

HEDGE FINANCE LIMITED

BOARD'S REPORT

To
The Members,

Your Directors have pleasure in presenting the 7th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2018.

Financial Performance:

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

(Amount in INR)

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Total revenue	9,88,08,925	6,68,94,242
Total Expenses	8,67,58,233	3,50,13,212
Profit/(Loss) before taxation	1,20,50,692	3,18,81,030
Less/Add:		
Current Tax	39,75,907	98,62,085
Deferred Tax	<u>(7,65,236)</u>	<u>39,326</u>
Total Tax Expenses	32,10,671	99,01,411
Profit/(Loss) after tax	88,40,021	2,19,79,619
Add: Balance B/F from the previous year	65,06,214	17,36,888
Less: Proposed dividend and dividend distribution tax	0	1,28,14,369
Less: Transfer to reserve	17,68,004	43,95,924
Balance Profit /(Loss) C/F to the next year	1,35,78,231	65,06,214

Dividend:

During the Financial Year 2017-18, the company has earned a net profit of Rs. 88,40,021/- after deducting all expenses including tax. Hence, the Board recommends a final dividend of Rs. 0.50/- each on the equity shares paid up amount. The final dividend, if approved by the shareholders at the

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Hedge Finance Ltd.

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Web: www.hedgefinance.com



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 2017-18, the Company has marked an improvement in its revenue as compared to the previous Financial Year 2016-17 but the expense of during this financial year is much greater than the last financial year 2016-17. During the year under review the company has earned a total revenue of Rs. 9,88,08,925 /- ie., by way of interest income of Rs. 7,45,68,866/-, Loan Processing Income of Rs. 87,588/-, income from investment Rs. 41,27,264/-, commission-insurance Rs. 4,77,912/- and Other income of Rs. 1,95,47,295/-. Further, the Company has incurred expenses of Rs. 86,758,233/-as shown in the Financial Statement. Currently, your Company is focusing on improving the performance and driving down the costs and improving the profitability.

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 likely to affect the financial position of the Company, which is having an impact on the functioning and working of the Company. The operations of the Company have been effectively being managed and the Management shall review the performance from time to time in order to monitor the business activities of the Company.

Change in nature of business, if any:

Your Company has not deviated its line of business activity nor has expanded the area of activities. Therefore, there was no change in the nature of business during the Financial Year 2017-18.

Reserves:

During the Financial Year 2017-18, your company has transferred 20% of its net profit to reserve, i.e. an amount of, Rs. 17,68,004/- as per Section 45 IC of Reserve Bank of India Act, 1934.

Share Capital:

The Capital structure of the Company is as follows:

Share Capital	31.03.2018	31.03.2017
Authorized Share Capital 75,000,000 Equity Shares of Rs.10/- each	750,000,000	750,000,000

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Issued Share Capital 23,716,544 Equity Shares of Rs. 10/- each	237,165,440	237,165,440
Subscribed and fully paid up Share Capital 21,293,817 Equity Shares of Rs. 10/- each fully paid up	212,938,170	212,938,170
Subscribed but not fully Paid up Share Capital 1,150,000 Equity Shares of Rs 10/- each in which Rs 3.05/- per share paid up	3,507,500	3,507,500
1,272, 727 Equity Shares of Rs 10/- each in which Rs 6.5/share paid up	8,272,726	8,272,726
Total	224,718,396	224,718,396

Changes in Share Capital:

There was no change in the share capital of the company during the Financial Year 2017-18.

During the financial year 2017-18 the company had issued 208120 Secured Non Convertible Redeemable Debentures of Rs. 1000/- each aggregating to Rs. 20,81,20,000/- and 80,000 Unsecured Non Convertible Redeemable Debentures of Rs. 1000/- each upto an amount of 8,00,00,000/- by way of private placement.

Revision of Financial Statement:

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

Extract of Annual Return:

As provided under Section 92(3) of the Act, extract of Annual Return for the Financial Year 2017-18, in Form MGT-9, is not required to enclose with this report. However, the same is placed on the company's website. The link for the same is as below;

www.hedgefinance.com

Subsidiary/Associate Companies/Joint Ventures:

For the Financial Year ended on 31st March, 2018, the Company has no holding, subsidiaries, associate and joint ventures, therefore, disclosing the names of the respective entities does not arise.

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Composition of Board:

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

DIN	Name of the Director	Designation	Date of Appointment	Date of Cessation
01254207	Mr. Alex K Babu	Managing Director	15/02/2011	NA
01903646	Mr. Bobby Jose Arakunnel	Whole Time Director	15/02/2011	27/03/2018
01903591	Mr. Bhuvanendran N	Whole Time Director	15/02/2011	27/03/2018
01038074	Mr. Pradeep Kumar C	Director	25/02/2015	NA
01969624	Mr. Ambrish Naresh Sampat	Director	20/11/2015	NA
06560851	Mr. John George	Director	09/03/2016	NA
06379667	Mr. Rapheal Thomas	Additional Director	19/04/2018	

During the Financial Year 2017-18, Mr. Bhuvanendran N (DIN: 01903591), Whole Time Director of the company tendered his resignation from the post of Whole Time directorship with effect from 01.09.2017 and he was continuing as non-executive Director of the company. As on 27/03/2018, he has submitted his resignation from the post of Director of the company and the Board had approved the same.

Mr. Bobby Jose Arakunnel, Whole Time Director of the company has resigned from the company with effect from 27/03/2018.

Further on the recommendation of Nomination and Remuneration Committee, Mr. Rapheal Thomas, was appointed as an Additional Director, with effect from 19th April 2018

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

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Key Managerial Personnel:

The Key Managerial Personnel comprised of the following members:-

DIN/PAN	Name	Designation
01254207	Mr. Alex K Babu	Managing Director
CIJPS6370Q	Mr. Suraj Ramachandran	Chief Financial Officer
AZNPT4889J	Ms. Anju Thomas	Company Secretary

Meetings of the Board of Directors:

During the Financial Year 2017-18, 24 meetings of Board of Directors of the company were held as detailed below;

