HEXA
TRADEX

# OPENING DOORS TO FIND ENDLESS POSSIBILITIES

ANNUAL REPORT 2018-19

| | | |
|---|---|---|
| DIRECTORS | DR. RAJ KAMAL AGGARWAL | CHAIRMAN AND INDEPENDENT DIRECTOR |
| | SHRI GIRISH SHARMA | INDEPENDENT DIRECTOR |
| | MS. VENI VERMA | NON-EXECUTIVE DIRECTOR |
| CEO & CFO | SHRI NEERAJ KANAGAT | |
| COMPANY SECRETARY | SHRI PRAVESH SRIVASTAVA | |
| STATUTORY AUDITORS | M/S N.C. AGGARWAL & CO.<br>CHARTERED ACCOUNTANTS | |
| REGISTERED OFFICE | A-1, UPSIDC INDUSTRIAL AREA<br>NANDGAON ROAD, KOSI KALAN<br>DISTRICT MATHURA, 281403 (U.P.), INDIA | |
| CORPORATE OFFICE | JINDAL CENTRE<br>12, BHIKAIJI CAMA PLACE, NEW DELHI – 110066, INDIA | |

# CONTENTS



## BOARD'S REPORT

To

The Members,

Your Directors are pleased to present the 8th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2019.

### 1. FINANCIAL RESULTS

(₹ lakhs)

| Particulars | **Current Year Ended March 31, 2019** | Previous Year Ended March 31, 2018 |
|---|---|---|
| Gross Sales & Income from Operations | **1.04** | 0.31 |
| Profit/(Loss) before Financial Cost and Depreciation | **179.37** | (177.92) |
| Less: | | |
| - Finance Cost | **19.78** | 10.27 |
| - Depreciation & Amortization | **0.09** | 0.08 |
| Profit/(Loss) before tax | **(199.24)** | (188.27) |
| Provision for Income Tax and Wealth Tax | **(61.69)** | (18.61) |
| Net Profit/(Loss) after tax | **(137.55)** | (169.66) |
| Add: Balance brought forward from previous Year | **2617.83** | 2787.49 |
| Total amount available for appropriation | **2480.28** | 2617.83 |
| Less : Appropriations : | | |
| (a) Transfer to General Reserve | **-** | - |
| (b) Proposed dividend on Equity Shares | **-** | - |
| (c) Corporate Tax on dividends | **-** | - |
| Balance carried to Balance Sheet | **2480.28** | 2617.83 |

### 2. REVIEW OF OPERATIONS

During the year, Company achieved Gross Sales & Income from operations of ₹ 1.04 lakhs against the Turnover of ₹ 0.31 lakhs in previous year. Since the Company has yet to achieve its optimum scale of operations, its net loss is ₹ 137.55 lakhs during the year against net loss of ₹ 169.66 lakhs in previous year. It is hope that Company would achieve greater heights in coming years.

### 3. DIVIDEND

No dividend has been recommended.

### 4. TRANSFER TO RESERVES

During the year no amount has been transferred in the reserve of the Company.

### 5. SHARE CAPITAL

There is no change during the year 2018-19 in the paid up equity share capital of the Company.

### 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis, as stipulated under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forming part of this report, has been given under separate section in the Annual Report.

### 7. CONSOLIDATED FINANCIAL STATEMENT

Audited annual consolidated financial statements forming part of the annual report have been prepared in accordance with Companies Act, 2013, Indian Accounting Standards (Ind AS) 110– 'Consolidated Financial Statements' and Indian Accounting Standards (Ind AS) 28 - Investments in Associates and Joint Ventures', notified under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

### 8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Company has one subsidiary namely Hexa Securities and Finance Company Limited (HSFCL). HSFCL is Non-Banking Financial Company registered with Reserve Bank of India. A report on the performance and financial position of each of the HSFCL as per the Companies Act, 2013 is provided as Form AOC-1 to the consolidated financial statement and hence not repeated here for the sake of brevity.

## BOARD'S REPORT

No Company has became/ceased to be the subsidiary, associate and Joint Venture during the financial year 2018-19.

The policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: http://hexatradex.com/wp-content/uploads/2015/08/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed by the Board of Directors: -

a. that in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. that they 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 at the end of the financial year and of the profit of the Company for the year ended on that period.

c. that they 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 fraud and other irregularities;

d. that they had prepared the accounts for the financial year ended 31st March, 2019 on a 'going concern' basis.

e. that they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Ms. Veni Verma, Director (DIN: 07586927), retire by rotation and, being eligible, offer herself for re-appointment. During the year under review, no director had resigned or appointed on the Board of Directors of the Company.

Dr. Raj Kamal Aggarwal was appointed as an Independent Director for a first term of a period of 5 years by the shareholders in the 3rd annual general meeting held on 10th September, 2014 and their tenure will end on 9th September, 2019. Your Board of Directors, taking into consideration the recommendations of Nomination and Remuneration Committee and given his background, experience and contribution made by him during his tenure as Independent Director and the performance evaluation feels that the continued association of Dr. Raj Kamal Aggarwal would be beneficial to the interest of Company as Independent Director. Accordingly, Board proposes the appointment of Dr. Raj Kamal Aggarwal for 2nd term of a further period of 5 consecutive years as an Independent Director. The Company had received the consent of the above Director for his appointment along with declaration that he met the criteria of independence U/s 149(6) of the Companies Act, 2013.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Nomination and Remuneration Committee selects the candidate to be appointed as the Directors on the basis of the needs and enhancing the competencies of the Board of the Company.

The current policy is to have a balance of Executive, Non-executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. The composition of Board of Directors during the year ended March 31, 2019 are inconformity with Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 (SEBI Listing Regulations) read with Section 149 of the Companies Act, 2013.

The policy of the Company on directors' appointment, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013 and the remuneration paid to the directors are governed by the Nomination and Remuneration Policy of the Company.

**11. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received Declaration of Independence from all Independent Directors as stipulated under Section 149(7) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that they meet the criteria of Independence.

## BOARD'S REPORT

**12. BOARD EVALUATION**

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of non-executive directors and executive directors under section 178(1) of the Companies Act, 2013. This may be accessed at the link http://hexatradex.com/wp-content/uploads/2015/08/Performance-Evaluation.pdf.

On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. The details of same have been given in the report on corporate governance annexed hereto.

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters have been uploaded on the website of the Company at the link http://hexatradex.com/wp-content/uploads/2015/08/Familiarization-Programme-of-Independent-Directors.pdf.

**13. CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirement set out by SEBI. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

**14. CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had entered into material contract / arrangement / transaction with subsidiary of the Company.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://hexatradex.com/wp-content/uploads/2015/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf

Your Directors draw attention of the members to note of the financial statement which sets out related party disclosures.

**15. RISK MANAGEMENT**

Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) identifying and assessing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks and to ensure that there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy was reviewed and approved by the Committee.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviours together form the Management System that governs how the Company conducts the business and manages associated risks.

**16. INTERNAL FINANCIAL CONTROLS**

The company has put in place strong internal control systems in line with globally accepted practices. The processes adopted by the Company are best in class and commensurate with the size and nature of operations.

The Company has adopted risk based framework which is intended for proper mitigation of risks. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

The Company has employed experienced professional to carry out the internal audits to review the adequacy and compliance to the laid down procedures to manage key risks.

The Audit Committee of the Board regularly reviews the adequacy & effectiveness of internal audit environment and implementation of internal audit recommendations including those relating to strengthening of Company's risk management policies & systems.

Your Company's philosophy is of zero tolerance towards all applicable legal non-compliances

**17. CORPORATE SOCIAL RESPONSIBILTY (CSR)**

The Corporate Social Responsibility Committee (CSR Committee) formulated and recommended to the Board, a Corporate Social Responsibility

## BOARD'S REPORT

Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: http://hexatradex.com/wp-content/uploads/2016/08/CSR-Policy-Tradex.pdf. The key philosophy of all CSR initiatives of the Company is driven by core value of inclusion.

The Company is committed to ensure that all development activities/initiatives undertaken in the field of education, health care, sanitation, community welfare, skill development, employment generation, infrastructure development, promotion of national heritage and culture etc. are accessible to most marginalized segment of societies such as children, women, elderly and those with disabilities.

The Annual Report on CSR Activities is annexed herewith as Annexure 1.

