

INDEPENDENT AUDITORS' REPORT

To
The Members of HEXA SECURITIES AND FINANCE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HEXA SECURITIES AND FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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. 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter:

The Company has made long term investment of ₹ 11,846.70 lacs in certain companies where there is diminution in value of investment. The amount of diminution is not readily ascertainable because of layer effect of accretion/diminution of investment held by those companies. Such diminution in the opinion of the management, being long term strategic investment and future cash flows, is temporary in nature and as such no provision is considered necessary.

Our opinion is not modified in respect of this matter.

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 Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 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 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 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

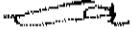


(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

(g) 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
Date: 30th May, 2016

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **HEXA SECURITIES AND FINANCE COMPANY LIMITED** on the accounts for the year ended 31st March, 2016)

1. The Company does not have any fixed assets. Accordingly, the provision of clause 3 (i) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
2. The Company does not hold any inventories. Accordingly, the provision of clause 3 (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
3. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not given any loan, guarantee or securities to parties covered under section 185 of the Act. As informed to us by the management, the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. The Company has not made any investments through more than two layers of investment companies as mentioned in sub-section (1) of section 186 of the Act.
5. According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the provision of clause 3 (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
6. The company has only investments and trading activities. Hence, the clause 3 (vi) of the order with respect to maintenance of cost records as specified by the Central Government under sub-section (i) of section 148 of the Companies Act, 2013 is not applicable to the company.
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 as applicable to the Company i.e. provident fund, income tax and service tax. On the basis of verification and as explained to us, the Company does not have any liability for employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess or other statutory dues. There are no arrears as at 31st March, 2016 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 as applicable to the Company i.e. income tax and service tax and which have not been deposited on account of any dispute. On the basis of verification and as explained to us, the Company does not have any liability for sales tax, duty of customs, duty of excise or value added.

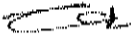


8. According to the information and explanations given to us, the Company has not taken any loan from financial institution, bank and government. However, the company has issued optionally convertible debentures. Therefore, clause 3 (viii) of the Order with respect to default of repayment of loan from financial institution, bank and government is not applicable to the Company. There is no default with respect to conversion or repayment of optional convertible debentures.
9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. Also the Company does not have any term loan during the year. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. The Company has paid/ provided for managerial remuneration to managing director in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.



16. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the company has taken registration under the said section.

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


G. K. Aggarwal
Partner
M. No. 086622



Place: New Delhi
Date: 30th May, 2016

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of HEXA SECURITIES AND FINANCE COMPANY LIMITED on the accounts for the year ended 31st March, 2016

Report on the Internal Financial Controls Over Financial Reporting 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 **HEXA SECURITIES AND FINANCE COMPANY LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the 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 and the 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, the 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 ICAI. Those Standards and the Guidance Note require that we comply with 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 the 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 generally accepted accounting principles, and that receipts and expenditures of the Company are being made only 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

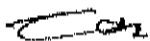
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N



G. K. Aggarwal

Partner

M. No. 086622



Place: New Delhi

Date: 30th May, 2016

HEETA SECURITIES AND FINANCE COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016
 CIN : U74899GJ1994PLC066477

PARTICULARS	Note No.	As At	
		31st March, 2016 (₹)	31st March, 2015 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	2,21,38,15,300	25,50,00,000
(b) Reserves and Surplus	2	(8,89,05,137)	(1,81,84,248)
(2) Non-Current Liabilities			
Long-term provisions	3	3,53,825	-
(3) Current Liabilities			
(a) Short-term borrowings	4	19,38,61,988	2,02,99,89,787
(b) Other current liabilities	5	10,23,790	1,67,15,361
(c) Short-term provisions	6	18,50,507	17,34,463
Total		2,32,20,00,273	2,28,52,55,363
II. ASSETS			
(1) Non-current assets			
(a) Non-current investments	7	1,57,99,71,658	1,57,99,71,658
(b) Long-term loans and advances	8	16,64,92,945	17,34,76,069
(2) Current assets			
(a) Cash and cash equivalents	9	87,69,815	49,25,140
(b) Short-term loans and advances	10	56,67,65,855	52,68,77,252
(c) Other current assets	11	-	5,244
Total		2,32,20,00,273	2,28,52,55,363

