

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting their 5th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the financial year ended 31st March, 2016.

Financial Performance :

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

Particulars	Year ended 31 st March 2016	Year ended 31 st March 2015
Turnover	4,93,39,953	3,51,53,463
Profit/(Loss) before taxation	2,69,88,366	2,29,94,674
Current Tax	9,206,923	7,257,549
Deferred Tax	<u>-277,441</u>	<u>-18,189</u>
Less/Add: Tax Expenses	89,29,482	72,39,360
Profit/(Loss) after tax	1,80,58,884	1,57,55,314
Add: Balance B/F from the previous year	5,966,715	2,170,523
Balance Profit /(Loss) C/F to the next year	11,211,230	5,966,715

Dividend:

During the financial year 2015-16, the company has earned an income of Rs. 1,80,58,884/- after deducting all expenses including tax. Hence, the Board recommends a Final dividend of Rs. 0.50/- per fully paid equity share of Rs. 10/- each. The final 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.

State of Company's Affairs and Future Outlook

During the financial year 2015-16, the Company has marked an improvement in performance as compared to the previous financial year 2014-15. During the year under review the company has earned a total income of Rs.4,93,39,953/-, interest income of Rs. 4,41,71,354/-, Loan Processing Income of Rs. 3,94,048/- and Other income of Rs. 47,74,565/-. Further, the Company has incurred expenses of Rs. 2,23,51,586/- as shown in the financial statement.

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:

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report.

Change in nature of business, if any:

During the year, the company has also decided to carry on the business of distributors/advisors of financial products like Life Insurance/General Insurance Products, mutual fund products, pension products, pension schemes, debentures/bonds as agents/franchisees/distributors. The new business is satisfactory and earned an income of Rs. 5,168,599/- during the financial year.

Reserves:

During the financial year 2015-16, the company transferred 20% of its net profit to reserve, i.e an amount of, Rs. 3,611,777/- as per section 45 IC of RBI Act.

Changes in Share Capital:

During the year under review, the Company has not issued any further shares.

However, during the year, the Company has raised call money of Rs. 6.95/- per share in respect of 20,00,000 Equity shares of Rs. 10/- each on which Rs. 3.05/- per share was paid up as on 31.03.2015. However, against this call, the Company received an amount of Rs. 59,07,500/-.

The shareholding details during the year are given below:

Share Capital	As at 31st March 2016		As at 31st March 2015	
	Number	Amount In Rs.	Number	Amount In Rs.
Equity Shares of Rs10/-each fully paid up	21,293,817	212,938,170	22,445,817	224,458,170
Equity Shares of Rs 10/- each Rs 1.05/-paid up	1,151,000.00	1,302,200.00	2,000,000	6,100,000.00
Empty Shares of Rs 10/- each Rs 6.50/-paid up	1,272,727.00	8,272,726	1,272,727	8,272,726

Also, the company has issued secured non convertible debentures amounting to Rs. 7,11,64,000/- by way of private placement during the same year.



Extract of Annual Return:

Extract of Annual Return, in form MGT-9, for the financial year 2015-16 is enclosed with this report marked as ANNEXURE I

Composition of Board and Key Managerial Personnel

During the financial year under review, the Board comprised of the following members:

DIN	Full Name of the Director	Designation	Date of Appointment
01254207	Mr. Alex K. Babu	Managing Director	15/02/2011
01901616	Mr. Bobby Jose	Whole Time Director	15/02/2011
01903591	Mr. Bhuvanendran N	Whole Time Director	15/02/2011
01835766	Mr. P.S. George	Director	25/02/2015
01038074	Mr. Pradeep Kumar C	Director	25/02/2015
01969624	Mr. Ambrish Narsh Sampat	Director	20/11/2015
06560851	Mr. John George	Director	09/03/2016

On the recommendation of Nomination & Remuneration Committee, Mr. Ambrish Narsh Sampat and Mr. John George were appointed as Independent Directors of the Company on 20.11.2015 and 09.03.2016 respectively. Mr. P.R. Sankaranarayanan, Director of the Company has resigned from his office on 09.03.2016.

All the independent directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013

Further, Mr. Suraj Ramachandran was appointed as the Chief Financial Officer with effect from 20.11.2015 and Ms. Anju Thomas was appointed as the Company Secretary of the Company with effect from 01.03.2016.

Meetings of the Board of Directors:

During the financial year 2015-16, 19 meetings of Board of Directors of the company were held as detailed below;

Date of the meeting	No. of Directors attended the meeting
02.05.2015	4
15.06.2015	4
22.06.2015	4
01.07.2015	5
27.07.2015	4
05.08.2015	5
19.08.2015	5
11.09.2015	6
25.09.2015	5
01.10.2015	5
23.10.2015,	6
03.11.2015	5
07.11.2015	5
20.11.2015	6
30.11.2015	5
02.12.2015	5
23.12.2015	6
28.01.2016	6
09.03.2016	5

Particulars of Loan, Guarantees and investments under Section 186:

The Company, being a Non-Banking Financial Company, is exempted from the provisions of Section 186 of Companies Act, 2013.

Particulars of Contracts or Arrangements with Related Parties:

The contracts/ arrangements with related parties have been detailed in AOC-2 which has been annexed to this report as ANNEXURE II.

Auditors and Auditor's report:

M/s Manikandan & Associates., Chartered Accountants, Chalakudy were appointed by the Company at the 4th Annual General Meeting held on 07.08.2015 as statutory auditors of the Company for a period of 4 financial years in compliance with the provisions of Section 139 subject to ratification by members each year. Accordingly, their appointment is proposed to be ratified at the ensuing Annual General Meeting. The Auditors' report on the financial statements for the year 2015-16 does not contain any qualifications, reservations or adverse remarks.

Conservation of Energy and Technology Absorption:

Your Directors state that utmost care has been taken for conservation of energy. The Company does not carry on any activity relating to or which necessitates technology absorption.

Foreign Exchange Earnings & Outgo:

There was no Foreign Exchange earnings and outgo during the year under review

Details of Subsidiary, Joint Venture or Associates:

The Company has no subsidiaries or joint ventures or Associates.

Risk Management Policy:

As per the Risk Management Policy of the company all fixed assets and machineries are properly maintained. Further the Management is regularly studying market conditions.

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 material orders passed by the regulators or courts or tribunal during the year under review.



Statement in respect of adequacy of internal financial controls with reference to the Financial Statements:

In the opinion of the Board 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.

