(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

a) 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.

b) 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 installments are overdue in respect of nonperforming assets are recognized on realization basis.

c) **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.

d) **Fixed Asset**

Fixed assets 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.

e) **Depreciation - Change in policy and Transition provision under schedule II**

The company changed its Depreciation Policy from WDV to SLM method in the manner prescribed in Schedule II to the companies Act, 2013. As a result of change in Depreciation Policy (WDV to SLM), depreciation is recalculated in accordance with the new method from the date of the asset coming into use. As a result of this retrospective recomputation of depreciation in accordance with the new method, there arise a surplus of Rs 16,815/- in depreciation in respect of past years is debited to Statement of Profit and Loss A/c. This deficiency in depreciation calculation is given below:

Particulars	Depreciation		Deficiency / Surplus
	As per companies act 1956	As per companies act 2013	
Computer	37,721	29,863	7,858
UPS & Battery	42,990	34,033	8,957

f) **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.

g) **Employee Benefits**

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.

h) **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.

i) **Foreign Currency Transactions- Nil (Previous year Nil)**

j) **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 equity shares outstanding during the period. The weighted average numbers of equity shares 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.

k) **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.

l) **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.

m) **Leases**

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

n) **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.

o) **Provisions for Non performing assets (NPA) : Nil**

p) **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 31st MARCH 2015

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

NOTE NO.4

Share Capital

	As at 31 March 2015		As at 31 March 2014	
	Number	Amount (In ₹)	Number	Amount (In ₹)
Authorised				
1) Equity Shares of Rs 10/- each	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
2) 8% Compulsorily Convertible Preference Shares of Rs10/- each				
	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
Issued				
1) Equity Shares of Rs10/-each fully paid up	2,37,16,544	23,71,65,440	2,37,16,544	23,71,65,440
2) 8% Compulsorily Convertible Preference Shares of Rs10/- each				
	2,37,16,544	23,71,65,440	2,37,16,544	23,71,65,440
Subscribed & Paid up				
Equity Shares of Rs10/-each fully paid up	2,04,43,817	20,44,38,170	2,04,43,817	20,44,38,170
8% Compulsorily Convertible Preference Shares of Rs10/- each				
	2,04,43,817	20,44,38,170	2,04,43,817	20,44,38,170
Subscribed but not fully Paid up				
Equity Shares of Rs10/-each Rs1 paid up	20,00,000.00	61,00,000.00	20,00,000	61,00,000
Equity Shares of Rs 10/- each Rs3.05/share paid up	12,72,727.00	82,72,725.50	12,72,727	82,72,726
Equity Shares of Rs 10/- each Rs 6.5/share paid up				
8% Compulsorily Convertible Preference Shares of ₹10/- each	NIL	NIL	NIL	NIL
Total	32,72,727	1,43,72,725.50	32,72,727	1,43,72,725.50

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

Equity Shares	As at 31 March 2015		As at 31 March 2014	
	Number	Amount (In ₹)	Number	Amount (In ₹)
Shares of RS-10				
Shares outstanding at the beginning of the year	2,37,16,544.00	21,88,10,895.50	1,90,71,089.00	15,58,56,347.00
Shares Issued during the year			1,00,000.00	10,00,000.00
Share amount received for partly paid up shares				1,64,99,998.50
Preference shares converted into equity shares during the year			45,45,455.00	4,54,54,550.00
Shares bought back during the year				
Shares outstanding at the end of the year	2,37,16,544.00	21,88,10,895.50	2,37,16,544.00	21,88,10,895.50

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

8% Preference Shares	As at 31 March 2015		As at 31 March 2014	
	Number	Amount (In ₹)	Number	Amount (In ₹)
Shares of ₹10				
Shares outstanding at the beginning of the year			45,45,455	4,54,54,550.00
Shares Issued during the year				
Shares bought back during the year				
Shares converted into equity shares			45,45,455	4,54,54,550.00
Shares outstanding at the end of the year				

c. Terms/ rights attached to equity shares:

The company has only one type of equity shares having par value of Rs 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.

