

INDEPENDENT AUDITOR'S REPORT

To The Members of HEXA SECURITIES AND FINANCE COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HEXA SECURITIES AND FINANCE COMPANY LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's 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.

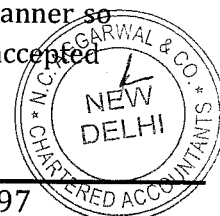
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted



in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of matter:-

The policy for demand loans given by the company as to the repayment, interest servicing and monitoring of the loans needs to be strengthened in line with Non- Banking Financial (Non Deposit Accepting) Companies Prudential Norms (Reserve Bank Directions, 2007) – (Refer Note No. 21 of Notes to the Financial Statements).

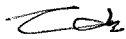
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;



- iii. There was no amount which was required to be transferred by the Company to the Investor Education and Protection Fund.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N



G. K. Aggarwal

Partner

M No. 086622

Place: New Delhi

Dated: 5th May, 2015



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph (1) under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date for the year ended 31st March, 2015)

1. The Company does not have any fixed assets and hence, paragraphs 3 (i) (a) & (b) of the Order are not applicable.
2. The Company is in the business of investment, and consequently, does not hold any inventory. Therefore, paragraphs 3 (ii) (a), (b) & (c) of the Order are not applicable.
3. The Company has given interest bearing unsecured demand loans to Company, covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In respect of aforesaid loan, the amount, principal as well as interest accrued thereon is repayable on demand and hence, the question of irregularity on payment of principal and interest does not arise.
 - (b) The aforesaid loan is repayable on demand and therefore, the question of overdue amount does not arise.
4. In our opinion and according to information and explanations given to us, the internal control system with regard to purchase and sale of investments (held as investments) is adequate and commensurate with the size of the Company and the nature of its business. There is no purchase of fixed assets and inventories and sale of goods and services.
5. According to the information and explanations given to us, the Company has not accepted any fixed deposits from the public in accordance with the provisions of section 73 to 76 of the Act and rules framed there under.
6. The company has only investments activities. Hence, paragraph 3 (vi) of the order with respect to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable.
7.
 - (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable to the Company. There are no arrears as at 31st March, 2015 for a period of more than six months from the date they become payable.
 - (b) According to the information and explanation given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess, wherever applicable to the Company and which have not been deposited on account of any dispute.



There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under. Hence, paragraph 3(vii) (c) of the Order is not applicable.

8. The accumulated losses of the Company are not more than fifty percent of its net worth at the end of financial year. However, the company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
9. According to the information and explanations given to us, the Company has not taken any loan from financial institution and bank. The company has issued optionally convertible debentures and same are not due for redemption.
10. The company has given guarantee for loan taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and condition thereof are not prima facie prejudicial to the interest of the company.
11. The company has not taken any term loan. Hence, Paragraph 3 (xi) of the Order with regards to the application of term loan for the purpose for which they were raised is not applicable.
12. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N


G. K. Aggarwal

Partner

M No. 086622

Place: New Delhi

Date: 5th May, 2015



HEXA SECURITIES AND FINANCE COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As At	As At
		31st March, 2015 (₹)	31st March, 2014 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	25,50,00,000	25,50,00,000
(b) Reserves and Surplus	2	(1,81,84,248)	(5,33,55,444)
(2) Current Liabilities			
(a) Short-term borrowings	3	2,02,99,89,787	1,89,38,27,738
(b) Other current liabilities	4	1,67,15,361	16,22,451
(c) Short-term provisions	5	17,34,463	48,17,691
Total		2,28,52,55,363	2,10,19,12,436
II. ASSETS			
(1) Non-current assets			
(a) Non-current investments	6	1,57,99,71,658	16,56,26,158
(b) Long term loans and advances	7	17,34,76,069	11,90,00,000
(2) Current assets			
(a) Cash and cash equivalents	8	49,25,140	30,81,046
(b) Short-term loans and advances	9	52,68,77,252	1,81,42,05,232
(c) Other current assets	10	5,244	-
Total		2,28,52,55,363	2,10,19,12,436

Significant accounting policies and notes to the financial statements 15-30

As per our report of even date attached.