Deposits:

The Company has not accepted any deposits from the public during the year under review

Secretarial Audit Report:

Section 204 of Companies Act, 2013 is not applicable to the Company during the year under review.

Corporate Social Responsibility (CSR) Policy:

Provisions of Section 135 of Companies Act, 2013 and the rules there under are not applicable to our company during the year under review.

Audit Committee:

The Company has re-constituted an Audit committee as required under Section 177 of the Companies Act, 2013. The committee comprises of three Directors namely Mr. Alex K Babu, Mr. Ambrish Naresh Sampat and Mr. John George. The Board has accepted all the recommendations of the Audit Committee during the year under review.

Statement Indicating the manner in which Formal Annual Evaluation has been made by the Board of its own performance, its Directors and that of its committees:

This Company is not listed in any Stock Exchanges in India. The paid up share capital of our company is Rs. 22,47,18,395.50/- i.e., less than the thresholds specified under Section 134 of Companies Act, 2013. Hence the requirement to disclose the manner in which Formal Annual Evaluation has been made by the Board of its own performance, its Directors and that of its committees is not applicable to the Company during the year under review.

Nomination and Remuneration Committee policy:

The company has, during the year under review, re-constituted a Nomination and Remuneration Committee as required under Section 178 of Companies Act, 2013 and it includes three members namely Mr. Alex K Babu, Mr. Ambrish Naresh Sampat and Mr. John George. The Company has laid down remuneration criteria for directors, key managerial personnel and other employees in the Nomination Remuneration and Compensation Committee Charter/ Policy. The Policy on Board Diversity and Nomination and Remuneration Committee Charter/Policy are annexed to this report as ANNEXURE III.



Disclosure of Establishment of Vigil Mechanism:

The provisions of Section 177(9) of the Companies act, 2013 is not applicable since the Company has not borrowed any monies nor or accepted any deposits exceeding the limits prescribed under the act, during the year under review.

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.

There was no Sexual Harassment of Women reported during the year ended 31.03.2016. 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, your Directors confirm that:

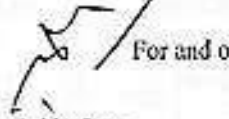
- a) in the preparation of annual accounts for the financial year ended 31st March 2016, the applicable accounting standards had been followed and there was no departure from the accounting standards followed ;
- b) the directors had selected such accounting policies and applied them consistently and 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 31st March 2016 and of the profit 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) 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.

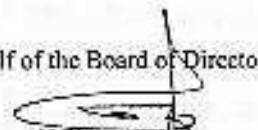
Acknowledgement:

The Directors place on records their gratitude for the valuable help and co-operation received from all concerned.

Place: Kochi
Date: 15.07.2016


Alex K Babu
(Managing Director)
DIN:01254207


For and on behalf of the Board of Directors
Bobby Jose
(Whole-Time Director)
DIN:01903646


N. Bhuvanendran
(Whole-Time Director)
DIN:01903591

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2016

[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 Non Government Company
- v) Address of the Registered Office and contact details : Hedge House, Palarivattom P.O, Mamangalam, Kochi, Ernakulam - 682025
- E-mail : cfo@hedgefinance.com
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Nil

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	6491	89.52
2	To do the business of distributors/advisors of financial products like LIC, GIC, Mutual Fund, Pension products, debentures etc	6511	10.48

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. SHAREHOLDING 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				Percentage change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
A.1 India									
a) Individual (HUF)		280423	280423	24.47	685121	685121	29.32	4.84	
b) Central Govt.									
c) State Govt. (a)									
d) Mutual Corporate									
e) Banks/FI									
f) Any other									
Sub-Total (A)		280423	280423	24.47	685121	685121	29.32	4.84	
(B) -									
(C) Foreign									
a) NRIs - Individuals									
b) Foreign Institutional Investors									
c) Body Corporate									
d) Banks/FI									
e) Any other.....									
Sub Total									
(C) (B) -									
Total Shareholding of Promoter		280423	280423	24.47	685121	685121	29.32	4.84	
(A)+(B)+(C)									
B. Public Holding									
B.1 Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt.									
d) State Govt. (a)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B)									
(D) -									
B. Non Institutional									
a) Bodies Corporate									
i) India									
ii) Overseas									
b) Individuals									
c) Individual shareholder holding normal share capital upto Rs. 1 Lakh									
d) Individual shareholder holding normal share capital in excess of Rs. 1 Lakh	1791211	1791211	1791211	15.53	1670121	1670121	16.68	4.85	
Sub Total									
(B) (D) -									
Total Public Shareholding (B) + (B) (D) + (D)									
C. Shares held by Depositories for GDRs and ADRs		0	0	0	0	0	0	0	
Grand Total (A + B + C)		2773244	2773244	100	2773244	2773244	100	0	



(ii) Shareholding of Promoters

SL.No	Shareholders name	Shareholding at the beginning of the year			Share holding 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 Baba	3340787	14.09	NIL	4459787	18.93	NIL	4.84
2	Bobby Jose	300000	1.26	NIL	300000	1.26	NIL	NIL
3	Bhuvanendran N	300000	1.26	NIL	300000	1.26	NIL	NIL
4	Pradeep Kumar C	963636	4.06	NIL	963636	4.06	NIL	NIL
5	Nithya Alex	300000	1.26	NIL	300000	1.26	NIL	NIL
6	Jeslin Abraham	300000	1.26	NIL	300000	1.26	NIL	NIL
7	Raji C.P	300000	1.26	NIL	300000	1.26	NIL	NIL