Dividend has been declared during the year ended 31st March 2015

Upon the winding up of the company, the surplus assets shall be distributed among the members in specie or kind.

d. Details of shareholders holding more than 5% of equity shares in the company

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Alex K Babu	33,40,787.00	14.09%	31,40,787.00	13.24%
Dr.P.S.George	16,66,666.00	7.02%	16,66,666.00	7.02%
Rapheal P Thomas	25,00,000.00	10.54%	25,00,000.00	10.54%
K C Babu	60,45,455.00	25.49%	45,45,455.00	0.1917

NOTE No. 5
Reserves and Surplus

	As at 31 March 2015	As at 31 March 2014
a. General reserve		
Opening Balance	27,11,502.00	-
(+) Current year transfer	31,51,063.00	27,11,502.00
(-) Written Back in Current year		
TOTAL	58,62,565.00	27,11,502.00
b. Surplus		
Opening balance	(5,40,979.00)	(1,13,86,989.00)
(+) Net Profit/(Net Loss) For the current year	1,57,55,314.00	1,35,57,512.00
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	1,02,21,909.00	-
(-) Profit & Loss A/c (FY 2012-13)	-	-
(-) Tax on Proposed Dividends	17,37,213.00	-
(-) Transfer to Reserves	31,51,063.00	27,11,502.00
TOTAL	1,04,150.00	(5,40,979.00)
TOTAL	59,66,715.00	21,70,523.00

Note No:6

Deferred Tax Liabilities (Net)

	As at 31 March 2015	As at 31st March, 2014
Opening Deferred Tax Liability	34,700.00	
Fixed Asset		
Impact of difference between tax depreciation and depreciation charged for financial reporting	52,656.00	34,700.00
Provision for Advances	70,845.00	
Net deferred tax Liabilities	16,511.00	34,700.00

NOTE No. 7**Other Current Liabilities**

	As at 31 March 2015	As at 31 March 2014
Cash Credit From Others :-		
Aditya Birla Finance LTD	6,23,91,930.00	
Other Current Liabilities :-		
a) Dues to creditors for expenses	13,11,704.00	21,97,096.00
b) Statutory payables	1,33,758.00	53,486.00
c) Other Payables	3,29,872.00	1,48,652.00
d) Other Advance	-	5,39,104.50
Total	6,41,67,264.00	29,38,338.50

Note No:8**Short term Provisions**

	As at 31 March 2015	As at 31 March 2014
Proposed Equity dividend	1,02,21,909.00	-
Provision for tax on proposed dividend	17,37,213.00	-
Contingent provision against standard asset	5,27,395.00	3,09,074.00
Total	1,24,86,517.00	3,09,074.00

NOTE No. 9

Fixed Assets

Amount (In Rs ₹)

	Gross Block				Accumulated Depreciation/Amortization Expense			Net Block		
	Balance as at 1 April 2014	Additions	Disposals	Revaluation s/ (Impairments)	Balance as at 31 March 2015	Depreciation/Amortization Expense charge for the year	Adjustment due to revaluations	On disposal 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
Fixed Assets										
9A Tangible Assets										
Computers & Accessories	2,25,350	2,97,650	-	-	5,23,000	1,33,227.00	-	1,70,949	3,52,051	1,87,628
UPS And Battery	1,93,700	-	-	-	1,93,700	52,381.00	-	95,371	98,329	1,50,710
Mobile Phone	-	21,400	-	-	21,400	21,400.00	-	21,400	-	-
Motor Vehicle										
HYUNDAI I20 ASTA KL 7 CB 8800	-	7,87,574	-	-	7,87,574	35,872.00	-	35,872	7,51,702	-
MARUTHI DEZIRE KL 7 BZ 6987	-	7,63,592	-	-	7,63,592	86,951.00	-	86,951	6,76,641	-
Total(A)	4,19,050	18,70,216	-	-	22,89,266	3,29,831.00	-	4,10,543	18,78,723	3,38,338
9 B Intangible Assets										
Computer Software	-	-	-	-	-	-	-	-	-	-
Total(B)	-	-	-	-	-	-	-	-	-	-
Capital Work In Progress										
Total	4,19,050	18,70,216	-	-	22,89,266	3,29,831.00	-	4,10,543	18,78,723	3,38,338
Total(A+B)	4,19,050	18,70,216	-	-	22,89,266	3,29,831.00	-	4,10,543	18,78,723	3,38,338