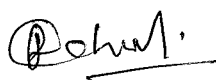
N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N


G. K. Aggarwal
Partner
M. No. 086622
Place : New Delhi
Dated : 5th May, 2015




RANJIT MALIK
Director
DIN: 00059379


P.K. SINGLA
Director
DIN: 01523012


RAHUL KUMAR
Company Secretary
M.No. A35354

HEXA SECURITIES AND FINANCE COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
I. Revenue from operations	11	23,19,18,471	25,49,35,420
Total Revenue		23,19,18,471	25,49,35,420
II. Expenses:			
Employee benefit expenses	12	7,08,161	-
Financial costs	13	16,32,32,472	1,44,04,403
Other expenses	14	97,24,381	7,42,75,014
Total Expenses		17,36,65,014	8,86,79,417
III. Profit before tax (I - II)		5,82,53,457	16,62,56,004
IV. Tax expense:			
Current tax		2,31,00,000	5,31,00,000
V. Profit for the year after taxation (III-IV)		3,51,53,457	11,31,56,004
VI. Earning per equity share:			
(1) Basic		1.38	4.44
(2) Diluted		1.30	4.17

Significant accounting policies and notes to the financial statements

15-30

As per our report of even date attached.

N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
M. No. 086622
Place : New Delhi
Dated : 5th May, 2015



RANJIT MALIK
Director
DIN: 00059379

P.K. SINGLA
Director
DIN: 01523012

RAHUL KUMAR
Company Secretary
M.No. A35354

HEXA SECURITIES AND FINANCE COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Year Ended		Year Ended	
	31st March, 2015		31st March, 2014	
		(₹)		(₹)
A. CASH INFLOW / (OUTFLOW) FROM THE OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND ORDINARY ACTIVITY		5,82,53,457		16,62,56,004
Adjustments for				
Add/(Less)				
Provision for Standard Assets made/(written back)	(30,83,228)		1,62,753	
Provision for Doubtful Debts made/(written back)	(58,62,237)		7,38,85,158	
Investment in share application money written off	48,00,000	(41,45,465)		7,40,47,911
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		5,41,07,992		24,03,03,915
Adjustments for:-				
Increase/Decrease in Loans and Advances	1,23,91,48,300		(6,51,01,251)	
Increase/(Decrease) in Current Liabilities	1,50,92,910		13,86,801	
Increase/(Decrease) in Loan from Inter corporate	20,60,345		1,96,57,056	
Increase/(Decrease) in Loan from holding company	13,41,01,704	1,39,04,03,259	(17,47,31,531)	(21,87,88,925)
CASH GENERATED FROM OPERATIONS		1,44,45,11,251		2,15,14,990
Tax Paid		(2,35,21,657)		(5,30,32,716)
NET CASH FROM OPERATING ACTIVITIES		1,42,09,89,594		(3,15,17,726)
B. CASH INFLOW/(OUTFLOW)FROM INVESTMENT ACTIVITIES				
Proceeds from Sale of Investments	-		838	-
Purchase of Investment in Shares - (Unquoted)	(1,41,91,45,500)		-	
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(1,41,91,45,500)		838
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES				
NET CHANGES IN CASH & CASH EQUIVALENT		18,44,094		(3,15,16,888)
Cash and cash equivalent at the beginning of the year		30,81,046		3,45,97,934
Cash and cash equivalent at the end of the year		49,25,140		30,81,046

Note :

1. Increase / decrease in unsecured loans are shown net of repayments.
2. Previous year's figure's have been regrouped wherever considered necessary.

As per our report of even date attached

N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N

G. K. Aggarwal

Partner

M. No. 086622

Place : New Delhi

Dated : 5th May, 2015



Rahul Kumar

RAHUL KUMAR

Company Secretary

M.No. A35354

Ranjit Malik

RANJIT MALIK

Director

DIN: 00059379

P.K. Singla

P.K. SINGLA

Director

DIN: 01523012

HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
1. SHARE CAPITAL		
Authorised		
2,60,00,000 Equity Shares of ₹ 10/- each	26,00,00,000	26,00,00,000
	26,00,00,000	26,00,00,000
Issued, Subscribed and Fully Paid-Up		
2,55,00,000 Equity Shares of ₹ 10/- each	25,50,00,000	25,50,00,000
Total Share Capital	25,50,00,000	25,50,00,000

(a) Reconciliation of the number of shares:

Shares outstanding as at the beginning of the year	2,55,00,000	2,55,00,000
Shares outstanding as at the end of the year	2,55,00,000	2,55,00,000

(b) Terms / Rights attached to Equity shares

The company has only one class of equity shares having a par value of ₹ 10/- each. The equity shares have rights / preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013 .