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

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 (01.04.2015)		3340787	14.09	3340787	14.09
	28.01.2016	Transfer	1150000	4.84	4490787	18.94
	09.03.2016	Transfer	1000	0.004	4489787	18.93
	At the end of the year (31.03.2016)		4489787	18.93	4489787	18.93
2	Bobby Jose					
	At the beginning of the year (01.04.2015)		300000	1.26	300000	1.26
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)	No change	300000	1.26	300000	1.26
3	Bhuvanendran N					
	At the beginning of the year (01.04.2015)		300000	1.26	300000	1.26
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)	No change	300000	1.26	300000	1.26
4	Pradeep Kumar C					
	At the beginning of the year (01.04.2015)		963636	4.06	963636	4.06
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)	No change	963636	4.06	963636	4.06
5	Nithya Alex					
	At the beginning of the year (01.04.2015)		300000	1.26	300000	1.26
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)	No change	300000	1.26	300000	1.26
6	Teslin Abraham					
	At the beginning of the year (01.04.2015)		300000	1.26	300000	1.26
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)	No change	300000	1.26	300000	1.26
7	Raji C.P					
	At the beginning of the year (01.04.2015)		300000	1.26	300000	1.26
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)	No change	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	
			Nn. 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 (01.04.2015)		6045455	25.49	6045455	25.49
	28.01.2016	Transfer	250000	1.05	6295455	26.54
	At the end of the year (31.03.2016)		6295455	26.54	6295455	26.54
2	Raphael P Thomas					
	At the beginning of the year (01.04.2015)		2500000	10.54	2500000	10.54
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		2500000	10.54	2500000	10.54
3	Kiran B					
	At the beginning of the year (01.04.2015)		1000000	4.22	1000000	4.22
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		1000000	4.22	1000000	4.22
4	Dr. Joseph V T & Celine Joseph					
	At the beginning of the year (01.04.2015)		1000000	4.22	1000000	4.22
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		1000000	4.22	1000000	4.22
5	Cheriyath Varghese					
	At the beginning of the year (01.04.2015)		1000000	4.22	1000000	4.22
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		1000000	4.22	1000000	4.22
6	Lissy Mathew					
	At the beginning of the year (01.04.2015)		1000000	4.22	1000000	4.22
	1/28/2016	Transfer	575000	2.42	425000	1.79
	At the end of the year (31.03.2016)		425000	1.79	425000	1.79
7	Mathew Philip					
	At the beginning of the year (01.04.2015)		1000000	4.22	1000000	4.22
	1/28/2016	Transfer	575000	2.42	425000	1.79
	At the end of the year (31.03.2016)		425000	1.79	425000	1.79
8	Asha Jolus					
	At the beginning of the year (01.04.2015)		250000	1.05	250000	1.05
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		250000	1.05	250000	1.05
9	Aswathi Annie Abraham					
	At the beginning of the year (01.04.2015)		150000	0.63	150000	0.63
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		150000	0.63	150000	0.63
10	Ajit Jones Mathew					
	At the beginning of the year (01.04.2015)		150000	0.63	150000	0.63
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		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 (01.04.2015)		3340787	14.09	3340787	14.09
	28.01.2016	Transfer	1150000	4.84	4490787	18.94
	09.05.2016	Transfer	1000	0.004	4489787	18.93
	At the end of the year (31.03.2016)		4489787	18.93	4489787	18.93
2	Bobby Jose					
	At the beginning of the year (01.04.2015)		300000	1.26	300000	1.26
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		300000	1.26	300000	1.26
3	Bhuvanendran N					
	At the beginning of the year (01.04.2015)		300000	1.26	300000	1.26
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		300000	1.26	300000	1.26
4	Pradeep Kumar C					
	At the beginning of the year (01.04.2015)		963636	4.06	963636	4.06
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		963636	4.06	963636	4.06
5	P.S. George					
	At the beginning of the year (01.04.2015)		1666666	7.03	1666666	7.03
			Nil	Nil	Nil	Nil
	At the end of the year (31.03.2016)		1666666	7.03	1666666	7.03
6	Ambrish Naras Sampat					
	At the beginning of the year (01.04.2015)		0	0	0	0
	09.03.2016	Transfer	500	0.002	500	0.002
	At the end of the year (31.03.2016)		500	0.002	500	0.002
7	John George					
	At the beginning of the year (01.04.2015)		0	0	0	0
	09.03.2016	Transfer	500	0.002	500	0.002
	At the end of the year (31.03.2016)		500	0.002	500	0.002



(vi) 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				
i) principal amount	6,41,67,264	0	0	6,41,67,264
ii) interest due but not paid	Nil	Nil	Nil	
iii) interest accrued but not due	Nil	Nil	Nil	
Total (i+ii+iii)	6,41,67,264	0	0	6,41,67,264
Change in Indebtedness during the financial year				
*Addition	7,11,64,000	0	0	7,11,64,000
*reduction	61080045	0	0	61080045
Net changes	10083955	0	0	10083955
Indebtedness at the end of the financial year				
i) principal amount	74251219	0	0	74251219
ii) interest due but not paid	Nil	Nil	Nil	
iii) interest accrued but not due	Nil	Nil	Nil	
Total (i+ii+iii)	74251219	0	0	74251219

(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			Total Amount
		Alex K Babu (MD)	Bobby Jose (WTD)	Bhuvanendran (WTD)	
	Gross Salary	1705897/-	1200000/-	600000/-	3505897/-
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	b) Value of perquisites under Section 17(2) Income Tax Act 1961				
	c) Profit in lieu of salary under Section 17(3) Income Tax Act 1961				
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission		0	0	0
	- As % of profit - others, specify				
5	Others, please specify		0	0	0
	Total (A)	1705897/-	1200000/-	600000/-	3505897/-
	Ceiling as per the Act	15,24,713/-	15,24,713/-	15,24,713/-	30,49,423/-



B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Name of Director	Total amount
	1. Independent Directors		
	-Fee for attending Board Committee Meetings	0	0
	-Commission		
	-Others please specify		
	Total (1)	0	0
	2. Other Non-Executive Directors		
	-Fee for attending Board Committee Meetings	0	0
	-Commission		
	-Others, please specify		
	Total (2)	0	0
	Total (B)- (1+2)	0	0
	Total Managerial Remuneration	0	0
	Overall ceiling as per the Act	0	0

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary		15000	396756	411756
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0	NIL	NIL	
	b) Value of perquisites under Section 17(2) Income Tax Act 1961		NIL	NIL	
	c) Profit in lieu of salary under Section 17(3) Income Tax Act 1961		NIL	NIL	
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- As % of profit	0	0	0	0
	- others, specify				
5	Others, please specify	0	0	0	0
	Total	0	15000	396756	411756




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 Hedge Finance Limited

Place: Kochi
Date: 15.07.2016


Alex K Babu
(Managing Director)
DIN:01254207


Bobby Jose
(Whole-Time Director)
DIN:01903646


N. Bhuvanendran
(Whole-Time Director)
DIN:01903591



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)

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

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

S.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
2	Hedge Commodities Limited	Common Directors and the Directors hold more than 2% of the paid-up share capital