**18. SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**19. AUDITORS & THEIR REPORT**

**STATUTORY AUDITORS**

The members of the Company had appointed M/s N. C. Aggarwal & Co., Chartered Accountants as Statutory Auditors of the Company for a term of 4 (Four) consecutive years from conclusion of 6th Annual General Meeting until the conclusion of 10th Annual General Meeting. The M/s N. C. Aggarwal & Co., Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company.

Auditors' remarks in their report read with the notes to accounts referred to by them are self-explanatory. There have been no fraud reported by the Statutory Auditors of the Company.

**SECRETARIAL AUDITOR**

The Board has appointed Shri Awanish Kumar Dwivedi of M/s Awanish Dwivedi & Associates, Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith marked as Annexure - 2 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE**

i. Auditors' Report

There have been no frauds, qualifications, reservations or adverse remarks reported by the Statutory Auditors of the Company.

ii. Secretarial Auditor's Report

There are no qualifications, reservations or adverse remarks reported by the Secretarial Auditors in their report.

**20. DISCLOSURE**

**MEETINGS OF THE BOARD**

During the year under review, the Board of Director of the Company met Five times on 25th May, 2018, 1st August, 2018, 12th November, 2018, 24th January, 2019 and 19th March, 2019. The composition of Board of Directors during the year ended March 31, 2019 is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 (SEBI Listing Regulations) read with Section 149 of the Companies Act, 2013. For further details, please refer report on Corporate Governance of this Annual Report.

**AUDIT COMMITTEE**

As on 31st March, 2019, the Audit Committee comprised of Dr. Raj Kamal Aggarwal (Chairman), Shri Girish Sharma and Ms. Veni Verma, as other members. The composition of the Audit Committee is in conformity with requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year ended 31st March, 2019, the Committee met 4 (four) times on 25th May, 2018, 1st August, 2018, 12th November, 2018 and 24th January, 2019. For further details, please refer report on Corporate Governance of this Annual Report.

**NOMINATION AND REMUNERATION COMMITTEE**

As on 31st March, 2019, the Nomination and Remuneration Committee comprised of Shri Girish Sharma (Chairman), Dr. Raj Kamal Aggarwal and Ms. Veni Verma, as other members. The Chairman of the Committee is an Independent Director. The Composition of the Nomination and Remuneration Committee is in conformity with requirements of section 178 the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## BOARD'S REPORT

During the year ended 31st March, 2019 the Committee met once on 25th May, 2018. For further details, please refer report on Corporate Governance of this Annual Report

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)**

As on 31st March, 2019, the CSR Committee comprises of Dr. Raj Kamal Aggarwal (Chairman), Shri Girish Sharma and Ms. Veni Verma, as other members. The Composition of the CSR Committee is in conformity with requirements of the Companies Act, 2013.

**VIGIL MECHANISM**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement. Protected disclosures can be made by a whistle blower through an e-mail, or a letter to the Compliance Officer or Managing Director or to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://hexatradex.com/wp-content/uploads/2015/08/POLICY-VIGIL-MECHANISM.pdf

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to note of the standalone financial statement).

**PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.**

As your Company is not engaged in any manufacturing activity, the particulars relating to conservation of energy and technology absorption, as mentioned in the Companies (Accounts) Rules, 2014, are not applicable to it. However, emphasis is placed on employing techniques that result in the conservation of energy. Details on the foreign exchange earnings and expenditure of your Company appear in the Notes to Accounts.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as Annexure - 3 to this Report.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The employee's relations remained cordial throughout the period. There is no employees whose particulars are required to be furnish under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as Annexure-4.

**21. PUBLIC DEPOSITS**

The Company has not invited any public deposits during the year ended on 31st March, 2019.

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

During the Financial Year there is no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**23. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has formed a Committee for implementation of said policy. No complaint of harassment was received during the year.

**24. ACKNOWLEDGEMENT**

Your Directors express their grateful appreciation to concerned Departments of Central / State Governments, Financial Institutions & Bankers, Customers and Vendors for their continued assistance and co-operation. The Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels. We are also grateful for the confidence and faith that you have reposed in the Company as its member.