Significant accounting policies and notes to financial statements 16-32

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 : 30th May, 2016



RANJIT MALIK
 Whole-time Director & CFO
 DIN: 00059379

RAHUL KUMAR
 Company Secretary
 M. No. A35354


PREETIKA SINGH JOHAR
 Director
 DIN: 06959515

HEXA SECURITIES AND FINANCE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

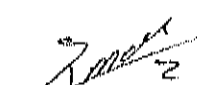
PARTICULARS	Note No.	Year Ended 31st March, 2016 (₹)	Year Ended 31st March, 2015 (₹)
I. Revenue from operations	12	5,77,75,193	23,19,18,471
Total Revenue		<u><u>5,77,75,193</u></u>	<u><u>23,19,18,471</u></u>
II. Expenses:			
Employee benefits expense	13	20,32,830	7,08,161
Financial cost	14	10,40,17,738	16,32,32,472
Other expenses	15	1,58,91,875	97,24,381
Total Expenses		<u><u>12,19,42,443</u></u>	<u><u>17,36,65,014</u></u>
III. Profit before tax (I - II)		<u><u>(6,41,67,250)</u></u>	<u><u>5,82,53,457</u></u>
IV. Tax expense:			
Current tax		1,07,18,000	2,31,00,000
Previous year Taxation Adjustment		<u><u>(41,64,361)</u></u>	<u><u>(17,739)</u></u>
		<u><u>65,53,639</u></u>	<u><u>2,30,82,261</u></u>
V. Profit for the year after taxation (III - IV)		<u><u>(7,07,20,889)</u></u>	<u><u>3,51,71,196</u></u>
VI. Earning per equity share:			
(1) Basic		(0.74)	1.38
(2) Diluted		(0.74)	1.30
Significant accounting policies and notes to financial statements	16-32		

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 : 30th May, 2016




RANJIT MALIK
Whole-time Director & CFO
DIN: 00059379


RAHUL KUMAR
Company Secretary
M. No. A35354


PREETIKA SINGH JOHAR
Director
DIN: 06959515

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year Ended		Year Ended	
	31st March, 2016		31st March, 2015	
		(₹)		(₹)
A. CASH INFLOW / (OUTFLOW) FROM THE OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND ORDINARY ACTIVITY		(6,41,67,250)		5,82,53,457
Adjustments for				
Add/(Less)				
Provision for Standard Assets made/(written back)	82,481		(30,83,228)	
Provision for Doubtful Debts made/(written back)	-		(58,62,237)	
Investment in share application money written off	-	82,481	48,00,000	(41,45,465)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(6,40,84,769)		5,41,07,992
Adjustments for:-				
Increase/Decrease in Loans and Advances	(3,29,87,305)		1,23,91,48,300	
Increase/(Decrease) in Current Liabilities	(1,53,04,183)		1,50,92,910	
Increase/(Decrease) in Loan from Inter corporate	4,21,44,587		20,60,345	
Increase/(Decrease) in Loan from holding company	8,05,42,914	7,43,96,013	13,41,01,704	1,39,04,03,259
CASH GENERATED FROM OPERATIONS		1,03,11,244		1,44,45,11,251
Tax Paid		(64,66,569)		(2,35,21,657)
NET CASH FROM OPERATING ACTIVITIES		38,44,675		1,42,09,89,594
B. CASH INFLOW/(OUTFLOW)FROM INVESTMENT ACTIVITIES				
Investment in Shares - (Unquoted)	-		(1,41,91,45,500)	
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		-		(1,41,91,45,500)
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES				
NET CHANGES IN CASH & CASH EQUIVALENT		38,44,675		18,44,094
Cash and cash equivalent as at 01.04.2014 (opening balance)		49,25,140		30,81,046
Cash and cash equivalent as at 31.03.2015 (Closing balance)		87,69,815		49,25,140

Note :

- Increase / decrease in unsecured loans are shown net of repayments.
- 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 : 30th May, 2016