Date of the meeting	Mr. Pradeep Kumar Cheenankandy	Mr. Alex Kalluvila Babu	Mr. Vettikuzhiyil Sankaran Nair Bhuvanendran	Mr. Bobby Jose Arakunnel	Mr. Ambrish Naresh Sampat	Mr. John George
28.04.2017	Present	Present	Present	Present	Present	Present
10.05.2017	Present	Present	Present	Present	Present	Present
23.06.2017	Present	Present	Present	Present	Present	Present
01.07.2017	Present	Present	Present	Present	Present	Present
01.08.2017	Present	Present	Present	Present	Present	Present
01.09.2017	Present	Present	Present	Present	Present	Present
07.09.2017	Present	Present	Present	Present	Present	Present
08.09.2017	Present	Present	Present	Present	Present	Present
01.10.2017	Present	Present	Present	Present	Present	Present
01.11.2017	Present	Present	Present	Present	Present	Present

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02.11.2017	Present	Present	Present	Present	Present	Present
16.11.2017	Present	Present	Present	Present	Present	Present
17.11.2017	Present	Present	Present	Present	Present	Present
01.12.2017	Present	Present	Present	Present	Present	Present
02.12.2017	Present	Present	Present	Present	Present	Present
11.12.2017	Present	Present	Present	Present	Present	Present
12.12.2017	Present	Present	Present	Present	Present	Present
29.12.2017	Present	Present	Present	Present	Present	Present
09.01.2018	Present	Present	Present	Present	Present	Present
01.02.2018	Present	Present	Present	Present	Present	Present
02.02.2018	Present	Present	Present	Present	Present	Present
01.03.2018	Present	Present	Present	Present	Present	Present
27.03.2018	Present	Present	Present	Present	Present	Present
28.03.2018	Present	Present	NA	NA	Present	Present

*Mr. Bhuvanendran N and Mr. Bobby Jose Arakunnel ceased to be the Directors of the Company w.e.f. 27th March 2018

As, Mr. Rapheal Thomas was appointed after the financial year 2017-18, he was not eligible/ required to attend any meetings of the Board of Directors held in FY 2017-18.

General Meeting:

Date of Meeting	Nature of Meeting	No. of Directors attended the meeting	No. of members attended the meeting including Directors
15.06.2017	Annual General Meeting	3	10

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Independent Directors Meeting:

Date of Meeting	Mr. John George	Mr. Ambrish Naresh Sampat
Category	Independent Director	Independent Director
20.09.2017	Present	Present

Audit Committee:

The Company has constituted an Audit Committee as required under Section 177 of the Companies Act, 2013. The Board has accepted all the recommendations of the Audit Committee during the year 2017-18 and Mr. John George was the Chairman of such Committee meeting.

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

Date of the meeting	Mr. Alex K Babu	Mr. Ambrish Naresh Sampat	Mr. John George
Category	Executive and Non-independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director
10.05.2017	Present	Present	Present

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Directors decides on the policies and details of remuneration payable to the Directors. The Committee had met twice during the Financial Year on 10.05.2017 and 01.09.2017, and all its members were present at the Meetings and Mr. Ambrish Naresh Sampat was the Chairman of such Committee Meetings. The composition of the Nomination and Remuneration Committee is as follows:-

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Date of the meeting	Mr. Pradeep Kumar C	Mr. Ambrish Naresh Sampat	Mr. John George
Category	Non-Executive and Non-independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director
10.05.2017	Present	Present	Present
01.09.2017	Present	Present	Present

Remuneration Policy:

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

1. The remuneration structure is based on the qualification and skill levels at the time of joining the organisation and reviewed on a yearly basis by way of an assessment of their actual performance, through a robust "Performance Management System".
2. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully and is comparable to the compensation structure obtaining in other NBFCs and the broader financial sector.
3. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
4. Remuneration to executive directors, key managerial personnel 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.

Particulars of Loan, Guarantees and investments under Section 186:

The Company, being a Non-Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, is exempted from the provisions of Loans made by Company under Section 186 of Companies Act, 2013. The company has not made any investments and given guarantee in contraventions of Sub-section (1) of Section 186 of Companies Act, 2013.

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Particulars of Contracts or Arrangements with Related Parties:

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

Auditors :

M/s Manikandan & Associates., Chartered Accountants, having firm registration number 008520S, 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 subject to ratification by members each year.

As per the Companies Amendment Bill, 2017 the ratification of appointment of auditors has been removed.

Your Company has received the necessary Consent letter and the eligibility certificate from the Auditors pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under,

Auditor's report:

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

Fraud reporting by the Auditors

During the year, there were no instances of fraud reporting by the Auditors to the Management, hence the provisions of Section 143(12) of the Companies Act, 2013 is not applicable to the Company.

Cost Auditors

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

Secretarial Auditors:

Section 204 of the Companies Act, 2013 with regard to Secretarial audit is not applicable to your Company during the year under review, since the Company is unlisted public Company and the paid up share capital of the Company is less than Rs. 50 Crore and turnover is also less than Rs. 250 crore.

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Conservation of Energy, Technology, Absorption and Foreign Exchange

The particulars as prescribed under sub-section (3) (m) Section 8 of the Companies Act, 2013, read with the Companies (the Companies (Accounts) Rules, 2014) Rules, 2014 as amended up-to-date, are set out hereunder:

A. Conservation of energy:

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

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

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

C. Foreign Exchange Earnings and Outgo:

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

Risk Management Policy:

As per the Risk Management Policy of the company all fixed assets and machineries are properly maintained

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

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

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

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

The Company has an adequate system of internal controls in place. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring

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reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

Deposits:

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

Corporate Social Responsibility (CSR) Policy:

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

Statement Indicating the manner in which Formal Annual Evaluation has been made 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.

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. The Company had constituted necessary Committee as required under the above mentioned Act.

There was no Sexual Harassment of Women reported during the year ended 31.03.2018. There are proper and adequate arrangements so as to avoid occurrence of sexual harassment.

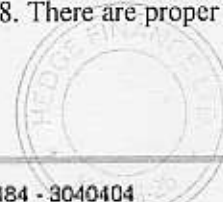
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Directors Responsibility Statement:

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

- a) in the preparation of annual accounts for the Financial Year ended 31st March 2018, 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 2018 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) had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees:

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

Acknowledgement:

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

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



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

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

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

Place: Kochi
Date: 21.08.2018

(x) 

Alex Kalluvila Babu
Managing Director
DIN: 01254207



Pradeep Kumar C
Director
DIN: 01038074



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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, 2018, and the Statement of Profit and Loss for the year then ended, the Cash flow Statement for the year ended March 31st 2018 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 thereunder.

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, 2018; and
- (b) In the case of Statement of profit and loss, of the Profit for the year ended on March 31st 2018; and
- (c) Its cash flow statement for the year ended 31st March 2018.