**For and on behalf of the Board**

Place: New Delhi
Date: 5th August, 2019

Dr. Raj Kamal Aggarwal
Chairman

## BOARD'S REPORT

**Annexure - 1**

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

| | | |
|---|---|---|
| 1 | A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee. | Refer Sections:<br>(a) Corporate Social Responsibility and<br>(b) Disclosures: CSR Committee<br>in this Report |
| 2 | Average net profit of the Company for last three financial years | ₹ (71.86) lakhs |
| 3 | Prescribed CSR expenditure<br>(two percent of the amount mentioned in item 2 above) | NA |
| 4 | Details of CSR spent during the financial year: | |
| | Total amount to be spent for the financial year | Nil |
| | Amount unspent, if any | NA |
| | Manner in which the amount spent during the financial year | - |

### Details of amount spent of CSR Activities during the Financial Year 2018-19

| Sr. No. | CSR Project or Activity Identified | Sector in which the project is covered (Schedule VII of the Companies Act, 2013, as amended) | Project of Program (1) Local Area or Other (2) Specify the state and district where the projects and programs was undertaken | Amount Outlay (Budget) or Program wise (₹ In Lakhs) | Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ In Lakhs) | Cummulative Expenditure upto the reporting period i.e. FY 2018-2019 (₹ In Lakhs) | Amount spent direct or through Implementing Agency |
|---|---|---|---|---|---|---|---|
| NIL | | | | | | | |

Place: New Delhi
Date: 5th August, 2019

Dr. Raj Kamal Aggarwal
Chairman of CSR Committee &
Independent Director

Veni Verma
Non-Executive Director

## BOARD'S REPORT

**Annexure - 2**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended on 31st March, 2019**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
Hexa Tradex Limited
A-1, UPSIDC Industrial Area,
Nandgaon Road, Kosi Kalan,
Mathura-281403, Uttar Pradesh

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Hexa Tradex Limited" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Hexa Tradex Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (erstwhile The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above subject to the following observations under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulation) and rule made there under:

The listed entity has not complied with the Regulation 19(1)/(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding constitution of Nomination and remuneration committee.

## BOARD'S REPORT

**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Director and Independent Directors. There is no changes in the composition of the Board of Directors during the period under review.

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent within timeline and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, there were no major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines.

FOR AWANISH DWIVEDI & ASSOCIATES

COMPANY SECRETARIES

Place: New Delhi
Date: 26th July 2019

CS AWANISH K. DWIVEDI
FCS- 8055, CP No.- 9080

This report is to be read with our letter of even date which is annexed as Annexure-I and forms an integral part of this report.

**Annexure - I**

To,
The Members,
Hexa Tradex Limited
A-1, UPSIDC Industrial Area,
Nandgaon Road, Kosi Kalan,
Mathura – 281403, Uttar Pradesh

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR AWANISH DWIVEDI & ASSOCIATES

COMPANY SECRETARIES

Place: New Delhi
Date: 26th July 2019

CS AWANISH K. DWIVEDI
FCS- 8055, CP No.- 9080

## BOARD'S REPORT

### Annexure - 3

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

| | | |
|---|---|---|
| 1 | CIN | L51101UP2010PLC042382 |
| 2 | Registration Date | 25th October, 2010 |
| 3 | Name of the Company | Hexa Tradex Limited |
| 4 | Category / Sub-Category of the Company | Company limited by shares<br>Indian Non-Government Company |
| 5 | Address of the Registered office and contact details- | A-1,UPSIDC Industrial Area, Nandgaon Road,<br>Kosi Kalan, Mathura, Uttar Pradesh - 281403<br>Tel. No.- 011- 26188360-74<br>Fax No- 011- 26170691<br>Email ID - contactus@hexatradex.com |
| 6 | Whether listed company | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent, if any | RCMC Share Registry (P) Ltd.<br>B-25/1, 1st Floor, Okhla Industrial Area,<br>Phase-II, New Delhi- 110020<br>Phn:- 011- 26387320/21<br>E-mail:- sectshares@rcmcdelhi.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Other Services auxiliary to Financial Services | 997159 | 100% |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

| S No. | Name of Company Address of Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Hexa Securities and Finance Company Limited<br>Satyagruh Chavani, Lane No. 21,Bunglow No.508, Nr, Jodhpur Cross Road, Satellite, Ahmedabad, Gujarat- 380015 | U74899GJ1994PLC066477 | Subsidiary | 100% | 2(87)(ii) |