Ranjit Malik
RANJIT MALIK
Whole-time Director & CFO
DIN: 00059379

Preetika Singh Johar
PREETIKA SINGH JOHAR
Director
DIN: 06959515

Rahul Kumar
RAHUL KUMAR
Company Secretary
M. No. A35354

HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

PARTICULARS	As At	As At
	31st March, 2016 (₹)	31st March, 2015 (₹)
1. SHARE CAPITAL		
Authorised		
22,17,00,000 Equity Shares of ₹ 10/- each (Previous year	2,21,70,00,000	26,00,00,000
2,60,00,000 Equity Shares of ₹ 10/- each.)		
	<u>2,21,70,00,000</u>	<u>26,00,00,000</u>
Issued, Subscribed and Fully Paid-Up		
22,13,81,530 Equity Shares of ₹ 10/- each (Previous year	2,21,38,15,300	25,50,00,000
2,55,00,000 Equity Shares of ₹ 10/- each.)		
Total Share Capital	<u>2,21,38,15,300</u>	<u>25,50,00,000</u>

(a) Reconciliation of the number of shares:

Shares outstanding as at the beginning of the year	2,55,00,000	2,55,00,000
Add: Fresh Issue of shares	19,58,81,530	-
Add: Issue of Bonus Shares	-	-
Shares outstanding as at the end of the year	<u>22,13,81,530</u>	<u>2,55,00,000</u>

(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	As At 31st March, 2016		As At 31st March, 2015	
	No. of Shares	%	No. of Shares	%
Hexa Tradex Limited*	22,13,81,530	100%	2,54,99,870	99.99%
*300 Shares held through nominee.				

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

Name of Shareholders	As At 31st March, 2016		As At 31st March, 2015	
	No. of Shares	%	No. of Shares	%
Hexa Tradex Limited*	22,13,81,530	100%	2,54,99,870	99.99%
*300 Shares held through nominee.				

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As At 31st March, 2016	As At 31st March, 2015
	No. of Shares	No. of Shares
- On account of conversion of Loan of ₹ 195,88,15,300 (including interest of ₹ 882,42,920)	19,58,81,530	-

(f) Aggregate number of bonus shares issues and shares bought back during the period of five years immediately preceding the reporting date:

Nil Nil

2. RESERVES AND SURPLUS

a) Statutory Reserve

Balance as per last financial statements	16,18,69,079	15,48,38,388
Add: Transferred from surplus in Statement of Profit and Loss	-	70,30,691
Closing Balance	<u>16,18,69,079</u>	<u>16,18,69,079</u>

b) Surplus in Statement of Profit and Loss

Balance as per last financial statements	(18,00,53,327)	(20,81,93,832)
Add: Profit after tax transferred from Statement of profit and Loss	(7,07,20,889)	3,51,71,196
Less: Appropriations	-	-
Transfer to Statutory Reserve	-	70,30,691
Balance in Profit and Loss Account Carried Forward	<u>(25,07,74,216)</u>	<u>(18,00,53,327)</u>



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

PARTICULARS	As At 31st March, 2016 (₹)	As At 31st March, 2015 (₹)
3. LONG-TERM PROVISIONS		
Provision for Employee benefits		
Provision for Leave Encashment	3,53,825	-
Total Long term Provisions	<u>3,53,825</u>	<u>-</u>
4. SHORT-TERM BORROWINGS		
Unsecured Short- term borrowings		
From Related Parties:-		
- Hexa Tradex Limited	-	1,87,82,72,386
- Glebe Trading Private Limited	2,77,29,800	79,56,176
From Others:-		
- Nalwa Engineering Company Limited	12,01,234	11,11,225
- Jindal Equipment Leasing & Consultancy Services Limited	1,40,16,200	1,26,50,000
- Danta Enterprises Private Limited	2,09,14,754	-
	<u>6,38,61,988</u>	<u>1,89,99,89,787</u>
From Others :-		
- Zero Coupon Optionally Convertible Bonds*	13,00,00,000	13,00,00,000
	<u>13,00,00,000</u>	<u>13,00,00,000</u>
Total Short- Term Borrowings	<u>19,38,61,988</u>	<u>2,02,99,89,787</u>
* Zero Coupon 13,00,000 Optionally Convertible Bonds of ₹ 100 each aggregating to ₹ 1,300 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.		
5. OTHER CURRENT LIABILITIES		
Statutory Dues	5,75,758	1,63,64,491
Dues to Employees	99,796	69,106
Others	3,48,236	2,81,764
Total Other Current Liabilities	<u>10,23,790</u>	<u>1,67,15,361</u>
6. SHORT TERM PROVISIONS		
Provision for Employee benefits		
Provision for Leave Encashment	33,563	-
Provision for Standard Assets (refer note no. 19)	18,16,944	17,34,463
Total Short Term Provisions	<u>18,50,507</u>	<u>17,34,463</u>