(c) Shares held by holding Company

Name of Shareholders	No. of Shares as at 31st March, 2015	As At 31st March, 2015 (₹)	No. of Shares as at 31st March, 2014	As At 31st March, 2014 (₹)
Hexa Tradex Limited*	25,49,99,870	99.99%	25,49,99,870	99.99%
Total		99.99%		99.99%

(d) Details of shareholders holding more than 5% shares in the company:

Hexa Tradex Limited*	25,49,99,870	99.99%	25,49,99,870	99.99%
Total		99.99%		99.99%

*300 Shares held through nominee.

(e) Aggregate number of bonus shares issues, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:	Nil	Nil
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2. RESERVES AND SURPLUS

a) Statutory Reserve

Balance as per last financial statements	15,48,38,388	13,22,07,187
Add: Transferred from surplus in Statement of Profit and Loss	70,30,691	2,26,31,201
Closing Balance	16,18,69,079	15,48,38,388

b) Surplus in Statement of Profit and Loss

Balance as per last financial statements	(20,81,93,832)	27,98,05,963
Add: Profit after tax transferred from Statement of profit and Loss	3,51,53,457	11,31,56,005
Add: Previous year Taxation Adjustment	17,739	-
Carrying value of shares transferred (Refer note no. 22)	-	57,85,24,599
Transfer to Statutory Reserve	70,30,691	2,26,31,201
Balance in Profit and Loss Account Carried Forward	(18,00,53,327)	(20,81,93,832)
Total Reserves and Surplus	(1,81,84,248)	(5,33,55,444)



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars	As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
3. SHORT-TERM BORROWINGS		
Unsecured Short- term Borrowings		
From Related Parties:-		
- Hexa Tradex Limited	1,87,82,72,386	1,74,41,70,682
- Jindal Saw Limited	-	1,86,29,095
- Nalwa Engineering Company Limited	11,11,225	-
- Glebe Trading Private Limited	79,56,176	-
- Jindal Equipment Leasing & Consultancy Services Limited	1,26,50,000	-
Inter Corporate Loans	-	10,27,961
From Others		
- Zero Coupon Optionally Convertible Bonds	13,00,00,000	13,00,00,000
Total Short- Term Borrowings	2,02,99,89,787	1,89,38,27,738

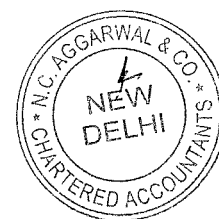
Note: Zero Coupon 13,00,000 Optionally Convertible Bonds of ₹ 100 each aggregating to ₹ 1300 lacs have an option to convert each bond into equity share of ₹ 10 each of the Company at the rate of ₹ 80 per equity share any time up to 30.09.2017.

4. OTHER CURRENT LIABILITIES

Statutory Dues	1,63,64,491	14,48,890
Dues to Employees	69,106	-
Others	2,81,764	1,73,561
Total Other Current Liabilities	1,67,15,361	16,22,451

5. SHORT TERM PROVISIONS

Provision for Standard Assets	17,34,463	48,17,691
Total Short Term Provisions	17,34,463	48,17,691



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
Note No. - 6 "NON- CURRENT INVESTMENTS"