(b) Nature of contracts / arrangements / Transactions

Sl No.	Particulars	Enterprises owned or significantly influenced by key management person or their relatives Amount (in Rs.)
1	Rent paid	
	Hedge Equities Limited	240,000
2	Commission Received	
	Hedge Equities Limited	3,512,104

(c) Duration of the contracts / arrangements / transactions : 1 year (from 01/04/2015 to 31/03/2016)

(d) Salient terms of the contracts or arrangements or transactions including the value, if any : Nil

(e) Date of approval by the Board : 15.07.2016


(g) Amount paid as advances, if any : NIL

(h) Date on which the special resolution was passed in general meeting as required under first provision to section 188 : Not Applicable

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

Place: Kochi
Date: 15.07.2016


Alex K Babu
(Managing Director)
DIN:01254207


Bobby Jose
(Whole-Time Director)
DIN:01903546

By order of the Board


N. Bhuvaneodran
(Whole-Time Director)
DIN:01903591



HEDGE FINANCE LIMITED NOMINATION & REMUNERATION POLICY

Hedge Finance Limited (hereinafter referred to as 'the Company') has, since inception, formulated performance based remuneration structures for its employees at all levels, so as to provide ample opportunity for inclusive growth, supported with adequate learning. Accordingly, 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".

The components forming part of the compensation structure for each grade are designed to reward performance as well as to mitigate some of the location based hardships faced by the employees.

Section 178 (2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto provide that the Nomination and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel and other employees.

Accordingly, the NRC recommends the following Nomination & Remuneration Policy of the Company so as to ensure that:

- a) 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.
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to executive directors, key managerial personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The following policy shall be hereinafter referred to as "Remuneration Policy of Hedge Finance Limited".

I. Definitions

- a) "Remuneration" means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.



- b) "Key Managerial Personnel" means,
- i) Managing Director, Chief Executive Officer or Manager;
 - ii) Whole-time Director;
 - iii) Chief Financial Officer;
 - iv) Company Secretary
- c) "Employee" will mean an employee who has been appointed on the rolls of Hedge Finance Limited (hereinafter referred to as 'the Company') and has been issued an appointment order/ appointment letter by the Company.

II. Board Diversity, Appointment of Directors, KMP

I. Vision

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

2. Policy Statement

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board of Directors (Board), necessary for achieving sustainable and balanced development. For appointment of persons to office of directors and deciding composition of the Board, the Nomination and Remuneration Committee (NRC) and the Board shall also have due regard to this policy on Board diversity. In this process the NRC /Board will take into consideration qualification and wide experience of the directors in the fields of banking, finance, regulatory, administration, legal, apart from compliance of legal and contractual requirements of the Company.

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and recommend to the Board his / her appointment. A person to be appointed as Director, KMP, should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company and the Companies Act, 2013.

The composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013 and the statutory, regulatory and contractual obligations of the Company.



3. Review of Policy

The NRC will review the policy from time to time and make recommendations on any required changes to Board for consideration and approval.

III. Remuneration Pattern

The NRC lays down the following remuneration pattern for Non-executive Directors and Independent Directors, Executive Directors, Key Managerial Personnel and other employees under the Remuneration Policy:

1. REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

The remuneration payable to Non-Executive Directors and Independent Directors shall consist of:

- a) Sitting fees for attending the meetings of the Board and committees of the Board, within the limit prescribed under the Companies Act, 2013 as may be recommended by the NRC and decided by the Board of Directors at their meeting;
- b) Commission for each financial year, within the limits specified under the Companies Act, 2013, as may be recommended by the NRC and decided by the Board of Directors;
- c) Reimbursement of expenses for attending meetings of the Board and committees of the Board.

2. REMUNERATION PAYABLE TO MANAGING DIRECTOR OR WHOLE-TIME DIRECTORS

The remuneration payable to Managing Director or Whole-time Directors, who are appointed based on Shareholders' approval, shall consist of:

- a) Salary, allowances, commission and perquisites;
- b) Commission for each financial year, as may be decided by the Board of Directors, based on the recommendations of the NRC;

The Minimum Remuneration in any financial year, when the Company has no profits or its profits are inadequate, by way of salary, allowances, commission and perquisites shall not exceed the limits specified in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The overall remuneration payable to Directors, including Executive Directors, shall be within the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V.



3. REMUNERATION PAYABLE TO OTHER KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

The remuneration payable to other Key Managerial Personnel and other employees of the company shall consist of:

- a) Salary, allowances, perquisites and variable components reflecting the short and long term performance objectives appropriate to the working of the Company, which are aligned to industry standards.

IV. Implementation of the Remuneration Policy

The Remuneration payable to Executive Directors shall be determined by the NRC after taking into account their experience, qualification, responsibilities, contributions, performance and industry standards.

The Remuneration Policy of the Company, to the extent applicable to Key Managerial Personnel other than Executive Directors and other employees shall be monitored by the Managing Director, who shall take appropriate steps to ensure that the remuneration is commensurate with their experience, qualification, responsibilities, contributions, performance and industry standards.

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of the Remuneration policy.





Independent Auditors' Report

To the members of Hedge Finance Limited

Report on the financial statements

We have audited the accompanying financial statements of Hedge Finance Limited (the "Company"), which comprise the Balance sheet as at March 31, 2016, and the Statement of Profit and Loss for the year then ended, the Cash flow Statement for the year ended March 31st 2016 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 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 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.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.



Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the said 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 Balance sheet, of the State of Affairs of the Company as at March 31, 2016; and
- (b) In the case of Statement of profit and loss, of the Profit for the year ended on March 31st 2016; and
- (c) Its cash flow statement for the year ended 31st March 2016.

Emphasis of Matters

Nil

Report on other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure, statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

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

- (a) We have 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 the books of account;
- (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 and 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 and 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 Act read with rule 7 of Companies (Accounts) Rules, 2014; and
- (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 at March 31, 2016, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (h) With respect to the matters to be included in the Auditor' 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 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


MANIKANDAN.C.K
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP No.208654
FIRM.No.008520S

Kochi
Dated 15th July 2016



**Annexure to the Independent Auditors' Report of
Hedge Finance Limited
as of and for the year ended March 31, 2016
(referred to in our report of even date)**

- (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 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) There is no immovable property held in the name of the company.
- (ii) The Company has no inventory and hence Para 3 (ii) of the Companies (Auditors Report) order, 2016 is not applicable to the company .
- (iii) The Company has granted loan to Hedge Equities Limited and balance outstanding as on 31-03-2016 is ₹ 585.83 Lakhs
- (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, sales tax, customs duty, service tax, excise duty and cess on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, or dues to debenture holders.
- (ix) The company has not raised any money by way of public offer or further public offer including debt instruments and term loans and hence this clause is not applicable.
- (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 had been paid by the company during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to Companies Act.
- (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) All the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in financial statements, 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 45 IA of the Reserve Bank of India Act, 1934 and has obtained registration certificate.