NOTE No. 13

Long Term Loans and advances

Amount (In Rs ₹)

	As at 31 March 2015	As at 31 March 2014
a) Loans and advance to related parties (Secured, considered good)	10,15,17,021.00	-
b) Security Deposits Rent deposits	2,00,000.00	2,00,000.00
c) Other loans & advance Secured considered good Unsecured considered good	18,61,51,795.00	12,36,29,672.00
Total	28,78,68,816.00	12,38,29,672.00

NOTE No. 11

Current Investments

Amount (In Rs ₹)

	As at 31 March 2015	As at 31 March 2014
a) Investments in Mutual Funds (Quoted at cost)	12,27,286.00	5,67,17,152.00
b) Investments in NCD (Quoted at cost)	-	20,00,000.00
Total	12,27,286.00	5,87,17,152.00

Refer Note 21 for details of investments purchased and sold during the year.

NOTE No. 12
Cash and Bank Balances

Amount (In Rs ₹)

	As at 31 March 2015	As at 31 March 2014
a) Cash and Cash Equivalents:		
a) Balances with banks In current accounts	38,03,586.00	3,41,16,222.00
b) Others: Trading Stamp	17,500.00	13,300.00
Total	38,21,086.00	3,41,29,522.00

NOTE NO:13

Short Term Loans and Advances

	As at 31st March, 2015	As at 31 March 2014
Other loans and Advance Unsecured, considered good	4,62,089.00	4,62,089.00
Income tax refund FY 13-14	87,322.00	-
Income tax refund FY 14-15	2,10,895.50	-
Other Advances		
Total	7,60,306.50	4,62,089.00

NOTE NO:14

Other Current Assets

	As at 31 March 2015	As at 31 March 2014
(Unsecured, considered good unless otherwise stated)		
(a) Interest accrued :		
On Loan	8,43,195.00	4,43,835.00
(b) Prepaid Expenses	1,81,157.00	1,05,385.00
(c) CENVAT on Service Tax	10,69,363.00	9,45,143.00
(d) TDS Receivable	-	7,30,127.00
(e) Other Receivables:	37,97,970.00	45,62,268.00
Total	58,91,685.00	67,86,758.00

NOTE: 15

Amount (In Rs ₹)

Revenue from operations

	As at 31 March 2015	As at 31 March 2014
Interest Income	3,29,42,837.00	2,65,28,072.00
Total	3,29,42,837.00	2,65,28,072.00

NOTE: 16

Other Income

	As at 31 March 2015	As at 31 March 2014
Interest Income On Bank Deposits	-	8,19,215.00
Loan Processing Income	1,02,530.00	6,59,600.00
DP Transaction Charges	328.00	10,296.00
Income From Investments	19,16,501.00	16,81,951.00
Other Income	52,032.00	31,487.00
Prior period income	1,39,235.00	-
Total	22,10,626.00	32,02,549.00

NOTE: 17

Employee benefit expenses

	As at 31 March 2015	As at 31 March 2014
Salaries & Allowances	38,45,726.00	27,55,889.00
Staff Bonus & incentive	6,000.00	-
TOTAL	38,51,726.00	27,55,889.00

NOTE: 18

Finance Cost

	As at 31 March 2015	As at 31 March 2014
Interest Expenses:	12,36,514.00	-
Bank Charges	78,007.00	65,956.00
Total	13,14,521.00	65,956.00