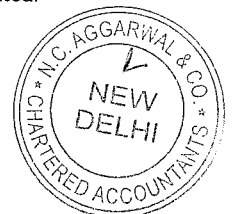
PARTICULARS	As At 31st March, 2015			As At 31st March, 2014		
	No. of Shares	Face Value (₹)	Amount (₹)	No. of Shares	Face Value (₹)	Amount (₹)
LONG TERM - NON TRADE (AT COST)						
A) Investment in Equity Shares						
Quoted						
Jindal Stainless Limited*	49,31,175	2	14,10,05,950	49,31,175	2	14,10,05,950
Shalimar Paints Limited	15,00,000	2	1,80,00,000	15,00,000	2	1,80,00,000
HDFC Bank Limited	36,205	2	18,00,000	36,205	2	18,00,000
ACC Limited	2	10	698	2	10	698
Dr. Reddy's Laboratories Limited	4	5	1,729	4	5	1,729
Electrosteel Castings Limited	20	1	695	20	1	695
Ambuja Cements Limited	15	2	837	15	2	837
Hindustan Unilever Limited	2	1	297	2	1	297
Infosys Limited**	8	5	4,223	4	5	4,223
Maharashtra Seamless Limited	4	5	643	4	5	643
Maruti Suzuki India Limited	2	5	946	2	5	946
Man Industries (India) Limited	4	5	181	4	5	181
Oil & Natural Gas Corporation Limited	12	5	1,684	12	5	1,684
PSL Limited	2	10	323	2	10	323
Ranbaxy Laboratories Limited	4	5	2,510	4	5	2,510
Reliance Communications Limited	2	5	-	2	5	-
Reliance Industries Limited	4	10	1,079	4	10	1,079
Reliance Infrastructure Limited	2	10	1,130	2	10	1,130
State Bank of India***	20	1	1,313	2	10	1,313
Tata Steel Limited	2	10	780	2	10	780
Tata Motors Limited	10	2	1,056	10	2	1,056
Welspun Corp Limited	2	5	83	2	5	83
			16,08,26,158			16,08,26,158
UnQuoted						
Abhinandan Investments Limited	8,000	10	18,40,000	-	-	-
Goswamis Credit & Investments Limited	2,85,000	10	2,85,50,000	-	-	-
Barahamputra Capital & Financial Services Limited	5,20,800	10	52,08,000	-	-	-
			3,55,98,000			-
B) Investment in Non Convertible Debentures						
9.25% Dr. Reddy's Laboratories Limited	-	-	-	24	5	-
C) Investment in 9% Non-Convertible and Non-Cumulative Redeemable Preference Shares-						
Unquoted						
Goswamis Credits & Investment Limited	28,08,333	100	28,08,33,300	-	-	-
Mansarovar Investments Limited	20,93,070	100	20,93,07,000	-	-	-
Renuka Financial Services Limited	21,99,002	100	21,99,00,200	-	-	-
Stainless Investments Limited	6,70,327	100	6,70,32,700	-	-	-
Everplus Securities & Finance Company Limited	2,19,250	100	2,19,25,000	-	-	-
Manjula Finances Limited	27,21,000	100	27,21,00,000	-	-	-
Jindal Equipment Leasing & Consultancy Services Limited						
Nalwa Investments Limited	20,80,493	100	20,80,49,300	-	-	-
	10,44,000	100	10,44,00,000	-	-	-
			1,38,35,47,500			-
D) Share Application Money						
Perfect Latex Private Limited			-			48,00,000
TOTAL			1,57,99,71,658			16,56,26,158
Aggregate Value of Quoted Non- Current Investments			16,08,26,158			16,08,26,158
Aggregate Value of Unquoted Non- Current Investments			1,41,91,45,500			48,00,000
Aggregate Market Value of Quoted Non- Current Investments			44,25,12,120			31,46,69,143

Notes :

*49,27,470 Equity Shares are pledged in favour of SBI CAP Trustees Limited for the benefit of CDR lenders of Jindal Stainless Limited.

**Bonus shares issued in the ratio of 1:1

***Face value per share splits from ₹ 10/- to ₹ 1/-.



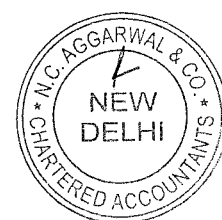
HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars	As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
7. LONG- TERM LOANS AND ADVANCES		
Other Loans and Advances		
- Secured, considered good	17,34,76,069	11,90,00,000
Total Long- Term Loans and Advances	17,34,76,069	11,90,00,000
8. CASH AND CASH EQUIVALENTS		
Cash on hand	736	1,541
Balances with banks		
On current accounts	49,24,404	30,79,505
Total Cash and cash equivalents	49,25,140	30,81,046
9. SHORT- TERM LOANS AND ADVANCES		
Loans and Advances to Related Party		
Unsecured , Considered good		
- Colorado Trading Company Limited	50,93,86,573	-
Inter- Corporate Loans		
Unsecured , Considered good	1,09,22,500	1,80,80,76,449
Considered Doubtful	8,20,94,620	8,79,56,857
Less: Provision for Doubtful	(8,20,94,620)	(8,79,56,857)
Advance income- tax (Net of provisions)	65,68,179	61,28,783
Total Short Term Loans and Advances	52,68,77,252	1,81,42,05,232
10. OTHER CURRENT ASSETS		
Others	5,244	-
Total Other Current Assets	5,244	-