Chalaky
Dated 15th July 2016

For, MANIKANDAN & ASSOCIATES


MANIKANDAN.C.K
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP No.208654
FIRM.No.008520S



**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 31st March 2016 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 may 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 financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal financial 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.

Kochi
Dated 15th July 2016

For, MANIKANDAN & ASSOCIATES

MANIKANDAN.C.K
(PARTNER)

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



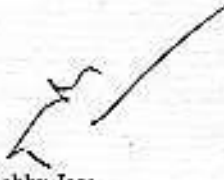
HEDGE FINANCE LTD
BALANCE SHEET AS AT 31st MARCH 2016


Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
		Amount in ₹	Amount in ₹
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	22,47,18,396	21,88,10,896
Reserves and Surplus	5	1,12,11,230	59,66,715
Non-current liabilities			
Long-term Borrowings	6	7,11,64,000	NIL
Deferred Tax Liabilities (Net)			
Current Liabilities			
Other Current Liabilities	7	30,87,219	6,41,67,264
Short-term Provisions	8	1,41,35,342	1,24,86,517
TOTAL		32,43,16,187	30,14,31,392
II. ASSETS			
Non-current Assets			
Fixed Assets	9		
(i) Tangible Assets		16,63,610	18,78,723
(ii) Intangible Assets		96,000	NIL
Deferred Tax Asset(net)	10	2,60,930	(16,511)
Long-term Loans and Advances	11	4,02,91,876	28,78,68,816
Current Assets			
Current Investments	12	21,66,062	12,27,286
Cash and Cash Equivalents	13	2,18,74,867	38,21,086
Short-term Loans and Advances	14	25,38,92,036	7,60,307
Other Current Assets	15	40,70,806	58,91,685
TOTAL		32,43,16,187	30,14,31,392

For and on behalf of the Board

As per our Report of even date attached


Alex K Babu
(Managing Director)
DIN:01254207


Bobby Jose
(Whole-Time Director)
DIN:01963646


N. Bhuvanendran
(Whole-Time Director)
DIN:01903591


Siraj Ramachandran
(Chief Financial Officer)


Anju Thomas
(Company Secretary)



For, MANIKANDAN & ASSOCIATES
C.K. MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 008520S

Kochi
Dated 15th July 2016



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH 2016

Particulars	Note No.	Year Ended 31st	Year Ended 31st
		March 2016	March 2015
I Income		<i>Amount in ₹</i>	<i>Amount in ₹</i>
Revenue from Operations	16	4,41,71,354	3,29,42,837
Other Income	17	51,68,599	22,10,626
Total Revenue		4,93,39,953	3,51,53,463
II Expenses			
Employee Benefits Expenses	18	82,45,061	38,51,726
Finance costs	19	59,24,139	13,14,521
Other expenses	20	77,17,739	66,62,711
Depreciation and amortization expenses	21	4,64,648	3,29,831
Total Expenses		2,23,51,587	1,21,58,789
III Profit Before Tax		2,69,88,366	2,29,94,674
IV Tax expense:			
Current tax		92,06,923	72,57,549
Deferred tax		(2,77,441)	(18,189)
Total Tax Expense:		89,29,482	72,39,360
V Profit for the year		1,80,58,884	1,57,55,314
VI Earnings per Equity Share:			
Basic	22	0.80	0.72
Diluted		0.80	0.72

For and on behalf of the Board

As per our Report of even date attached


Alex K Babu
(Managing Director)
DIN:01254207


Goddy Jose
(Whole-Time Director)
DIN:01903646


N. Dhuvanendran
(Whole-Time Director)
DIN:01903591

For, MANIKANDAN & ASSOCIATES


Suresh Ramachandran
(Chief Financial Officer)


Anju Thomas
(Company Secretary)



C.K. MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 0095206

Kochi
Dated 15th July 2016



HEDGE FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

	As At 31st, March 2016	As At 31st, March 2015
CASH FLOWS FROM OPERATING ACTIVITY		
Net profit before taxation and extraordinary items	2,69,88,366	2,29,94,674
Add : Adjustment For :		
Depreciation / amortization	4,64,648	3,29,831
Provision for standard asset & NPA	7,93,578	2,18,321
Interest on debenture	25,14,910	
Less: Adjustment For :		
Income from Investment	(14)	19,16,501
Operating profit before working capital changes	3,07,61,516	2,16,26,325
Movements in working capital		
Decrease/(increase) in long term loans & Advances	24,75,76,940	(16,40,39,144)
Decrease/(increase) in short term loans & Advances	(25,31,31,729)	(2,10,896)
Decrease/(increase) in Other current assets	18,20,879	8,95,073
Increase/(Decrease) in current liabilities	12,92,026	(11,63,005)
Cash generated from / (used in) operations	2,83,19,632	(14,28,91,646)
Less: Direct tax paid (including TDS)	92,06,923	73,44,871
Net cash flow from / (used in) Operating Activities (A)	1,91,12,709	(15,02,36,517)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,45,535)	(18,70,216)
Purchase of Investment	(16,29,09,195)	(28,54,82,601)
Sale of Investment	16,29,09,195	34,09,72,466
Income From Investments	(14)	19,16,501
Other investment	(9,38,776)	20,00,000
Net cash flow from Investing Activities (B)	(12,84,325)	5,75,36,150
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	59,07,500	.
Proceeds from Secured Debentures	7,11,64,000	.
Increase/Decrease in Loan from financial institution	(6,23,72,071)	6,23,91,930
Interest on debentures	(25,14,910)	.
Dividend Paid	(1,02,21,909)	.
DDT paid	(17,37,213)	.
Net cash flow from Financing Activities (C)	2,25,397	6,23,91,930
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	1,80,53,781	(3,03,08,437)
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	38,21,086	3,41,29,523
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	2,18,74,867	38,21,086

Notes on accounts

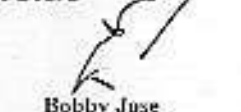
The schedules and the notes thereon form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board