NOTE: 19

Amount (In Rs ₹)

Other expenses

	As at 31 March 2015	As at 31 March 2014
Rent Office	2,40,000.00	5,84,076.00
Rates And Taxes	43,328.00	1,11,738.00
Directors Travelling Expenses	28,500.00	3,88,944.00
Travelling Expenses	35,491.00	4,06,209.00
Website Maintenance Charges	-	78,770.00
Advertisement Charges	32,88,031.00	68,23,066.00
Business Promotion	1,95,088.00	3,99,770.00
Professional Charges	12,24,500.00	3,96,236.00
Prior period Expense	5,00,000.00	-
Books and Periodicals	-	1,755.00
Postage & Courier	2,910.00	1,985.00
Subscription Charges	-	1,151.00
Contingent Provision against standard asset	2,18,321.00	3,09,074.00
Printing And Stationery	-	1,73,121.00
Repairs & Maintenance	21,966.00	-
Donation	3,60,400.00	-
Insurance Expense	10,929.00	-
Income Tax Paid A Y 2012-13	4,78,284.00	-
mobile charges	14,963.00	4,941.00
Total	66,62,711.00	96,80,236.00

Professional charges include payment to auditors:

Particulars	2014-2015	2013-2014
As auditor		
a. Audit fee	2,50,000.00	1,00,000.00
b. For taxation matters	-	-
c. for company law matters	-	50,000.00
d. for management services	-	-
e. for other services	-	-
f. for reimbursement of expenses	-	-
Total	2,50,000.00	1,50,000.00

Note: 20

Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:	As at 31 March 2015	As at 31 March 2014
Net profit/(loss) for calculation of EPS	1,57,55,314.00	1,35,57,512.00
Weighted average number of equity shares in calculating basic EPS (Nos.)	2,19,71,089.55	2,18,81,089.55
Weighted average number of equity shares in calculating diluted EPS(Nos.)	2,19,71,089.55	2,18,81,089.55
EPS		
(1) Basic	0.72	0.62
(2) Diluted	0.72	

21.Details of Investments Purchased and sold during the year

For the year ended March,31,2015

Particulars	Purchase Value	Sale Value
Birla Sun life Cash plus - growth	1,34,99,999.89	1,36,53,354.29
DSP Black Rock Liquidity Fund- Institutional Plan growth	1,55,00,001.16	1,55,23,429.88
DWS insta Cash Plus Fund Super Inst Plan- Growth	3,69,99,999.76	3,72,39,067.92
HDFC liquid fund growth	2,39,99,999.98	2,41,80,390.1
KOTAK LIQUID Plan A growth	2,50,05,208.20	2,52,03,065.77
L & T Cash Fund Growth	65,00,001.54	65,25,626.66
Reliance liquid fund – cash Plan growth plan growth option	13,30,80,068.04	13,35,61,518.47
Religare invesco Liquid Fund-Growth	70,00,000.89	70,24,380.75
SBI premier liquid fund	85,00,000.33	85,20,215.06
SBI magnum insta cash fund	55,00,002.52	55,35,550.69
TATA liquid fund plan A - growth	1,30,00,000.00	1,30,64,514.42
UTI liquid cash plan institutional plan growth	5,35,50,002.82	5,38,22,330.89
MUTH FIN ZERO 291014-(0MFL14)	20,00,000.00	21,98,340.68
Total	34,41,35,285.13	34,60,51,785.58

22) Note 7: Contd Cash Credit From Financial Institution

Sl.No	Financial Institution	Facility availed	Sanction Limit and Interest rate	Repayment terms	Primary and Collateral Security	Balance as at March 31, 2015	Balance as at March 31, 2014
1	Aditya Birla Finance	Cash Credit	10 Crores (Present Interest rate is 12.50% 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.	6,23,91,930.00	Nil

23) Related Party Disclosures

As per accounting standard 18, the disclosures of transactions with the related parties as defined in the accounting standard are given below

- I. List of related parties where control exists and related parties whom transaction have taken place and relationships.