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 subsection (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, 2018, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2018, 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 adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- (i) 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.

Kochi
Dated 21st August 2018

For, MANIKANDAN & ASSOCIATES


MANIKANDAN.C.K.
(PARTNER)

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



**Annexure I to the Independent Auditors' Report of
Hedge Finance Limited
as of and for the year ended March 31, 2018
(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) The title deed of immovable property is 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 31-03-2018 is ₹ 6 Cr.
- (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.

Kochi
Dated 21st August 2018

For, MANIKANDAN & ASSOCIATES

MANIKANDAN, K
(PARTNER)

CHARTERED ACCOUNTANTS
MEMBERSHIP No. 208654
FIRM No. 008520S



Annexure 2 To The Independent Auditor's Report of Even Date on The Financial Statements of Hedge Finance Limited

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 2018 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 2018, 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 21st August 2018

For, MANIKANDAN & ASSOCIATES


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





To the Board of Directors of

Hedge Finance Ltd

1. We have audited the attached Balance Sheet of Hedge Finance Ltd as at March 31st, 2018 and also the Statement of Profit and Loss for the year ended on that date annexed thereto and issued our audit opinion.

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

2. As required by the Non – Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ('the RBI') and amended from time to time ('the Directions'), based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the Directions:
 - a) The company is engaged in the business of a Non- Banking Financial Institution ('NBFI') as defined in section 45 –I(a) of the Reserve Bank of India Act, 1934 ('the Act') during the year ended March 31, 2018. 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, 2018 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, 2018.
 - d) The Board of Directors has passed a resolution on 28-04-2017 for Non-Acceptance of Public deposits.
 - e) The Company has not accepted any public deposits during the year ended March 31st, 2018.
 - f) The company has complied with the prudential norms relating to income recognition, accounting Standards, asset classification and provisioning for bad & doubtful debts as applicable to it in terms of Non- Systemically Important Non Banking Financial (Non Deposit Accepting or Holding)Companies Prudential Norms (Reserve Bank)Directions,2016 during the year ended March 31st, 2018.
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 21st August 2018

For, MANIKANDAN & ASSOCIATES


MANIKANDAN.C.K.
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP No.208654
FIRM.No.0085205



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

[as required in terms of paragraph 13 of Non –Systemically Important Non- Banking Financial (Non Deposit Accepting or Holding)) Companies Prudential Norms (Reserve Bank) Directions, 2016]

(In lakhs)

Particulars			
Liabilities side			
(1)	Loans and advances availed by the non-banking financial inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount Overdue
	(a) Debentures: Secured	2829.56	Nil
	: Unsecured	800.00	Nil
	(Other than falling within the meaning of public deposits)		
	(b) Deferred credits	Nil	Nil
	(c) Term loans	9.90	Nil
	(d) Inter corporate loans and borrowing	Nil	Nil
	(e) Commercial paper	Nil	Nil
	(f) Other Loans (specify nature)	Nil	Nil
Assets side			
		Amount outstanding	
(2)	Break up of Loans and Advances including Bills receivable (other than those included in (4) below:		
	(a) Secured	5171.87	
	(b) Unsecured	1327.68	
(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:		Nil
	(a) Financial lease		
	(b) Operating lease		
	ii. Stock on hire including hire charges under Sundry debtors"		Nil
	(a) Assets on hire		
	(b) Repossessed Assets		
	iii Other loans counting towards AFC activities		Nil
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		

4	<p>Break – up of Investments:</p> <p><i>Current Investments:</i></p> <p>1. Quoted:</p> <p>(i) Shares: (a) Equity Nil (b) Preference Nil</p> <p>(ii) Debentures and Bonds Nil</p> <p>(iii) Units of mutual funds 22.00</p> <p>(iv) Government Securities Nil</p> <p>(v) Others Nil</p> <p>2. Unquoted:</p> <p>(i) Shares: (a) Equity Nil (b) Preference Nil</p> <p>(ii) Debentures and Bonds Nil</p> <p>(iii) Units of mutual funds Nil</p> <p>(iv) Government securities Nil</p> <p>(v) Others Nil</p> <p>Long term investments:</p> <p>1. Quoted:</p> <p>(i) Shares: (a) Equity Nil (b) Preference Nil</p> <p>(ii) Debentures and Bonds Nil</p> <p>(iii) Units of Mutual funds Nil</p> <p>(iv) Government Securities Nil</p> <p>(v) Others Nil</p> <p>2. Unquoted:</p> <p>(i) Shares : (a) Equity Nil (b) Preference Nil</p> <p>(ii) Debentures and Bonds Nil</p> <p>(iii) Units of mutual funds Nil</p> <p>(iv) Government securities Nil</p> <p>(v) Others Nil</p>																			
5	<p>Borrower group wise classification of assets financed as in (2) and (3) above</p> <p>Category</p> <p>1.Related Parties</p> <p>(a) Subsidiaries</p> <p>(b) Companies in the same group</p> <p>(c) Other related parties</p> <p>2. Other than related parties</p> <p>Total</p>	<p>Amount net of Provisions</p> <table border="1"> <thead> <tr> <th>Secured</th> <th>Unsecured</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>299.25</td> <td>299.25</td> <td>598.50</td> </tr> <tr> <td>1960.95</td> <td>262.33</td> <td>2,223.28</td> </tr> <tr> <td>2862.89</td> <td>760.72</td> <td>3623.61</td> </tr> <tr> <td>5,123.09</td> <td>1,322.30</td> <td>6445.39</td> </tr> </tbody> </table>	Secured	Unsecured	Total	Nil	Nil	Nil	299.25	299.25	598.50	1960.95	262.33	2,223.28	2862.89	760.72	3623.61	5,123.09	1,322.30	6445.39
Secured	Unsecured	Total																		
Nil	Nil	Nil																		
299.25	299.25	598.50																		
1960.95	262.33	2,223.28																		
2862.89	760.72	3623.61																		
5,123.09	1,322.30	6445.39																		
6	<p>Investor group –wise classification of all investments (current and long term) in shares and securities(both quoted and unquoted)</p> <p>Category</p> <p>1.Related parties</p> <p>(a) Subsidiaries</p> <p>(b) Companies in the same group</p> <p>(c) Other related parties</p>	<table border="1"> <tbody> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil									
Nil	Nil	Nil																		
Nil	Nil	Nil																		
Nil	Nil	Nil																		