Alex K Babu
(Managing Director)
DIN:01254207




Bobby Juse
(Whole-Time Director)
DIN:01903646



N. Bhuvanendran
(Whole-Time Director)
DIN:01903591

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




Saraj Ramachandran
(Chief Financial Officer)


Anju Thomas
(Company Secretary)



C.K. MANIKANDAN
(PARTNER)

CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 0085205

HEDGE FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(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**

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..

f) **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 5years

g) **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.

h) **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.

i) **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

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

k) **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.

l) **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.

m) **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.

n) **Leases**

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

o) **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

NOTE NO.4

Share Capital	As at 31st March,2016		As at 31st March,2015	
	Number	Amount In ₹	Number	Amount In ₹
<u>Authorised</u>				
Equity Shares of Rs 10/- each	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
<u>Issued</u>				
Equity Shares Rs 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
<u>Subscribed & fully Paid up</u>				
Equity Shares of Rs10/-each fully paid up	2,12,93,817	21,29,38,170	2,04,43,817	20,44,38,170
	2,12,93,817	21,29,38,170.00	2,04,43,817	20,44,38,170
<u>Subscribed but not fully Paid up</u>				
Equity Shares of Rs 10/- each Rs 3.05/share paid up	11,50,000.00	35,07,500.00	20,00,000	61,00,000.00
Equity Shares of Rs 10/- each Rs 6.5/share paid up	12,72,727.00	82,72,726	12,72,727	82,72,726
Total	24,22,727	1,17,80,226	32,72,727	1,43,72,726

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

Equity Shares	As at 31st March,2016		As at 31st March,2015	
	Number	Amount In ₹	Number	Amount In ₹
Shares of Rs.10/-				
Shares outstanding at the beginning of the year	2,37,16,544.00	21,88,10,896	2,37,16,544.00	21,88,10,896
Shares Issued during the year				
Share amount received for partly paid up shares	-	59,07,500.00	-	-
Preference shares converted into equity shares during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	2,37,16,544.00	22,47,18,396	2,37,16,544.00	21,88,10,896

b. 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 2016

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

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

Name of the share holder	As at 31 st March 2016		As at 31 st March 2015	
	No of shares	Percentage of holding	No of shares	Percentage of holding
Alex K Bahu	4489787	14.44%	3340787	14.09%
Raphael P Thomas	2500000	11.12%	2500000	10.54%
Or P S George	1666666	7.42%	1666666	7.02%
K C Bahu	6295455	28.01%	6045455	25.49%




NOTE No. 5		
Reserves and Surplus		
	As at 31st March 2016	As at 31st March 2015
a. General reserve		
Opening Balance	58,62,565	27,11,502
Current year transfer	36,11,777	31,51,063
Total	94,74,342	58,62,565
b. Surplus		
Opening balance	1,04,150	(5,40,979)
(+) Net Profit/(Net Loss) For the current year	1,80,58,884	1,57,55,314
(+) Transfer from Reserves		
(-) Proposed Dividends	1,06,46,909	1,02,21,909
(-) Tax on Proposed Dividends	21,67,460	17,37,213
(-) Transfer to Reserves 20%	36,11,777	31,51,063
Total	17,36,888	1,04,150
Total	1,12,11,230	59,66,715

Note No :- 6		
Long Term Borrowings		
	As at 31st March 2016	As at 31st March 2015
Secured Non Convertible Debentures	7,11,64,000	NIL
Total	7,11,64,000	NIL

The company has issued Redeemable non convertible secured 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 11.5% to 13.5% p.a.



Note No :- 7

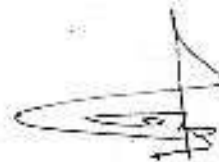
Other Current Liabilities

	As at 31st March 2016	As at 31st March 2015
Cash Credit From Others :-		
a) Aditya Birla Finance Ltd	19,859	6,23,91,930
Interest Payable on Debentures	22,28,167	
Other Current Liabilities :-		
a) Dues to creditors for expenses	5,44,748	13,11,704
b) Statutory payables	2,90,205	1,33,758
c) Other Payables	4,240	3,29,872
Total	30,87,219	6,41,67,264

Note No :- 8

Short term Provisions

	As at 31st March 2016	As at 31st March 2015
Proposed Equity dividend	1,06,46,909	1,02,21,909
Provision for Dividend Tax	21,67,460	17,37,213
Provision for Standard Assets	8,67,946	5,27,395
Provision for NPA	4,53,027	-
Total	1,41,35,342	1,24,86,517



Hedge Finance

Note No. 9
Fixed Assets

Fixed Assets	Gross Block						Accumulated Depreciation/Amortization Expense				Net Block	
	Balance As At 01.04.2015	Additions	Disposals	Revaluations/ (Impairments)	Balance As At 31.03.2016	Balance As At 01.04.2015	Depreciation/ Amortization Expense charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2015	
Tangible Assets												
Computers & Accessories	5,25,000	69,900			5,92,900	1,70,919	1,55,891			2,52,050	3,52,051	
Office Equipments		33,000			33,000	95,371	1,331			31,669	58,329	
UPS And Battery	1,93,700	31,100			2,24,800	39,600	68,267			61,362		
Air Conditioner		39,600			39,600	21,400	6,493			33,107		
Mobile Phone	21,400	51,935			73,335		9,560			41,975		
Motor Vehicle												
HYUNDAI I20 ASTA KL 7 CB 8800	7,87,574				7,87,574	55,872	95,781			6,57,921	7,51,702	
MARUTHI DEZIRE KL 7 BZ 5987	7,63,592				7,63,592	86,551	90,925			5,85,716	6,76,641	
Total(A)	22,89,266	2,25,535	-	-	25,14,801	4,10,543	4,49,648	-	-	16,63,610	18,78,723	
Intangible Assets												
Computer Software		1,20,000			1,20,000		24,000			96,000		
Total (B)	-	1,20,000	-	-	1,20,000	-	24,000	-	-	96,000	-	
Capital Work In Progress												
Total (A + B)	22,89,266	3,45,535	-	-	26,34,801	4,10,543	4,64,648	-	-	17,59,610	18,78,723	
Previous Year	4,19,950	18,70,216	-	-	22,89,266	80,712	3,29,931	-	-	18,78,723	3,28,038	