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
11. REVENUE FROM OPERATIONS		
Interest Income	22,27,24,230	17,03,27,147
Dividend income on long term investments	2,48,776	8,46,08,273
Provision for doubtful debts written back	58,62,237	-
Provision for Standard Assets written back	30,83,228	-
Total Revenue from operations	23,19,18,471	25,49,35,420
12. EMPLOYEE BENEFIT EXPENSES		
Salary and Wages	6,60,043	-
Contribution to Provident fund	39,368	-
Workmen & Staff welfare expenses	8,750	-
Total Employee Benefit Expenses	7,08,161	-
13. FINANCE COST		
Interest Expense	16,32,31,109	1,44,03,897
Other Borrowing Costs	1,363	506
Total Finance Cost	16,32,32,472	1,44,04,403
14. OTHER EXPENSES		
Conveyance Expenses	21,350	-
Legal and Professional Fees	8,32,507	1,55,843
Printing and Stationery	-	300
Donation	39,00,000	-
Auditors' Remuneration	83,147	39,326
Loss on sale of Investments	-	219
Investment written off	48,00,000	-
Provision for Sub-Standard Assets / Doubtful Assets	-	7,38,85,158
Provision for Standard Assets	-	1,62,753
Miscellaneous Expenses	87,377	31,415
Total Other Expenses	97,24,381	7,42,75,014



HEXA SECURITIES AND FINANCE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

15. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention as a going concern. The accounts have been prepared by adopting the accrual system of accounting and in accordance with directions prescribed by the Reserve Bank of India for Non-Banking Financial Companies. Accounting policies, not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles.

b. INVESTMENTS

Long-Term Investments have been stated at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on an individual investment basis and decline is charged to the Statement of Profit and Loss. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investment.

c. TAXATION

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

Deferred Tax is accounted at the current rate of tax to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent period. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

16. In opinion of the Management, the realizable value of all assets other than fixed assets and long term investments, in the ordinary course of business, would not be less than the amount at which they are stated.
17. Loans and advances repayable on demand (other than those considered as non- performing assets) includes ₹ 50,93,86,573/- (Previous year ₹ 1,63,94,20,860/-) due from One Company of O.P. Jindal Group companies (in previous year due from O.P. Jindal Group companies and one other company) which currently have accumulated losses in their books as per latest available audited balance sheet. The Company has mechanism for review and monitoring of all such loans and is confident of recovering these amounts, which are considered good in nature, as and when called for payment. The Company would take necessary action for recovery of these amounts, if required.



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

18. Provision for standard assets amounting to ₹ 17,34,463/- (Previous Year ₹ 48,17,691/-) has been made at 0.25% of the outstanding standard assets as at 31st March, 2015 in terms of Notification DNBS 223/CGM (US)-2011 dated 17-01-2011, issued by Reserve Bank of India.

Provision on Standard Assets	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
Opening Balance	48,17,691	46,54,938
Add: Provision made/(written back) during the year	(30,83,228)	1,62,753
Closing Balance	17,34,463	48,17,691

19. Appeals in respect of certain assessments of Income Tax are pending and additional tax Liabilities/ refunds, if any, are not determinable at this stage. Adjustments for the same will be made after the same is finally determined.
20. Provision for Non-Performing Loans & Advances has been made by the management considering prudential norms prescribed by the Reserve Bank of India.

Details of provision for Non-Performing Assets and Movement of provision of Sub-Standard and Doubtful Assets are as under:

Particulars	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
Provision for Sub-Standard Assets:		
Sub-Standard Assets		
Opening Balance	-	82,09,462
Less: Provision transferred to Doubtful Assets	-	82,09,462
Closing Balance	-	-
Provision for Doubtful Assets:		
Doubtful Assets		
Opening Balance	8,79,56,857	58,62,237
Add: Provision made/(written back) during the year	(58,62,237)	7,38,85,158
Transferred from Sub-Standard Assets	-	82,09,462
Closing Balance	8,20,94,620	8,79,56,857

21. The outstanding amount of loans given to a Company and one other party is repayable on demand. During the year, interest on such loans has been serviced by converting into principal, and the same has also been acknowledged by the borrowers.
22. During the year ended 31st March, 2014, Pursuant to an internal realignment/ reorganization within the O.P. Jindal Group, certain shares held by Company are now held by other companies of the O. P. Jindal Group. The carrying value of such investments was adjusted in Surplus in Statement of Profit and Loss under the Reserves and Surplus.