	2. Other than related parties	Nil	Nil	Nil
	Total	Nil	Nil	Nil
7	Other information			
	1) Gross Non Performing Assets			
	i) Related Parties	Nil	Nil	Nil
	ii) Other than related Parties	348.57	2.08	350.65
	2) Net Non performing Assets			
	i) Related parties	Nil	Nil	Nil
	ii) Other than related parties	313.71	Nil	313.71
	Assets acquired in satisfaction of debt	Nil	Nil	Nil

For and on Behalf of the Board of Directors

Alex K Babu

 (Managing Director)

Pradeepkumar Cheenakandy

 (Director)

Suraj Ramachandran

 (Chief Financial Officer)

Anju Thomas

 (Company Secretary)



Kochi
 Dated 21st August 2018


HEDGE FINANCE LTD
BALANCE SHEET AS AT 31st MARCH 2018


Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
		Amount in ₹	Amount in ₹
<u>I. EQUITY AND LIABILITIES</u>			
1 Shareholders' Funds			
Share Capital	4	22,47,18,396	22,47,18,396
Reserves and Surplus	5	2,92,16,501	2,03,76,480
2 Non-current liabilities			
Long-term Borrowings	6	16,94,94,561	19,29,83,499
Deferred Tax Liabilities (Net)			
3 Current Liabilities			
Other Current Liabilities	7	29,79,26,244	68,63,364
Short-term Provisions	8	52,30,546	1,48,89,471
TOTAL		72,65,86,248	45,98,31,210
<u>II. ASSETS</u>			
1 Non-current Assets			
Fixed Assets	9		
(i) Tangible Assets		1,64,25,489	34,17,546
(ii) Intangible Assets		84,000	1,20,000
Deferred Tax Asset (net)	10	9,86,840	2,21,604
Long-term Loans and Advances	11	22,18,41,958	4,29,08,129
2 Current Assets			
Current Investments	12	22,00,000	36,08,544
Cash and Cash Equivalents	13	3,90,35,143	14,99,77,240
Short-term Loans and Advances	14	43,67,48,644	25,62,22,443
Other Current Assets	15	92,64,174	33,55,704
TOTAL		72,65,86,248	45,98,31,210

For and on behalf of the Board


Alex K Babu
 (Managing Director)
 DIN:01254207


Suresh Ramachandran
 (Chief Financial Officer)


Pradeepkumar Cheenankandy
 (Director)
 DIN:01038074


Anju Thomas
 (Company Secretary)

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




C.K. MANIKANDAN
 (PARTNER)

CHARTERED ACCOUNTANTS
 MEMBERSHIP NO: 208654
 FIRM REG NO: 0085205



Kochi
 Dated: 21-08-2018


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018


Particulars	Note No.	Year Ended 31st March 2018 Amount in ₹	Year Ended 31st March 2017 Amount in ₹
I Income			
Revenue from Operations	16	7,45,68,866	5,55,85,761
Other Income	17	2,42,40,059	1,13,08,481
Total Revenue		9,88,08,925	6,68,94,242
II Expenses			
Employee Benefits Expenses	18	2,53,09,509	1,25,61,678
Finance costs	19	3,01,45,829	1,27,58,527
Other expenses	20	3,01,73,718	91,82,186
Depreciation and amortization expenses	21	11,29,177	5,10,821
Total Expenses		8,67,58,233	3,50,13,212
III Profit Before Tax		1,20,50,692	3,18,81,030
IV Tax expense:			
Current tax		39,75,907	98,62,085
Deferred tax		-7,65,236	39,326
Total Tax Expense:		32,10,671	99,01,411
V Profit for the year		88,40,021	2,19,79,619
VI Earnings per Equity Share:			
Basic	22	0.39	0.98
Diluted		0.39	0.98

For and on behalf of the Board


 Alex K Babu
 (Managing Director)
 DIN:01254207


 Sujay Ramachandran
 (Chief Financial Officer)


 Pradeepkumar
 Cheenankandy
 (Director)
 DIN:01038074


 Anju Thomas
 (Company Secretary)

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




 C.K. MANIKANDAN
 (PARTNER)
 CHARTERED ACCOUNTANTS
 MEMBERSHIP NO: 208654
 FIRM REG NO: 0085205



Kochi
 Dated 21-08-2018



HEDGE FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st - March - 2018

	As At 31st March 2018	As At 31st March 2017
CASH FLOWS FROM OPERATING ACTIVITY		
Net profit before taxation and extraordinary items	1,20,50,692.00	3,18,81,030
Add: Adjustment for:		
Depreciation / amortization	11,29,177.00	5,10,821
Provision for standard asset & NPA	39,93,564.00	-83,991
Interest on debenture	2,82,39,084.00	1,24,93,743
Less: Adjustment For:		
Income from Investment	40,10,193.50	21,66,499
Operating profit before working capital changes	4,14,02,324	4,26,35,104
Movements in working capital		
Decrease/(increase) in long term loans & Advances	-17,89,33,829	-26,16,253
Decrease/(increase) in short term loans & Advances	-18,05,26,201	-23,30,407
Decrease/(increase) in Other current assets	-50,08,470	7,15,102
Increase/(Decrease) in current liabilities	53,75,683	37,76,145
Cash generated from /used in) operations	-31,85,90,494	4,21,79,691
Less: Direct tax paid (including TDS)	48,14,027.00	90,23,965
Net cash flow from /used in) Operating Activities (A)	-32,34,04,521	3,31,55,726
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-1,41,01,120.00	-22,88,757
Purchase of Investment	-1,37,56,53,281.85	-3,13,34,80,228
Sale of Investment	1,37,96,63,475.25	3,13,56,46,727
Income From Investments		
Other investment	14,08,544	-14,42,482
Net cash flow from Investing Activities (B)	-86,82,382,50	-15,64,740
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		
Proceeds from Secured Debentures	20,81,20,000	16,03,89,000
Increase/Decrease in Loan from financial institution	9,12,73,683.00	9,91,446
Redemption of Debentures	-3,71,55,424	-3,95,60,947
Interest on debentures	(2,82,39,084.00)	-1,24,93,743
Dividend Paid	-1,06,46,909.00	-1,06,46,909
DIT paid	-21,67,460.00	-21,67,460
Net cash flow from Financing Activities (C)	22,11,44,806	9,65,11,387
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	-11,09,42,097	12,81,02,373
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	14,99,77,240	2,18,74,867
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	3,90,35,143	14,99,77,240