## BOARD'S REPORT

**IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**

**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | As on 31.03.2018 | | | | As on 31.03.2019 | | | | |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 2,75,880 | - | 2,75,880 | 0.50% | 2,75,880 | - | 2,75,880 | 0.50% | 0.00% |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 2,04,91,140 | 5,33,400 | 2,10,24,540 | 38.06% | 2,04,91,140 | 5,33,400 | 2,10,24,540 | 38.06% | 0.00% |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| **Sub Total (A) (1)** | **2,07,67,020** | **5,33,400** | **2,13,00,420** | **38.56%** | **2,07,67,020** | **5,33,400** | **2,13,00,420** | **38.56%** | **0.00%** |
| **(2) Foreign** | | | | | | | | | |
| a) NRI Individuals | 34,980 | - | 34,980 | 0.06% | 26,35,877 | - | 26,35,877 | 4.77% | 7435.38% |
| b) Other Individuals | 40,79,197 | - | 40,79,197 | 7.38% | 75,02,300 | - | 75,02,300 | 13.58% | 83.91% |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Any other | - | - | - | - | - | - | - | - | - |
| **Sub Total (A) (2)** | **41,14,177** | **-** | **41,14,177** | **7.45%** | **1,01,38,177** | **-** | **1,01,38,177** | **18.35%** | **146.42%** |
| **TOTAL (A)** | **2,48,81,197** | **5,33,400** | **2,54,14,597** | **46.00%** | **3,09,05,197** | **5,33,400** | **3,14,38,597** | **56.91%** | **23.70%** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 24,409 | 1,900 | 26,309 | 0.05% | 2,300 | 1,900 | 4,200 | 0.01% | -84.04% |
| b) Banks / FI | 20500 | 200 | 20,700 | 0.04% | 20,500 | 200 | 20,700 | 0.04% | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 14,08,106 | - | 14,08,106 | 2.55% | 14,08,106 | - | 14,08,106 | 2.55% | - |
| g) FIIs/FPIs | 1,48,34,391 | 3,900 | 1,48,38,291 | 26.86% | 1,48,34,391 | 3,900 | 1,48,38,291 | 26.86% | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) NBFC | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1):-** | **1,62,87,406** | **6,000** | **1,62,93,406** | **29.49%** | **1,62,65,297** | **6,000** | **1,62,71,297** | **29.45%** | **-0.14%** |

## BOARD'S REPORT

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | As on 31.03.2018 | | | | As on 31.03.2019 | | | | |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 14,01,084 | 60,43,300 | 74,44,384 | 13.48% | 1,65,11,645 | 19,300 | 16,70,945 | 3.02% | -77.55% |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 35,71,797 | 2,65,358 | 38,37,155 | 6.95% | 34,72,762 | 2,24,258 | 36,97,020 | 6.69% | -3.65% |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 19,11,027 | - | 19,11,027 | 3.46% | 18,61,404 | - | 18,61,404 | 3.37% | -2.60% |
| **c) Others (specify)** | | | | | | | | | |
| Non Resident Indians | 1,09,902 | 24,300 | 1,34,202 | 0.24% | 1,18,635 | 20,000 | 1,38,635 | 0.25% | 3.30% |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | 2,08,483 | - | 2,08,483 | 0.38% | 1,66,106 | - | 1,66,106 | 0.30% | -20.33% |
| Trusts | 200 | - | 200 | 0.00% | 200 | - | 200 | 0.00% | - |
| NBFCs | 1,250 | - | 1,250 | 0.00% | 500 | - | 500 | 0.00% | -60.00% |
| **Sub-total (B)(2):-** | **72,03,743** | **63,32,958** | **1,35,36,701** | **24.50%** | **72,71,252** | **2,63,558** | **75,34,810** | **13.64%** | **-44.34%** |
| **Total Public (B)** | **2,34,91,149** | **63,38,958** | **2,98,30,107** | **54.00%** | **2,35,36,549** | **2,69,558** | **2,38,06,107** | **43.09%** | **-** |
| **C. Shares held by Custodian for GDRs & ADRs** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Grand Total (A+B+C)** | **4,83,72,346** | **68,72,358** | **5,52,44,704** | **100.00%** | **5,44,41,746** | **8,02,958** | **5,52,44,704** | **100.00%** | **-** |