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

Note No. - 7 "NON-CURRENT INVESTMENTS"

PARTICULARS	As At 31st March, 2016			As At 31st March, 2015		
	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	-	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
IDFC Bank Limited	36,205	2	18,00,000	36,205	2	18,00,000
ACC Limited	2	10	699	2	10	699
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**	16	5	4,223	8	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
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	20	1	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
Jindal Stainless (Hisar) Limited*#	49,31,175	2	14,10,05,950	-	-	-
Sun Pharmaceutical Industries Limited***	3	1	2,510	-	-	-
			16,08,26,158			16,08,26,158
UnQuoted						
Abhinandan Investments Limited	8,000	10	18,40,000	8,000	10	18,40,000
Goswamis Credit & Investments Limited	28,55,000	10	2,85,50,000	28,55,000	10	2,85,50,000
Barahamputra Capital & Financial Services Limited	5,20,800	10	52,08,000	5,20,800	10	52,08,000
			3,55,98,000			3,55,98,000
B) Investment in 9% Non-Convertible and Non-Cumulative Redeemable Preference Shares- Unquoted						
Goswamis Credits & Investment Limited	28,08,333	100	28,08,33,300	28,08,333	100	28,08,33,300
Mansarovar Investments Limited	20,93,070	100	20,93,07,000	20,93,070	100	20,93,07,000
Renuka Financial Services Limited	21,99,002	100	21,99,00,200	21,99,002	100	21,99,00,200
Stainless Investments Limited	6,70,327	100	6,70,32,700	6,70,327	100	6,70,32,700
Everplus Securities & Finance Company Limited	2,19,250	100	2,19,25,000	2,19,250	100	2,19,25,000
Manjula Finances Limited	27,21,000	100	27,21,00,000	27,21,000	100	27,21,00,000
Jindal Equipment Leasing & Consultancy Services Limited	20,80,493	100	20,80,49,300	20,80,493	100	20,80,49,300
Nalwa Investments Limited	10,44,000	100	10,44,00,000	10,44,000	100	10,44,00,000
			1,38,35,47,500			1,38,35,47,500
TOTAL			1,57,99,71,658			1,57,99,71,658
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			1,41,91,45,500
Aggregate Market Value of Quoted Non- Current Investments			41,79,24,987			44,30,93,064

Notes:

*49,27,470 (previous year : 49,27,470) equity shares of Jindal Stainless Limited & 49,27,470 (previous year : Nil) equity shares of Jindal Stainless (Hisar) Limited are pledged as security in favour of lenders for financial assistance given by them to Jindal Stainless Limited.

#During the year, 49,31,175 equity shares of ₹ 2 each of Jindal Stainless (Hisar) Limited were allotted pursuant to the Composite Scheme of Arrangement among Jindal Stainless Limited, Jindal Stainless (Hisar) Limited & Others