Notes on accounts


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

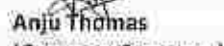
This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board


Alex K Babu
(Managing Director)
DIN:01257207


Sural Kamachandran
(Chief Financial Officer)


Pradeepkumar
Cheenankandy
(Director)
DIN:01038074


Anju Thomas
(Company Secretary)

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




C.K. MANIKANDAN
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP NO: 208654
FIRM REG NO: 0085205

Kochi
Dated 21/08/2018

HEDGE FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(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) Property, Plant and Equipment

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

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 reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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 31-March-2018				
<i>(All amounts are in Indian Rupees, unless otherwise stated)</i>				
Note Nos-4				
Equity Share Capital				
	As at 31st March, 2018		As at 31st March, 2017	
	Number	Amount In Rs	Number	Amount In Rs
Authorised				
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
Issued				
Equity Shares of 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
Subscribed & fully Paid up				
Equity Shares of Rs 10/-each fully paid up	2,12,93,817	21,29,38,170	2,12,93,817	21,29,38,170
	2,12,93,817	21,29,38,170	2,12,93,817	21,29,38,170
Subscribed but not fully Paid up				
Equity Shares of Rs 10/- each Rs 3.05/share paid up	11,50,000	35,07,500	11,50,000	35,07,500
Equity Shares of Rs 10/- each Rs 6.50/share paid up	12,72,727	82,72,726	12,72,727	82,72,726
	24,22,727	1,17,80,226	24,22,727	1,17,80,226
Total	2,37,16,544	23,47,18,396	2,37,16,544	23,47,18,396

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

Equity Shares	As at 31st March, 2018		As at 31st March, 2017	
	Number	Amount In Rs	Number	Amount In Rs
Shares of Rs.10/-				
Shares outstanding at the beginning of the year	2,37,16,544	22,47,18,396	2,37,16,544	22,47,18,396
Shares issued during the year				
Share amount received for partly paid up shares				
Preference shares converted into equity shares during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	2,37,16,544	22,47,18,396	2,37,16,544	22,47,18,396

b. Terms/rights attached in 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 lodgment 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.

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 31st March, 2018		As at 31st March, 2017	
	No of shares	Percentage of holding	No of shares	Percentage of holding
Alex K Babu	4489787	19%	4489787	19%
Kaplan P Thomas	3200000	13%	2500000	11%
Dr P S George	1666666	7%	1666666	7%
K C Babu	6395455	27%	6395455	27%



NOTE No. 5 Reserves and Surplus		
	As at 31st March 2018	As at 31st March 2017
a. Statutory Reserve		
Opening Balance	1,38,70,266.00	94,74,342.00
Current year transfer	17,68,004.00	43,95,924.00
Total (A)	1,56,38,270.00	1,38,70,266.00
b. Surplus		
Opening balance	65,06,214.00	17,36,888.00
(+) Net Profit/(Net Loss) For the current year	88,40,021.00	2,19,79,619.00
(+) Transfer from Reserves		
(-) Proposed Dividends		1,06,46,909.00
(-) Tax on Proposed Dividends		21,67,469.00
(-) Transfer to Reserves 20%	17,68,004.00	43,95,924.00
Total (B)	1,35,78,231.00	65,06,214.00
Total	2,92,16,501.00	2,03,76,480.00

Note No :- 6 Long Term Borrowings		
	As at 31st March 2018	As at 31st March 2017
a) Debentures		
(i) Secured Non Convertible Debentures-1st Series	1,73,82,745.00	3,16,03,053.00
(ii) Secured Non Convertible Debentures-2nd Series	3,28,82,287.00	8,03,89,000.00
(iii) Secured Non Convertible Debentures-3rd Series	11,84,95,000.00	-
(iv) Unsecured Non Convertible Debentures 1st series	-	8,00,00,000.00
b) Term Loan-Vehicle		
From Banks	7,34,529.00	9,91,446.00
Total	16,94,94,561.00	19,29,83,499.00

The company has issued Redeemable non convertible secured and unsecured debentures in various schemes. The debentures issued have repayment period depending on the scheme it falls under. The schemes range from monthly, annually and maturity interest payment. The rate of interest on these debentures range from 9% to 13%p.a.



Note No :- 7		
Other Current Liabilities		
	As at 31st March 2018	As at 31st March 2017
a) Current Maturities of Long-term Debt		
(i) Secured Non Convertible Debentures-1st Series	51,13,997	-
(ii) Secured Non Convertible Debentures-2nd Series	1,94,57,600	
(iii) Secured Non Convertible Debentures-3rd Series	8,96,25,000	
(iv) Unsecured Non Convertible Debentures	8,00,00,000	
b) Current Maturities of term loan	2,55,036.00	2,53,152.00
c) Cash Credit From Others :-		
i) Aditya Birla Finance LTD	3,01,88,716.00	
ii) Bujaj Finance Limited	1,78,00,000.00	
iii) HFI, Wealth & Asset Management	4,35,00,000.00	
d) Interest Payable on Debentures		
i) Interest accrued but not due on borrowings	72,10,521.00	48,10,645.00
ii) Interest accrued and due on borrowings	9,68,022.00	2,53,676.00
e) Other Current Liabilities :-		
i) Dues to creditors for expenses	24,39,188.00	10,88,855.00
ii) Statutory payables	12,97,752.00	2,68,426.00
iii) Other Payables	70,412.00	1,88,610.00
Total	29,79,26,244.00	68,63,364.00

Note No :- 8		
Short term Provisions		
	As at 31st March 2018	As at 31st March 2017
Proposed Equity dividend	Nil	1,06,46,909
Provision for Dividend Tax	Nil	21,67,460
Provision for Standard Assets	15,36,756.00	10,28,885.00
Provision for NPA	36,93,790.00	2,08,097.00
Provision for Taxation	Nil	8,38,120.00
Total	52,30,546.00	1,48,89,471.00