(ii) **Shareholding of Promoter**

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share-holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of total Shares Pledged/ encum-bered to total shares | No. of Shares | % of total Shares of the company | % of total Shares Pledged/ encum-bered to total shares | |
| 1 | Abhyuday Jindal | 3,000 | 0.01% | - | 3,000 | 0.01% | - | 0.00% |
| 2 | Anbeeco Investments Limited | 26,00,897 | 4.71% | - | - | 0.00% | - | -100.00% |
| 3 | Arti Jindal | 12,000 | 0.02% | - | 12,000 | 0.02% | - | 0.00% |
| 4 | Danta Enterprises Private Limited | 19,80,025 | 3.58% | - | 19,80,025 | 3.58% | - | 0.00% |
| 5 | Deepika Jindal | 3,000 | 0.01% | - | 3,000 | 0.01% | - | 0.00% |
| 6 | Estrela Investment Company Limited | 3,75,500 | 0.68% | - | 3,75,500 | 0.68% | - | 0.00% |
| 7 | Gagan Trading Company Limited | 43,200 | 0.08% | - | 43,200 | 0.08% | - | 0.00% |
| 8 | Indresh Batra | 1,54,000 | 0.28% | - | 1,54,000 | 0.28% | - | 0.00% |
| 9 | Innox Global Multiventures Private Limited | 40,440 | 0.07% | - | 40,440 | 0.07% | - | 0.00% |
| 10 | JSL Limited | 22,23,800 | 4.03% | - | 22,23,800 | 4.03% | - | 0.00% |
| 11 | JSW Holdings Limited | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 12 | Mendeza Holdings Limited | 3,66,500 | 0.66% | - | 3,66,500 | 0.66% | - | 0.00% |
| 13 | Meredith Traders Private Limited | 86,800 | 0.16% | - | 86,800 | 0.16% | - | 0.00% |
| 14 | Nacho Investments Limited | 3,65,000 | 0.66% | - | 3,65,000 | 0.66% | - | 0.00% |
| 15 | Nalwa Sons Investments Limited | 1,07,10,000 | 19.39% | - | 1,07,10,000 | 19.39% | - | 0.00% |
| 16 | Naveen Jindal | 43,740 | 0.08% | - | 43,740 | 0.08% | - | 0.00% |
| 17 | Naveen Jindal (HUF) | 1,320 | 0.00% | - | 1,320 | 0.00% | - | 0.00% |
| 18 | OPJ Trading Private Limited | 23,03,826 | 4.17% | - | 23,03,826 | 4.17% | - | 0.00% |
| 19 | P R Jindal HUF | 4,320 | 0.01% | - | 4,320 | 0.01% | - | 0.00% |
| 20 | Parth Jindal | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 21 | Prithavi Raj Jindal | 19,740 | 0.04% | - | 26,20,637 | 4.74% | - | 13,175.77% |
| 22 | R K Jindal & Sons HUF. | 16,320 | 0.03% | - | 16,320 | 0.03% | - | 0.00% |
| 23 | Radius Multiventures Private Limited | 19,79,925 | 3.58% | - | 19,79,925 | 3.58% | - | 0.00% |
| 24 | Ratan Jindal | 15,240 | 0.03% | - | 15,240 | 0.03% | - | 0.00% |
| 25 | S K Jindal And Sons HUF | 4,320 | 0.01% | - | 4,320 | 0.01% | - | 0.00% |
| 26 | Sahyog Holdings Private Limited | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 27 | Sajjan Jindal | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 28 | Sajjan Jindal As Trustee Of Sajjan Jindal Family Trust | 100 | 0.00 | - | 100 | 0.00% | - | 0.00% |
| 29 | Sajjan Jindal As Trustee Of Sajjan Jindal Lineage Trust | 100 | 0.00 | - | 100 | 0.00% | - | 0.00% |
| 30 | Sajjan Jindal As Trustee Of Sangita Jindal Family Trust | 100 | 0.00 | - | 100 | 0.00% | - | 0.00% |