**During the year Infosys Limited issued bonus shares in the ratio of 1:1

***3 shares of Sun Pharmaceutical Industries Limited received against 4 shares of Ranbaxy Laboratories Limited



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

PARTICULARS	As At 31st March, 2016 (₹)	As At 31st March, 2015 (₹)
8. LONG- TERM LOANS AND ADVANCES		
Other Loans and Advances		
- Secured, considered good	16,64,92,945	17,34,76,069
Total Long- Term Loans and Advances	<u>16,64,92,945</u>	<u>17,34,76,069</u>
9. CASH AND CASH EQUIVALENTS		
Cash on hand	336	736
Balances with banks		
On current accounts	87,69,479	49,24,404
Total Cash and cash equivalents	<u>87,69,815</u>	<u>49,25,140</u>
10. SHORT- TERM LOANS AND ADVANCES		
Other Inter Corporate Loans		
Unsecured, considered good	54,83,54,646	50,93,86,573
Considered Doubtful	8,20,94,620	8,20,94,620
Less: Provision for Doubtful (refer note no. 21)	(8,20,94,620)	(8,20,94,620)
Loans to other party		
Unsecured, considered good	1,19,30,100	1,09,22,500
Advance income-tax (Net of provisions)	64,81,109	65,68,179
Total Short Term Loans and Advances	<u>56,67,65,855</u>	<u>52,68,77,252</u>
11. OTHER CURRENT ASSETS		
Others	-	5,244
Total Other Current Assets	<u>-</u>	<u>5,244</u>



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

PARTICULARS	Year Ended 31st March, 2016 (₹)	Year Ended 31st March, 2015 (₹)
12. REVENUE FROM OPERATIONS		
Interest Income	5,74,84,228	22,27,24,230
Dividend Income on Long Term Investments	2,90,965	2,48,776
Provision for Doubtful Debts Written Back	-	58,62,237
Provision for Standard Assets Written Back	-	30,83,228
Total Revenue from Operations	<u>5,77,75,193</u>	<u>23,19,18,471</u>
13. EMPLOYEE BENEFITS EXPENSE		
Salary and Wages	18,64,763	6,60,043
Contribution to Provident Fund	1,38,571	39,368
Workmen and Staff Welfare Expenses	29,496	8,750
Total Employee Benefits Expense	<u>20,32,830</u>	<u>7,08,161</u>
14. FINANCE COST		
Interest Expense	10,40,17,511	16,32,31,109
Other Borrowing Cost	227	1,363
Total Finance Cost	<u>10,40,17,738</u>	<u>16,32,32,472</u>
15. OTHER EXPENSES		
Rates and Taxes	88,995	-
Conveyance Expenses	46,300	21,350
Communication Expenses	8,939	-
Legal and Professional Fees	2,31,046	8,32,507
Donation	-	39,00,000
Auditors' Remuneration	1,12,793	83,147
Investment Written off	-	48,00,000
Provision for Standard Assets	82,481	-
Filing Fee	1,51,96,818	24,095
Miscellaneous Expenses	1,24,503	63,282
Total Other Expenses	<u>1,58,91,875</u>	<u>97,24,381</u>



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

16 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 the 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.

17 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.

18 Loans and advances repayable on demand (other than those considered as non-performing assets) includes ₹ 54,83,54,646/- (Previous year ₹ 50,93,86,573/-) due from one company which currently have accumulated loss 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 the said amount, which is considered good in nature, as and when called for payment. The Company may take necessary action for recovery of the said amount, if required.

19 Provision for standard assets amounting to ₹ 82,481/- (Previous Year ₹ Nil) has been made at 0.25% of the outstanding standard assets as at March 31, 2016 in terms of Notification DNBS 223/CGM (US)-2011 dated 17-01-2011, issued by Reserve Bank of India. Movement of provision is as under:

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Provision on Standard Assets		
Opening Balance	17,34,463	48,17,691
Add: Provision made/(written back) during the year	82,481	(30,83,220)
Closing Balance	18,16,944	17,34,463

20 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.



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

- 21 Provision for Non-Performing Loans and Advances has been made by the management considering prudential norms prescribed by the Reserve Bank of India.

Details of Movement of provision of Doubtful Assets are as under:

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Provision for Doubtful Assets		
Opening Balance	8,20,94,620	8,79,56,857
Add: Provision made/(written back) during the year	-	(58,62,237)
Closing Balance	8,20,94,620	8,20,94,620

- 22 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.