Note No. 9

Fixed Assets

Asset	Gross Block				Accumulated Depreciation/Amortization Expense				Net Block		
	Balance As At 01.04.2017	Additions	Disposals	Revaluations / (Impairment) items	Balance As At 31.03.2018	Balance As At 01.04.2017	Depreciation/Amortization Expense charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2018	Balance as at 31 March 2017
b) Tangible Assets											
Computers & Accessories	6,50,700.00	28,09,169.00			34,59,859.00	5,10,857.00	5,32,785.00			24,36,277	1,39,803
Office Equipments	6,40,300.00	43,643.00			6,88,943.00	23,504.00	63,087.00			6,02,352	6,16,796
UPS And Battery	2,24,800.00	8,594.00			2,33,394.00	2,00,649.00	10,177.00			22,568	24,151
Air Conditioner	1,88,370.00	5,551.00			1,93,921.00	24,992.00	36,130.00			1,52,809	1,63,379
Mobile Phone	73,315.00	17,144.00			90,459.00	73,335.00	2,454.00			9,650	-
Printers & Scanners		77,545.00			77,545.00		7,551.00			69,994	-
Buildings		1,03,79,975.00			1,03,79,975.00		82,303.00			1,02,97,672	-
Furniture & Fixtures		6,19,153.00			6,19,153.00		18,447.00			6,00,706	-
Electrical Fittings		1,35,316.00			1,35,316.00		2,994.00			1,32,322	-
Motor Vehicle											
Hyundai I20 Auto Kl. 7 CB 8830	7,87,574.00				7,87,574.00	2,23,434.00	93,524.00			4,70,616	5,64,140
Maruthi Dzeire Kl. 7 BZ 6987	7,63,592.00				7,63,592.00	2,68,801.00	90,677.00			4,04,114	4,94,791
Dreza-ZDI	14,14,887.00				14,14,887.00	460.00	1,68,018.00			12,46,409	14,14,427
Total(A)	47,43,558.00	1,41,01,120.00	-	-	1,88,44,678.00	13,26,012.00	10,93,177.00	-	-	1,64,25,489	34,17,546
(b) Intangible Assets											
Computer Software	1,80,000.00				1,80,000.00	60,000.00	36,000.00			84,000	1,20,000
Total (B)	1,80,000.00	-	-	-	1,80,000.00	60,000.00	36,000.00	-	-	84,000	1,20,000
Capital Work In Progress											
Total	-	-	-	-	-	-	-	-	-	-	-
Total (A + B)	49,23,558.00	1,41,01,120.00	-	-	1,90,24,678.00	13,86,012.00	11,29,177.00	-	-	1,65,09,189	35,37,546
Previous Year	26,34,801.00	22,88,757.00	-	-	49,23,558.00	8,75,191.00	5,10,821.00	-	-	35,37,546	17,59,610



NOTE No :- 10			
Deferred Tax Asset(Net)			
	As at 31st March 2018	As at 31st March 2017	March
Opening Deferred Tax Asset:	2,21,604		2,60,930
Fixed Asset			
Impact of difference between tax depreciation and depreciation charged for financial reporting	-3,34,991		-12,482
Provision for Advances	11,00,227		-26,844
Total	9,86,840		2,21,604

NOTE No :- 11			
Long Term Loans and advances			
	As at 31st March 2018	As at 31st March 2017	March
a) Loans and advance to related parties (Secured, considered good)	10,33,83,044		-
b) Other loans & advance:			
Secured considered good	9,03,22,718		4,27,17,171
Unsecured considered good	2,79,48,696		1,90,958
c) Security Deposits			
Rent Deposit	1,87,500		
Total	22,18,41,958		4,29,08,129

Note No :- 12			
Current Investments			
	As at 31st March 2018	As at 31st March 2017	March
a) Investments in Mutual Funds (Quoted at cost)#	22,00,000		10,00,000
b) Investments in Shares:	-		19,19,095
c) Investments in NCD (Quoted at cost)#	-		2,78,279
d) Investments in Derivatives	-		4,11,170
Total	22,00,000		36,08,544

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

Note No :- 13			
Cash and Bank Balances			
	As at 31st March 2018	As at 31st March 2017	March
Cash and Cash Equivalents:			
a) Balances with banks In current accounts	3,89,91,980		14,99,67,493
b) Cash	26,118		402
c) Others:			
Trading Stamp Paper	17,045		9,343
Total	3,90,35,143		14,99,77,240



Note No :-14		
Short Term Loans & Advances		
	As at 31st March 2018	As at 31st March 2017
a) Secured, considered good-Related parties	12,32,03,286.00	6,33,07,961
b) secured considered good-Others:	20,00,90,565.00	16,83,61,816
C)Unsecured ,considered good-Related parties :	5,62,98,441.00	1,51,82,189
d)Unsecured, Considered good - others	4,85,20,836.00	44,15,142
Advance income tax (net of provisions for taxation and tax deducted at source)	39,77,725.00	7,37,635
Other Advances	46,57,791.00	42,17,700
Total	43,67,48,644.00	25,62,22,443

Note No :- 15		
Other Current Assets		
	As at 31st March 2018	As at 31st March 2017
(Unsecured, considered good unless otherwise stated)		
(a)Prepaid Expenses	4,66,269.00	2,88,308
(b)Other Receivables:	87,12,924.00	30,67,396
(c)GST input Credit	84,981.00	
Total	92,64,174	33,55,704



Note No :- 16			
Revenue From Operations			
	As at 31st March 2018	As at 31st March 2017	March
Interest Income	7,45,68,866		8,55,85,761
Total	7,45,68,866		8,55,85,761

Note No :- 17			
Other Income			
	As at 31st March 2018	As at 31st March 2017	March
Loan Processing Income	87,588		5,09,097
Income from Investments	41,27,264		21,75,577
Other Income	1,05,47,295		85,72,035
Commission-Insurance	4,77,912		51,772
Total	2,42,40,059		1,13,08,481

Note No :- 18			
Employee Benefit Expenses			
	As at 31st March 2018	As at 31st March 2017	March
Salaries & Allowances	2,08,42,440		1,13,77,403
Staff Bonus & Incentive, Others	33,71,630		9,58,032
Contribution to PF & ESI	10,95,439		2,26,243
Total	2,53,09,509		1,25,61,678

Note No :- 19			
Finance Cost			
	As at 31st March 2018	As at 31st March 2017	March
Interest Expenses	15,89,112		2,55,932
Interest on Non-convertible secured debentures	1,92,67,013		1,03,84,147
Interest on Non-convertible Unsecured debentures	89,72,071		21,09,596
Bank Charges & Processing Fee	3,17,633		8,352
Total	3,01,45,829		1,27,58,527