Sl No	Name of the related party	Relationship
1	Hedge Equities Limited	Associate
2	Hedge commodities Limited	Associate
3	Hedge Properties Limited	Associate
4	Alex K Babu	Key Management personnel
5	Bhuvanendran N	Key Management personnel
6	Bobby Jose	Key Management personnel
7	Jacob K Babu	Relative of Key Management personnel
8	Babu Chandy	Relative of Key Management personnel

II. Transactions during the year and balance at the year end

Sl. No	Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management person	
		31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
1	Loan advanced				
	Hedge Equities Limited			7,68,75,000.50	-
2	Expenditure Payable				
	Hedge Equities Limited			-	1,44,440.77
3	Loan advanced to relative of Key management personnel				
	Babu Chandy	2,46,42,020.45	2,24,95,982.38		
4	Interest on Loan				
	Hedge Equities Limited			85,53,201.00	1,15,28,213.00
	Babu Chandy	13,74,621.00	14,53,104.00		
	Jacob K Babu	-	9,259.00		
5	Remuneration to Directors				
	Alex K Babu	9,50,000.00	6,00,000.00		
	Bhuvanendran N	9,50,000.00	6,00,000.00		
	Bobby Jose	9,50,000.00	6,00,000.00		
6	Other receivables				
	Hedge Commodities Limited			15,00,000.00	7,50,000.00
	Hedge Properties Private Limited			5,02,177.00	5,02,177.00

24) Loan portfolio and Provision for Non Performing Assets for major categories of loan portfolio:

	Gross loan outstanding		Provision for N P A		Net loan outstanding	
	2015	2014	2015	2014	2015	2014
a) Loan against Shares	21,79,49,184.00	6,44,26,517.00			21,79,49,184.00	6,44,26,517.00
b) Loan against Property	6,97,19,632.00	5,92,03,155.00			6,97,19,632.00	5,92,03,155.00
TOTAL	28,76,68,816.00	1,23,629,672.00	-	-	28,76,68,816.00	1,23,629,672.00

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

	Current Year	Previous Year
Salaries & allowances	28,50,000	18,00,000

26) 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	Current year	Previous year
Profit after tax attributable to equity shareholders (Rs)	1,57,55,314.00	1,35,57,512.00
Weighted average number of equity shares outstanding During the year	2,19,71,089.55	2,18,81,089.55
Basic /Diluted Earnings per share (Rs)	0.72	0.62
Nominal value per share	10	10

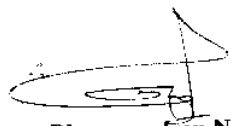
27) No amount was due for transfer to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 on March 31st 2015.

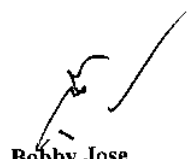
28) There is no Micro and Small enterprises , to whom the company owes dues , which are outstanding for more than 45 days as at 31st march 2015. This information as required to be disclosed under the Micro, Small and Medium enterprises development act ,2006 has been determined to the extent such parties have been identified on the basis oi information available with the company.

	As on 31-Mar-15	As on 31-Mar-14
29) Expenditure in foreign currency	NIL	NIL
30) Value of imports	NIL	NIL
31) Value of all imported raw material	NIL	NIL
32) Foreign remittance on account of dividends	NIL	NIL
33) Earnings in foreign exchange	NIL	NIL
34) Contingent liabilities	NIL	NIL

For and on behalf of the Board

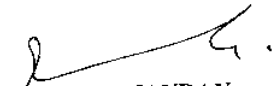

Alex K Babu
(Managing Director)


Bhuvanendran N
(Director)


Bobby Jose
(Director)

As per our Report of even date attached

For, MANIKANDAN & ASSOCIATES


C.K. MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
Membership No: 208654
Firm Reg No: 008520S

Place : Kochi
Date : 22.06.2015