HEXA SECURITIES AND FINANCE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

23. Related Party Disclosures:

List of Related Parties & Relationship

A. Holding Company:

Hexa Tradex Limited

B. Key Management Personnel

1. Mr. Ranjit Malik Whole Time Director (w.e.f. 1st September, 2014)
2. Mr. Rahul Kumar Company Secretary (w.e.f. 19th March, 2015)

C. Enterprise over which Key Management Personnel having significant influence

1. Jindal Saw Limited
2. Sminu Jindal Charitable Trust
3. Glebe Trading Private Limited
4. Colorado Trading Company Limited
5. Abhinandan Investments Limited
6. Jindal Equipment Leasing & Consultancy Services Limited
7. Jindal Stainless Limited
8. Nalwa Engineering Company Limited
9. Nalwa Investments Limited
10. Mansarover Investments Limited
11. Groovy Trading Private Limited
12. Stainless Investments Limited

Transactions:-

S. No.	Particulars	As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
i.	<u>Loan received</u>		
	Jindal SAW Limited	-	1,85,00,000
	Glebe Trading Private Limited	7,900,000	-
	Jindal Equipment Leasing & Consultancy Services Limited	12,650,000	-
ii.	<u>Loan repaid</u>		
	Hexa Tradex Limited	1,20,00,000	18,65,00,000
	Jindal Saw Limited	18,629,095	-



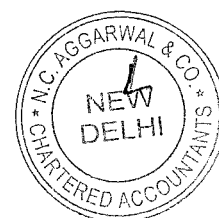
HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

iii.	<u>Interest paid</u>		
	Hexa Tradex Limited	16,23,35,227	130,76,077
	Jindal Saw Limited	7,40,794	12,96,752
	Glebe Trading Private Limited	62,418	-
	Nalwa Engineering Company Limited	92,516	-
iv.	<u>Loan given</u>		
	Jindal Equipment Leasing & Consultancy- Services Limited	900,000	-
	Jindal Saw Limited	-	1,037,982
v.	<u>Loan received back</u>		
	Jindal Equipment Leasing & Consultancy- Services Limited	221,195,765	-
	Nalwa Investments Limited	134,476,261	-
	Mansarover Investments Limited	187,413,053	-
	Stainless Investments Limited	57,359,824	-
vi.	<u>Interest received</u>		
	Colorado Trading Company Limited	47,111,256	-
	Jindal Equipment Leasing & Consultancy Services Limited	18,205,399	-
	Mansarover Investments Limited	15,007,832	-
	Stainless Investments Limited	5,186,742	-
	Nalwa Investments Limited	12,648,121	-
vii.	<u>Investment made</u>		
	Abhinandan Investment Limited -Purchased from Nalwa Investments Limited	1,840,000	-
	Other Companies Shares - Purchased from Nalwa Investments Limited	33,758,000	-
	Preference Shares invested in Nalwa Investments Limited	104,400,000	-
	Jindal Equipment Leasing & Consultancy Services Limited	208,049,300	-
	Mansarover Investments Limited	209,307,000	-
	Stainless Investments Limited	67,032,700	-
viii.	<u>Remuneration paid</u>		
	Mr. Ranjit Malik	585,235	-
	Mr. Rahul Kumar	11,376	-



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

	<u>Donation paid</u>		
ix.	Sminu Jindal Charitable Trust	3,900,000	-
x.	<u>Expenses Reimbursed</u>		
	Jindal SAW Limited	86,931	-
xi.	<u>Outstanding balance</u>		
1	<u>Loans taken :</u>		
	Hexa Tradex Limited	1,87,82,72,386	174,41,70,682
	Jindal SAW Limited	-	18,629,095
	Glebe Trading Private Limited	7,956,176	-
	Nalwa Engineering Company Limited	1,111,225	-
	Jindal Equipment Leasing & Consultancy Services Limited	12,650,000	-
2	<u>Bonds Outstanding</u>		
	Stainless Investments Limited	110,000,000	-
3	<u>Loans given</u>		
	Colorado Trading Company Limited	509,386,573	-
4	<u>Investment outstanding</u>		
	Abhinandan Investment Limited	1,840,000	-
	Nalwa Investments Limited	104,400,000	-
	Jindal Stainless Limited	141,005,950	-
	Jindal Equipment Leasing & Consultancy Services Limited	208,049,300	-
	Mansarover Investments Limited	209,307,000	-
	Stainless Investments Limited	67,032,700	-