Note No :- 20			
Other Expenses			
	As at 31st March 2018	As at 31st March 2017	
Advertisement Charges	80,13,559		17,67,963
Bad debts Write Off	Nil		3,00,000
Audit fee & Expenses (Refer Note no.20 (a))	6,00,000		4,50,000
Books & Periodicals	Nil		1,670
Business Promotion	6,99,873		11,42,786
Commission	26,18,850		4,84,102
Dividend Tax paid	Nil		37,159
GST Reversal	15,26,785	Nil	
Income Tax F.Y 2013-14	Nil		1,73,699
Income Tax F.Y 2014-15	73,264	Nil	
Donation	6,94,080		5,92,000
DP transaction & Trading Charges	51,574		10,959
Food & Lodging Expenses	6,67,024		1,84,915
IRDA registration Expenses	Nil		41,412
Insurance Expense	3,53,025		1,74,907
Internet Charges	47,372		34,373
Marketing Fee	1,05,000		55,650
Mutual Fund registration Expenses	33,303		33,394
Office Expenses	3,749		20,352
Postage & Courier	13,095		48,113
Presents & Compliments	76,485		10,000
Printing & Stationery	9,81,506		2,47,199
Professional Charges	9,78,425		5,56,910
Provision for NPA	34,85,693		-2,44,930
Provision for Standard Assets	3,07,871		1,60,939
Rates & Taxes	94,567		86,217
Rent	3,68,750		2,40,000
Repairs & Maintenance	3,11,242		1,60,518
Subscription Charges	10,87,221		10,57,221
Telephonic & Mobile Charges	1,26,297		1,24,347
Consultancy fee	46,50,262		-
Electricity charges	8,459		-
Miscellaneous Expenses	1,497		-
Annual Maintenance Charges - IT	14,288		
Travelling Expense	19,80,602		12,30,113
Total	3,01,73,718		91,82,186
Payment to Auditors: (Note no: 20 (a))			
As Auditor:			
a. Audit Fee	5,50,000		4,00,000
b. For Taxation Matters	25,000		25,000
c. For Management Services			
d. For Other Services	25,000		25,000
Total	6,00,000		4,50,000



Note No:21			
Depreciation & amortization expenses			
	As at 31st March 2018	As at 31st 2017	March
Depreciation of tangible assets	10,93,177		4,74,821
Amortization of Intangible Assets	36,000		36,000
Total	11,29,177		5,10,821

Note No :- 22			
Earnings Per Share (EPS)			
The following reflects the profit and share data used in the basic and diluted EPS computations :			
	As at 31st March 2018	As at 31st 2017	March
Net profit/(loss) for calculation of EPS	88,40,021		2,19,79,619
Weighted average number of equity shares in calculating basic EPS (Nos.)	2,24,71,840		2,24,71,840
Weighted average number of equity shares in calculating diluted EPS(Nos.)	2,24,71,840		2,24,71,840
EPS			
(1) Basic	0.39		0.98
(2) Diluted	0.39		0.98



23. Details of Investments Purchased and sold during the year

PARTICULARS	PURCHASE	SALES
ADITYA BIRLA CAPITAL	9,15,821.65	10,39,147.45
ADITYA BIRLA SUNLIFE	62,87,50,001.14	62,89,14,028.42
AXIS BANK LTD	6,39,160.87	6,16,655.70
BAJAJ	16,41,421.92	19,88,346.33
BHARAT ELECTRONICS	6,41,348.71	6,19,117.39
BERGER PAINTS (I) LTD	6,39,698.00	6,42,696.86
BPL	4,66,611.60	3,36,077.45
CANFIN HOMES	6,40,761.95	8,29,116.14
CREDIT ANALYSIS AND RESEARCH	5,48,536.74	3,02,498.45
CERA SANITARYWARE	6,41,757.81	6,37,980.53
COCHIN SHIPYARD LIMITED	71,280.00	79,178.29
DEEPAK NITRITE	6,44,054.44	7,52,112.21
AVENUE SUPERMARTS LIMITED	6,42,532.41	7,05,695.88
EQUITAS HOLDINGS	6,42,990.12	5,73,164.51
HAVELLS INDIA LIMITED	6,52,379.13	6,22,078.07
HDFC BANK LTD.	6,41,513.97	7,49,781.78
HINDALCO	6,42,062.42	6,13,879.66
INFOSYS	43,87,529.35	45,60,595.00
ITC LTD	6,39,293.17	7,36,479.27
KOTAK MAHINDRA BANK LTD	6,34,534.96	7,08,009.78
L&T FINANCE HOLDINGS LTD	6,41,341.15	7,11,741.26
LARSEN & TOUBRO	6,42,412.70	6,41,201.19
MARUTI SUZUKI INDIA	6,30,181.50	7,18,729.67
MOLD-TEK PACKAGING	4,50,201.48	5,15,927.21
MUTHOOT FINANCE LIMITED	1,03,20,207.25	1,08,20,464.25
NBCC	6,43,701.90	7,42,130.33



PUNJAB NATIONAL BANK,	3,72,659.56	3,72,421.01
RELIANCE INDUSTRIES	6,39,696.43	6,43,725.90
STATE BANK OF INDIA	31,53,435.08	37,30,560.74
SHREE PUSHKAR CHEMICALS AND FERTILISERS	6,42,528.52	6,82,169.66
SUN PHARMACEUTICALS IND.	46,28,429.60	50,60,592.60
TATA MOTORS LIMITED	6,38,375.64	5,89,155.89
UCO BANK	17,370.11	16,849.96
UNITEC	82,371.51	88,577.45
V-GUARD INDUSTRIES	6,42,496.99	6,43,152.88
VOLTAS	6,43,218.55	6,90,516.23
RELIANCE	64,76,18,011.30	64,78,43,065.70
MUTHOOT FIN	1,11,60,133.71	1,13,94,572.17
TRADING OF DERIVATIVES	4,69,63,218.52	4,75,31,259.64
TOTAL	1,37,56,53,281.85	1,37,96,63,452.90

24. Note 06: Contd Term Loan - Vehicle from The Federal Bank Ltd, Kaloor Branch

(₹ in Lakhs)

Sl. No	Financial Institution	Facility availed	Sanction Limit and Interest rate	Repayment terms	Primary and Collateral Security	Balance as at March 31, 2018	Balance as at March 31, 2017
1	The Federal Bank Limited	Term Loan	10.25 (Present Interest rate is 8.95 p.a)	Repayable in 60 equal installments	Hypothecation of Brand New Maruti Breeza	7.34	9.91