## BOARD'S REPORT

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share-holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of total Shares Pledged/ encum-bered to total shares | No. of Shares | % of total Shares of the company | % of total Shares Pledged/ encum-bered to total shares | |
| 31 | Sajjan Jindal As Trustee Of Tarini Jindal Family Trust | 100 | 0.00 | - | 100 | 0.00% | - | 0.00% |
| 32 | Sajjan Jindal As Trustee Of Tanvi Jindal Family Trust | 100 | 0.00 | - | 100 | 0.00% | - | 0.00% |
| 33 | Sajjan Jindal As Trustee Of Parth Jindal Family Trust | 100 | 0.00 | - | 100 | 0.00% | - | 0.00% |
| 34 | Sangita Jindal | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 35 | Savitri Devi Jindal | 20,760 | 0.04% | - | 20,760 | 0.04% | - | 0.00% |
| 36 | Sminu Jindal | 3,000 | 0.01% | - | 3,000 | 0.01% | - | 0.00% |
| 37 | Tanvi Shete | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 38 | Tarini Jindal Handa | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 39 | Templar Investments Limited | 3,71,300 | 0.67% | | 3,71,300 | 0.67% | | 0.00% |
| 40 | Tripti Jindal | 3,000 | 0.01% | - | 3,000 | 0.01% | - | 0.00% |
| 41 | Urvi Jindal | 6,000 | 0.01% | - | 6,000 | 0.01% | - | 0.00% |
| 42 | Vinamra Consultancy Pvt Ltd | 100 | 0.00% | - | 100 | 0.00% | - | 0.00% |
| 43 | Virtuous Tradecorp Private Limited | 16,56,224 | 3.00% | - | 16,56,224 | 3.00% | - | 0.00% |
| 44 | Sigma Tech Inc* | - | 0.00% | - | 60,24,000 | 10.90% | - | 0.00% |

*Sigma Tech Inc was promoter but misssed out in the list of promoters, Now rectified.

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

| Sl No. | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| **1** | **Anbeeco Investment Limited** | | | | | | |
| | At the beginning of the year | | | 26,00,897 | 4.71% | 26,00,897 | 4.71% |
| | Changes during the year | 22/03/2019 | Transfer | (26,00,897) | -4.71% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |
| **2** | **Prithavi Raj Jindal** | | | | | | |
| | At the beginning of the year | | | 19,740 | 0.04% | 19,740 | 0.04% |
| | Changes during the year | 29/03/2019 | Transfer | 26,00,897 | 4.71% | 26,20,637 | 4.74% |
| | At the end of the year | | | 26,20,637 | 4.74% | 26,20,637 | 4.74% |

## BOARD'S REPORT

**(iv) Shareholding Pattern of top ten Shareholders** (other than Directors, Promoters and holders of GDRs & ADRs)

| Sl No. | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | **Cresta Fund Ltd** | | | | | | |
| | At the beginning of the year | | | 54,89,085 | 9.94% | 54,89,085 | 9.94% |
| | Changes during the year | | | - | 0.00% | 54,89,085 | 9.94% |
| | At the end of the year | | | | 0.00% | 54,89,085 | 9.94% |
| 2 | **Albula Investment Fund Ltd** | | | | | | |
| | At the beginning of the year | | | 50,04,027 | 9.06% | 50,04,027 | 9.06% |
| | Changes during the year | | | - | 0.00% | 50,04,027 | 9.06% |
| | At the end of the year | | | | 0.00% | 50,04,027 | 9.06% |
| 3 | **Valiant Mauritius Partners Offshore Limited** | | | | | | |
| | At the beginning of the year | | | 23,02,281 | 4.17% | 23,02,281 | 4.17% |
| | Changes during the year | 08/02/2019 | Transfer | 1,52,663 | 0.28% | 24,54,944 | 4.44% |
| | At the end of the year | | | | 0.00% | 24,54,944 | 4.44% |
| 4 | **Valiant Mauritius Partners Limited** | | | | | | |
| | At the beginning of the year | | | 15,52,314 | 2.81% | 15,52,314 | 2.81% |
| | Changes during the year | 08/02/2019 | Transfer | (1,52,663) | -0.28% | 13,99,651 | 2.53% |
| | At the end of the year | | | | | 13,99,651 | 2.53% |
| 5 | **LIC of India** | | | | | | |
| | At the beginning of the year | | | 13,75,859 | 2.49% | 13,75,859 | 2.49% |
| | Changes during the year | | | | 0.00% | 13,75,859 | 2.49% |
| | At the end of the year | | | | 0.00% | 13,75,859 | 2.49% |
| 6 | **DIVYAM TIE UP LLP** | | | | | | |
| | At the beginning of the year | | | 5,00,000 | 0.91% | 5,00,000 | 0.91% |
| | Changes during the year | 08/06/2018 | Transfer | (2,097) | 0.00% | 4,97,903 | 0.90% |
| | | 10/08/2018 | Transfer | (626) | 0.00% | 4,97,277 | 0.90% |
| | | 17/08/2018 | Transfer | (311) | 0.00% | 4,96,966 | 0.90% |
| | | 07/09/2018 | Transfer | (4,966) | -0.01% | 4,92,000 | 0.89% |
| | | 14/09/2018 | Transfer | (1,700) | 0.00% | 4,90,300 | 0.89% |
| | | 21/09/2018 | Transfer | (3,210) | -0.01% | 4,87,090 | 0.88% |
| | | 04/01/2019 | Transfer | (3,548) | -0.01% | 4,83,542 | 0.88% |
| | | 11/01/2019 | Transfer | (5,276) | -0.01% | 4,78,266 | 0.87% |
| | | 18/01/2019 | Transfer | (3,453) | -0.01% | 4,74,813 | 0.86% |
| | | 25/01/2019 | Transfer | (500) | 0.00% | 4,74,313 | 0.86% |
| | At the end of the year | | | | | 4,74,313 | 0.86% |
| 7 | **Apms Investment Fund Ltd** | | | | | | |
| | At the beginning of the year | | | 4,66,086 | 0.84% | 4,66,086 | 0.84% |
| | Changes during the year | | | - | 0.00% | 4,66,086 | 0.84% |
| | At the end of the year | | | | | 4,66,086 | 0.84% |