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

24. Auditors' Remuneration

Particulars	Year Ended	Year Ended
	31st March, 2015 (₹)	31st March, 2014 (₹)
Audit Fee	39,326	39,326
Tax Audit Fee	5,618	-
Certification	38,203	-
Closing Balance	83,147	39,326

25. During the year the company spent ₹ 39,00,000/- on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III, as detailed below:

Nature of Expenses	Year Ended 31st March, 2015 (₹)
Donation	39,00,000

26. As per Notification No. DNBR.008/CGM (CDS) – 2015 dated March 27, 2015 issued by Reserve Bank of India, Company is a Non- Systemically Important Non- Banking Financial (Non-Deposit Accepting or Holding) Company because asset size of the Company is less than ₹ 500 Crore.

Concentration of single/group exposure norms is not applicable to the Company since the Company is a non- systemic NBFC Company.

27. BASIC AND DILUTED EARNING PER SHARE:

Particulars		Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
Earning attributable to equity shareholders (₹)	(A)	3,51,53,457	11,31,56,004
No. of Shares outstanding for Basic Earnings per Share	(B)	2,55,00,000	2,55,00,000
No. of Shares to be issued on Conversion of Optionally Convertible Bonds		16,25,000	16,25,000
Weighted Average No. of Shares for Diluted EPS	(C)	2,71,25,000	2,71,25,000
Earnings per Share (on face value of ₹ 10/- each)			
Basic = A/B		1.38	4.44
Diluted = A/C		1.30	4.17



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

28. Disclosure as per amendment to clause 32 of the Listing Agreement

Details of Inter- Corporate Loans

Name of Company	As at 31st March, 2015		As at 31st March, 2014	
	Outstanding Balance	Maximum Balance during the year	Outstanding Balance	Maximum Balance during the year
Amount (₹)				
<u>Loan and advances</u>				
<u>having repayment schedule</u>				
Meena Suresh Shroff	17,34,76,069	17,34,76,069	-	-
Sky Build Private Limited	-	11,90,00,000	11,90,00,000	11,90,00,000
<u>Loan and advances</u>				
<u>where there is no repayment schedule</u>				
Colorado Trading Company Limited	50,93,86,573	50,93,86,573	46,69,86,443	46,69,86,443
Stainless Investments Limited	-	6,20,27,892	5,73,59,824	6,18,74,411
Manjula Finances Limited	-	29,18,82,083	29,18,82,083	29,18,82,083
Mansarover Investments Limited	-	18,74,13,053	18,74,13,053	18,74,13,053
Jindal Equipment Leasing & Consultancy Services Limited	-	22,02,95,765	22,02,95,765	34,49,61,450
Nalwa Investments Limited	-	13,44,76,264	13,44,76,261	14,08,15,177
Jindal Intellicom Limited	-	58,62,237	58,62,237	58,62,237
Renuka Financial Services Ltd.	-	21,56,63,234	16,62,49,124	16,62,49,124
Goswamis Credit & Investments Limited	-	27,34,1,3896	27,34,13,896	27,34,13,896
Green Delhi BQS Limited	8,20,94,620	8,20,94,920	8,20,94,620	8,20,94,620
National Udyog	1,09,22,500	1,09,22,500	1,00,00,000	1,00,00,000

29. Previous year's figures have been regrouped / reclassified wherever considered necessary.

30. Notes 1 to 29 are annexed and form integral part of Financial Statements.

As per our report of even date attached.

For N.C. Aggarwal & Co.,

Chartered Accountants

Firm Registration No. 003273N

G. K. AGGARWAL

Partner

M. No. 086622

Place: New Delhi

Dated: 5th May, 2015



RAHUL KUMAR

Company Secretary

M. No. A35354

RANJIT MALIK

Director

DIN: 00059379

P.K. SINGLA

Director

DIN: 01523012