25. Note 07: Contd Other Current liabilities

(₹ in Lakhs)

Sl. No	Financial Institution	Facility availed	Sanction Limit and Interest rate	Repayment terms	Primary and Collateral Security	Balance as at March 31, 2018	Balance as at March 31, 2017
1	Aditya Birla Finance	Cash Credit	15 Crores (Present Interest rate is 10.50% 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.	301.88	Nil
2	IFFL Wealth Finance Limited	Cash Credit	10 Crores (Rate of Interest IFFLW PLR +20 bps) (Present Interest rate is 9.20% p.a)	Bullet payment at the end of tenure	Diversified securities approved by the Lender. The list of acceptable security can change anytime at the sole discretion of the lender.	435.00	Nil
3	Bajaj Finance Limited	Cash Credit	10 Crores (Present Interest rate is 10.00% p.a)	Bullet repayment	Securities as per Bajaj Finance Ltd.'s Approved List.	178.00	Nil
4	The Federal Bank Limited	Term Loan	10.25 (Present Interest rate is 8.95 p.a)	Repayable in 60 equal installments	Hypothecation of Brand New Maruti Breeza	2.55	2.53

26. 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	
	2018	2017	2018	2017	2018	2017
a) Loan against Shares	1079.34	269.42	2.70	0.95	1076.65	268.47
b) Loan against Property	3329.47	2005.01	42.31	7.02	3287.16	1997.99
c) Loan against Guarantee	797.49	182.38	4.07	2.71	793.42	179.67
d) Margin Funding	731.02	426.38	1.83	1.49	729.20	424.89
e) HP	30.16	43.06	0.08	0.15	30.08	42.91
f) Agricultural loan	6.04	15.5	0.02	0.05	6.02	15.45
g) Consumer Loan	524.15	-	1.31	-	522.84	-
Total	6497.69	2941.75	52.31	12.37	6445.39	2929.38



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

(₹ in Lakhs)

	Current Year	Previous Year
Salaries & allowances	22.16	34.17

28. 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 (₹)	88,40,021	2,19,79,619
Weighted average number of equity shares outstanding during the year	22471840	22471840
Basic /Diluted Earnings per share (₹)	0.39	0.98
Nominal value per share (₹)	10	10

29. No amount was due for transfer to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 on March 31st 2018.

30. 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 2018. 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 - 2018	As on 31 - Mar - 2017
31. Expenditure in foreign currency	NIL	NIL
32. Value of imports	NIL	NIL
33. Value of all imported raw material	NIL	NIL
34. Foreign remittance on account of dividends	NIL	NIL
35. Earnings in foreign exchange	NIL	NIL
36. Contingent liabilities	NIL	NIL



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

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

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

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

Sl No	Name of the related party	Relationship
1	Alex K Babu	Key management Personnel
2	Bobby Jose Arakkumel	Key management Personnel
3	Venkuzhiyl Sankaran Nair Bhuvanendran	Key management Personnel
4	John George	Key management Personnel
5	Pradeepkumar Cheenankandy	Key management Personnel
6	Amrishi Naresly Siropat	Key management Personnel
7	Nithya Alex	Relative of Key Management personnel
8	Raji C.P	Relative of Key Management personnel
9	Babu Chandy	Relative of Key Management personnel
10	Hedge Equities Limited	Associate
11	Hedge Commodities Limited	Associate
12	Hedge school of Applied Economics limited	Associate
13	Anuja Property Developers Private Limited	Associate
14	Hedge Info Systems Private Limited	Associate
15	Hedge Properties private Limited	Associate
16	Gligal Property Developers Private Limited	Associate
17	Aesthetics Securities Private Limited	Associate
18	Condito Property Developers Private Limited	Associate
19	Lexine Builders and developers Private Limited	Associate
20	Trigger Logistics Private Limited	Associate
21	Omniscore Solutions Private Limited	Associate
22	Carlton Logistics Private Limited	Associate
23	Young Presidents Organisation (Kerala Chapter)	Associate
24	Modus Logistics Private Limited	Associate
25	Lakshy Farmers Integration Services Private Limited	Associate
26	Grass Hopper Farms & Plantations Limited	Associate
27	Senaha Technology solutions Private limited	Associate
28	Kensha Builders and Developers Private Limited	Associate
29	Kannur Textiles Industries Limited	Associate
30	Baby Marine Products	Associate
31	Baby Marine Exports	Associate
32	Baby Memorial Hospital	Associate
33	Baby Marine Sea food Retail Private limited	Associate
34	Dreams Screens Private Limited	Associate



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-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
1	Loan advanced						
	Hedge Equities Limited					6,00,00,000	3,00,00,000
	Kensha Builders and Developers Private Limited					1,51,67,340	-
	Babu Chandy			0	3,28,38,147		
	Raj C.P			59,29,387	4,69,814		
	Nithya Alex			44,75,758			
	Baby Marine Sea food Retail Private limited					2,62,98,441	1,51,82,189
2	Interest on Loan						
	Hedge Equities Limited					80,32,602	94,05,306
	Kensha Builders and Developers Private Limited					6,30,585	4,31,596
	Babu Chandy			1,11,45,981	49,98,523		
	Raj C.P			3,25,284	3,36,381		
	Nithya Alex			1,46,758			
	Baby Marine Products					-	
	Baby Memorial Hospital					-	
	Baby Marine Exports					-	8,17,357
	Baby Marine Sea food Retail Private limited					34,36,980	9,24,587
4	Remuneration						
	Alex K Babu	22,16,604.00	22,16,604				
	Bobby Jose Arakkunel	-	12,00,000				
5	Rent paid						
	Hedge Equities Limited					2,40,000	2,40,000
	Travelling Expenses						
	Alex K Babu	5,12,222	4,59,270				
7	Commission Received						
	Hedge Equities Limited					-	6,48,887
8	Other Receivables						
	Hedge Properties Private Limited					5,97,177	
	Hedge Equities Limited					-	2,25,952


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

38) 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


 Suraj Ramachandran
 (Chief Financial Officer)


 Pradeepkumar
 Cheenankandy
 (Director)
 DIN:01038074


 Anju Thomas
 (Company Secretary)



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


 C. K. MANIKANDAN
 (PARTNER)

CHARTERED ACCOUNTANTS
 MEMBERSHIP NO: 208654
 FIRM REG-NO: 0085205



Kochi
 Dated 21-08-2018