23 Related Party Disclosures:

List of Related Parties & Relationship

A. Holding Company

- i Hexa Tradex Limited

B. Key Management Personnel

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

C. Entities, where individual, having significant influence over reporting enterprise or KMP and/or their relatives, having significant influence

Glebe Trading Private Limited

Transactions:-

S. No.	Particulars	(Amount in ₹)	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
i.	Loan received Glebe Trading Private Limited	1,95,00,000	79,00,000
ii.	Loan repaid Hexa Tradex Limited Glebe Trading Private Limited	84,00,000 20,00,000	1,20,00,000 -
iii.	Loan converted into investment Hexa Tradex Limited	1,95,88,15,300	-
iv.	Interest paid Hexa Tradex Limited Glebe Trading Private Limited	9,88,25,467 25,26,249	16,23,35,227 62,418
v.	Remuneration paid Mr. Ranjit Malik Mr. Rahul Kumar	15,27,818 3,72,256	5,85,235 11,376
vi.	Outstanding balance at the year end Loans taken: Hexa Tradex Limited Glebe Trading Private Limited	- 2,77,29,800	1,87,82,72,386 79,56,176



HEXA SECURITIES AND FINANCE COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

24 (i) Auditors' Remuneration

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Audit Fee	40,075	39,326
Tax Audit Fee	5,725	5,618
Certification	66,993	38,203
	1,12,793	83,147

(ii) Director Remuneration

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Salary including allowances etc.	14,28,943	5,38,602
Contribution to Provident and Other Funds	98,875	46,633
	15,27,818	5,85,235

25 During the year the company spent ₹ Nil (Previous Year ₹ 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	(Amount in ₹)	
	Year Ended 31st March, 2016	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 and as explained to us by the Management, 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, 2016	Year Ended 31st March, 2015
(A) Earning attributable to equity shareholders (₹)	(7,07,20,889)	3,51,53,457
(B) Weighted Average No. of Shares for Basic Earnings per Share	9,50,75,407	2,55,00,000
No. of Shares to be issued on Conversion of Optionally Convertible Bonds	16,25,000	16,25,000
(C) Weighted Average No. of Shares for Diluted EPS Earnings per Share (on face value of ₹ 10/- each)	9,50,75,407	2,71,25,000
Basic = A/B	(0.74)	1.38
Diluted = A/C	(0.74)	1.30



NOTES TO FINANCIAL STATEMENTS

28 EMPLOYEE BENEFITS

Disclosures required under Accounting Standard 15- "Employee Benefits" (Revised 2005)

	(Amount in ₹)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I. Defined Contribution Plan		
Company's contribution to Provident Fund	1,38,571	48,118
II. Defined Benefits Plans	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
A. Actuarial Assumptions		
Discount Rate (per annum)	8.00%	N.A.
Future salary increase	10.00%	N.A.
Expected return on plan assets	N.A.	N.A.
Mortality rate	JALM 2006-08 Ultimate	N.A.
The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
B. Reconciliation of Present Value of Obligation		
Present value of obligation at the beginning of the year	-	-
Amount transferred during the year	2,39,840	-
Current Service Cost	44,155	-
Interest Cost	19,188	-
Actuarial (gain)/ loss	85,578	-
Benefits paid	(1,373)	-
Present value of obligation at the end of the year	3,87,388	-
C. Reconciliation of Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gain/ (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
D. Net (Asset)/Liability recognised in the Balance Sheet as at year end		
Present value of obligation at the end of the year	3,87,388	-
Fair value of plan assets at the end of the year	-	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	3,87,388	-
E. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	44,155	-
Interest Cost	19,188	-
Expected return on plan assets	-	-
Actuarial (gain)/loss recognised in the year	85,578	-
Past Service Cost	-	-
Total expenses recognised in the Statement of Profit and Loss	1,48,921	-

Actual return on plan assets

The above disclosures are based on information certified by the independent actuary and relied upon by the



NOTES TO FINANCIAL STATEMENTS

29 Disclosure as per amendment to clause 34(3) & 53(f) Schedule V of the Listing Agreement Details of Inter- Corporate Loans