NOTE No :- 10		
Deferred Tax Asset(Net)		
	As at 31st March 2016	As at 31st March 2015
Opening Deferred Tax Liability	(16,511)	(34,700)
Fixed Asset		
Impact of difference between tax depreciation and depreciation charged for financial reporting	15,084	(52,656)
Provision for Advances	2,62,357	70,845
Total	2,60,930	(16,511)

NOTE No :- 11		
Long Term Loans and advances		
	As at 31st March 2016	As at 31st March 2015
a)Loans and advance to related parties (Secured, considered good)	NIL	10,15,17,021
b)Security Deposits		
Rent deposits	NIL	2,00,000
c)Other loans & advance		
Secured considered good	4,02,91,876	18,61,51,795
Unsecured considered good	NIL	NIL
Total	4,02,91,876	28,78,68,816

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Note No :- 12

Current Investments

	As at 31st March 2016	As at 31st March 2015
a) Investments in Mutual Funds (Quoted at cost)#	21,60,000	12,27,286
b) Investments in NCD (Quoted at cost)#	6,062	NIL
Total	21,66,062	12,27,286

#Refer Note 23 for details of investments purchased and sold during the year.

Note No :-13

Cash and Bank Balances

	As at 31st March 2016	As at 31st March 2015
Cash and Cash Equivalents:		
a) Balances with banks In current accounts	2,18,65,902	38,03,586
b) Cash	1,015	NIL
c) Others: Trading Stamp Paper	7,950	17,500
Total	2,18,74,867	38,21,086

Note No :-14

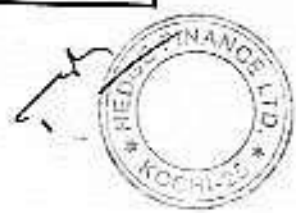
Short Term Loans & Advances

	As at 31st March 2016	As at 31st March 2015
a) Secured, considered good-Related parties	8,79,86,121	NIL
b) secured considered good-Others	13,19,82,802	NIL
c) Unsecured, considered good-Related parties	90,89,013	NIL
d) Unsecured, Considered good - others	2,26,22,766	NIL
Income Tax Refund	9,11,334	5,49,411
Other Advances	13,00,000	2,10,896
Total	25,38,92,036	7,60,307



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Note No :- 15

Other Current Assets

	As at 31st March 2016	As at 31st March 2015
(Unsecured, considered good unless otherwise stated)		
(a) Interest accrued : On Loan	NIL	8,43,195
(b) Prepaid Expenses	2,54,133	1,81,157
(c) CENVAT on Service Tax	7,38,948	10,69,363
(d) Other Receivables:	30,77,725	37,97,970
Total	40,70,806	58,91,685



	Year Ended 31st March 2016	Year Ended 31st March 2015
Note No :- 19		
Finance Cost		
Interest Expenses	33,69,944	12,36,514
Interest on Non-convertible secured debentures	25,14,910	NIL
Bank Charges	39,285	78,007
Total	59,24,139	13,14,521.00

Note No :- 20		
Other Expenses		
	Year Ended 31st March 2016	Year Ended 31st March 2015
Advertisement Charges	18,08,074.00	32,88,031
Office Expenses	2,080.00	NIL
Books & Periodicals	924.00	NIL
Business Promotion	3,58,703.00	1,95,088
Provision for Standard Assets	3,40,551.00	2,18,321
Provision for NPA	4,53,027.00	NIL
Donation	3,70,000.00	3,60,400
DP transaction Charges	54,599.50	NIL
Food & Lodging Expenses	40,026.00	NIL
Income Tax Paid AY 2012-13	NIL	4,78,284
Insurance Expense	7,067.00	10,929
Marketing Fee	2,17,332.00	NIL
Mutual Fund registration Expenses	12,500.00	NIL
Mobile Charges	37,747.86	14,963
Rates & Taxes	1,35,969.00	43,328
Rent Office	2,40,000.00	2,40,000
Repairs & Maintenance	98,750.00	21,966
Presents & Compliments	1,03,000.00	NIL
Printing & Stationery	52,801.00	NIL
Postage & Courier	5,815.00	2,910
Prior Period Expense	60,000.00	5,00,000

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Professional Charges	20,41,867.00	12,24,500
Audit fee & Expenses (Refer Note no:20 (a))	3,00,000	NIL
Subscription Charges	2,22,640	NIL
Dividend Tax paid	3,06,568	NIL
Tea & Coffee Staff	1,811	NIL
Travelling Expense	4,45,887	63,991
Total	77,17,739	66,62,711
Payment to Auditors (Note no: 20 (a))		
As Auditor		
a.Audit Fee	3,00,000	2,50,000
b.For Taxation Matters		
c.For Management Services		
d.For Other Services		
Total	3,00,000	2,50,000

Note No:21		
Depreciation & amortization expenses		
	Year Ended 31st March 2016	Year Ended 31st March 2015
Depreciation of tangible assets	4,40,648	3,29,831
Amortization of Intangible Assets	24,000	NIL
Total	4,64,648	3,29,831

Note No :- 22		
Earnings Per Share (EPS)		
	Year Ended 31st March 2016	Year Ended 31st March 2015
The following reflects the profit and share data used in the basic and diluted EPS computations :		
Net profit/(loss) for calculation of EPS	1,80,58,884	1,57,55,314
Weighted average number of equity shares in calculating basic EPS (Nos.)	2,24,71,840	2,18,81,090
Weighted average number of equity shares in calculating diluted EPS(Nos.)	2,24,71,840	2,18,81,090
EPS		
(1) Basic	0.80	0.72
(2) Diluted	0.80	0.72



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23. Details of Investments Purchased and sold during the year

Particulars	Purchase Value	Sale Value
DSPBR Micro-Cap-Fund-reg(G)-Equity	1,56,299.98	1,51,597.71
Franklin India Blue chip fund (G)-Equity	80,299.86	75,748.31
Franklin India High Growth Cos Fund(G) -Equity	76,000.01	69,024.29
HDFC Balanced Fund(G)-Hybrid	2,13,999.54	2,17,018.25
HDFC Equity fund (G)-Equity	2,13,998.72	1,97,027.36
HDFC Midcap Opportunities Fund(G)-Equity	2,13,999.96	2,28,062.87
HDFC Top 200 Fund(G)-Equity	2,13,997.97	1,97,171.24
ICICI Pru balanced Advantage Fund(G)-Hybrid	2,14,999.98	2,20,569.43
ICICI PRU value Discovery Fund(G)-Equity	2,95,399.69	2,97,361.61
ICICI Pru Dynamic Plan (G)-equity	2,14,999.30	2,08,371.63
ICICI pru focused Blue chip Eq Fund (G)-Equity	2,15,000.04	2,11,591.10
Reliance Liquid -Cash(G)-Debt	8,142.65	8,514.42
IDFC Mutual Fund	2,14,000.13	2,25,514.28
UTI Mutual fund	76,000.20	71,373.14
UTI Mid Cap Fund-Equity	76,000.00	71,272.35
UTI Opportunities Fund(G)-Equity	2,15,999.95	2,03,284.48
UTI-Money Market Fund	16,01,99,998.44	16,02,45,338.95
Muthout-NCD	10,058.37	10,339.09
Total	16,29,09,194.99	16,29,09,180.51