Name of Company	Amount (₹)			
	As at 31st March, 2016		As at 31st March, 2015	
	Outstanding Balance	Maximum Balance during the year	Outstanding Balance	Maximum Balance during the year
Loan and advances having repayment schedule				
Meena Suresh Shroff	16,64,92,945	17,34,76,069	17,34,76,069	17,34,76,069
Loan and advances Where there is no repayment schedule				
Colorado Trading Company Limited	54,83,54,646	54,83,54,646	50,93,86,573	50,93,86,573
Goswamis Credits & Investment Limited	-	-	-	27,34,13,896
Green Delhi BQS Limited *	8,20,94,620	8,20,94,620	8,20,94,620	8,20,94,620
Renuka Financial Services Limited	-	-	-	21,56,63,234
Stainless Investments Limited	-	-	-	6,20,27,892
Manjula Finance Limited	-	-	-	29,18,82,083
Mansarover Investments Limited	-	-	-	18,74,13,053
Jindal Equipment Leasing & Consultancy Services Limited	-	-	-	22,02,95,765
Nalwa Investments Limited	-	-	-	13,44,76,264
Jindal Intellcom Limited	-	-	-	58,62,237
National Udyog	1,19,30,100	1,19,30,100	1,09,22,500	1,09,22,500

* Provision for Non Performing Assets in doubtful category of 100% provide for ₹ 8,20,94,620/- (Previous year ₹ 8,20,94,620/-)

30 The company has made long term investment of ₹ 11,846.70 lacs in certain companies where there is diminution in value of investment. The amount of diminution is not readily ascertainable because of layer effect of accretion/ diminution of investment held by those companies. Such diminution in the opinion of the management, being long term strategic investment and future cash flows, is temporary in nature and as such no provision is considered necessary.

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

32 Notes 1 to 31 are annexed and form integral part of Financial Statements.

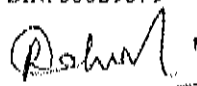
As per our report of even date attached.

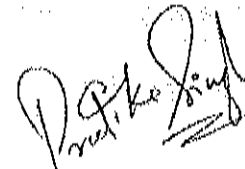
For N.C. Aggarwal & Co.,
Chartered Accountants
Firm Registration No. 003273N

G. K. AGGARWAL
Partner
M. No. 086622
Place: New Delhi
Dated: 30th May, 2016




RANJIT MALIK
Whole-time Director & CFO
DIN: 00059379


RAHUL KUMAR
Company Secretary
M. No. A35354


PREETIKA SINGH JOHAR
Director
DIN: 06959515

HEXA SECURITIES AND FINANCE COMPANY LIMITED

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, 2015)

For the year ended 31.03.2016

	Particulars		
	Liabilities side :		
-1	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue
		₹	₹
	(a) Debentures : Secured	-	-
	: Unsecured	13,00,00,000	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	6,38,61,988	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	* Please see Note 1 below		
	Assets side :		
		Amount outstanding (₹)	
-2	Break-up of Loans and Advances including bills receivables [other than those included in (d) below] :		
	(a) Secured		16,64,92,945
	(b) Unsecured		56,02,84,746
-3	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Others loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-



HEXA SECURITIES AND FINANCE COMPANY LIMITED

Schedule to the Balance Sheet of a non-deposit taking non-banking Financial Company

-6 Investor group-wise classification of all investments (current and long term) in shares and securities

(Both quoted and unquoted) :

Please see Note 3 below

Category	Market Value / Break up or fair value or NAV (₹)	Book Value (Net of Provisions) (₹)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,80,79,82,266	1,57,99,71,658
Total	1,80,79,82,266	1,57,99,71,658

** As per Accounting Standard of ICAI (Please see Note 3)

-7 Other Information

Particulars	Amount (₹)
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	8,20,94,620
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes:

- 1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N



G. K. Aggarwal

Partner

M. No. 086622

Place : New Delhi

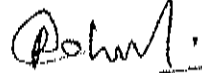
Dated : 30th May, 2016




RANJIT MALIK

Whole-time Director & CFO

DIN: 00059379



RAHUL KUMAR

Company Secretary

M. NO. A35354



PREETIKA SINGH JOHAR

Director

DIN: 06959515