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24. Note 8: Contd Cash Credit From Financial Institution

(₹ in Lakhs)

Sl. No	Financial Institution	Facility availed	Sanction Limit and Interest rate	Repayment terms	Primary and Collateral Security	Balance as at March 31, 2016	Balance as at March 31, 2015
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.	198	623.92

25. Loan portfolio and Provision for Non Performing Assets for major categories of loan portfolio:

(₹ In Lakhs)

	Gross Loan outstanding		Provision for NPA		Net Loan Outstanding	
	2016	2015	2016	2015	2016	2015
a) Loan against Shares	220.81		2.44		218.37	
b) Loan against Property	1870.44	2179.49			1870.44	2179.49
c) Loan against Guarantee	317.03	697.20	2.08		314.95	
d) Margin Funding	511.45				511.45	
Total	2919.73	2876.69	4.52		2915.21	2876.69



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

(₹ in Lakhs)

	Current Year	Previous Year
Salaries & allowances	35.05	28.50

27. 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 (₹)	1,80,58,884	1,57,55,314
Weighted average number of equity shares outstanding During the year	22471840	21971090
Basic /Diluted Earnings per share (₹)	0.80	0.72
Nominal value per share (₹)	10	10

28. No amount was due for transfer to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 on March 31st 2016.

29. 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 2016. 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-16	As on 31-Mar-15
30. Expenditure in foreign currency	NIL	NIL
31. Value of imports	NIL	NIL
32. Value of all imported raw material	NIL	NIL
33. Foreign remittance on account of dividends	NIL	NIL
34. Earnings in foreign exchange	NIL	NIL
35. Contingent liabilities	NIL	NIL



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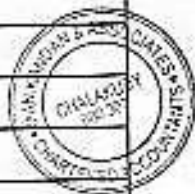
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36) As per Accounting Standard 18, the disclosures of transaction with the related parties as defined in the accounting standard are given below:

1) List of related parties where control exists and related parties with whom transaction have taken place and relationships.

Sl No	Name of the related party	Relationship
1	Alex.K.Babu	Key management Personnel
2	Bobby Jose Arakkunel	Key management Personnel
3	Vertikuzhiyil Sankaran Nair Bhuvanendran	Key management Personnel
4	John George	Key management Personnel
5	Pradeepkumar Cheenankandy	Key management Personnel
6	Peediyakal Samuel George	Key management Personnel
7	Ambrish Naresh Sampat	Key management Personnel
8	Nithya Alex	Relative of Key Management personnel
9	Raji .C.P	Relative of Key Management personnel
10	Babu Chandy	Relative of Key Management personnel
11	Hedge Equities Limited	Associate
12	Hedge Commodities Limited	Associate
13	Hedge school of Applied Economics limited	Associate
14	Anuja Property Developers Private Limited	Associate
15	Hedge Info Systems Private Limited	Associate
16	Hedge Properties private Limited	Associate
17	Glial Property Developers Private Limited	Associate
18	Surefire Securities Private Limited	Associate
19	Aesthetics Securities Private Limited	Associate
20	Cordate Property Developers Private Limited	Associate
21	Lexine Builders and developers Private Limited	Associate
22	Trigger Logistics Private Limited	Associate
23	Omnicores Solutions Private Limited	Associate
24	Carlton Logistics Private Limited	Associate
25	Grass Hopper Farms & Plantations Limited	Associate
26	Senahu Technology solutions Private limited	Associate
27	Kensha Builders and Developers Private Limited	Associate
28	Kannur Textiles Industries Limited	Associate
29	Samaritan Super Speciality Hospital & Research Centre Limited	Associate
30	Baby Marine Products	Associate
31	Baby Memorial Hospital	Associate



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

Sl No.	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management person or their relatives	
		31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
1	Loan advanced						
	Hedge Equities Limited					5,85,83,305	76,87,501
	Kensha Builders and Developers					90,89,013	-
	Babu Chandy			2,79,80,714	2,46,42,020		
	Raji.C.P			14,21,499			
	Nithya Alex			603			
2	Interest on Loan						
	Hedge Equities Limited					94,87,541	85,53,201
	Kensha Builders and Developers					1,40,476	
	Babu Chandy			50,85,879	13,74,621		
	Raji.C.P			41,259			
	Nithya Alex						
	Baby Marine Products					49,675	
	Baby Memorial Hospital					7,55,798	
3	Remuneration						
	Alex.K.Babu	17,05,897	9,50,000				
	Bobby Jose Arakkunel	12,00,000	9,50,000				
	Venikuzhiyil Sankaran Nair	6,00,000	9,50,000				
4	Rent paid						
	Hedge Equities Limited					2,40,000	
5	Commission Received						
	Hedge Equities Limited					35,12,104	
6	Other Receivables						
	Hedge Commodities Limited						15,00,000
	Hedge Equities Limited					10,329	

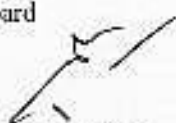
*Transactions with relatives of key management personnel are based on declarations by the key management personnel and relied upon by the Auditors

37) Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

For and on behalf of the Board



Alex K Babu
(Managing Director)
DIN:01254207

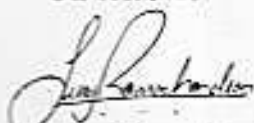


Bobby Jose
(Whole-Time Director)
DIN:01903646



N. Bhuvanendran
(Whole-Time Director)
DIN:01903591

As per our Report of even date attached



Suraj Ramachandran
(Chief Financial Officer)



Anju Thomas
(Company Secretary)



C.K. MANIKANDAN
(PARTNER)

CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 0085205

Kochi
Dated 15th July 2016