## BOARD'S REPORT

| Sl No. | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 8 | **ERISKA INVESTMENT FUND LTD.** | | | | | | |
| | At the beginning of the year | | | 4,66,086 | 0.84% | 4,66,086 | 0.84% |
| | Changes during the year | | | | 0.00% | 4,66,086 | 0.84% |
| | At the end of the year | | | | | 4,66,086 | 0.84% |
| 9 | **SHAREKHAN LTD.** | | | | | | |
| | At the beginning of the year | | | 5,438 | 0.01% | 5,438 | 0.01% |
| | Changes during the year | 06/04/2018 | Transfer | 303 | 0.00% | 5,741 | 0.01% |
| | | 13/04/2018 | Transfer | 5706 | 0.01% | 11,447 | 0.02% |
| | | 20/04/2018 | Transfer | -151 | 0.00% | 11,296 | 0.02% |
| | | 27/04/2018 | Transfer | -173 | 0.00% | 11,123 | 0.02% |
| | | 04/05/2018 | Transfer | 964 | 0.00% | 12,087 | 0.02% |
| | | 11/05/2018 | Transfer | -16 | 0.00% | 12,071 | 0.02% |
| | | 18/05/2018 | Transfer | -535 | 0.00% | 11,536 | 0.02% |
| | | 25/05/2018 | Transfer | -1347 | 0.00% | 10,189 | 0.02% |
| | | 01/06/2018 | Transfer | 144 | 0.00% | 10,333 | 0.02% |
| | | 08/06/2018 | Transfer | -282 | 0.00% | 10,051 | 0.02% |
| | | 15/06/2018 | Transfer | -350 | 0.00% | 9,701 | 0.02% |
| | | 22/06/2018 | Transfer | 480 | 0.00% | 10,181 | 0.02% |
| | | 29/06/2018 | Transfer | 497 | 0.00% | 10,678 | 0.02% |
| | | 06/07/2018 | Transfer | -450 | 0.00% | 10,228 | 0.02% |
| | | 13/07/2018 | Transfer | 3015 | 0.01% | 13,243 | 0.02% |
| | | 20/07/2018 | Transfer | -118 | 0.00% | 13,125 | 0.02% |
| | | 27/07/2018 | Transfer | 3072 | 0.01% | 16,197 | 0.03% |
| | | 03/08/2018 | Transfer | 1192 | 0.00% | 17,389 | 0.03% |
| | | 10/08/2018 | Transfer | -11928 | -0.02% | 5,461 | 0.01% |
| | | 17/08/2018 | Transfer | -4085 | -0.01% | 1,376 | 0.00% |
| | | 24/08/2018 | Transfer | -65 | 0.00% | 1,311 | 0.00% |
| | | 31/08/2018 | Transfer | -8 | 0.00% | 1,303 | 0.00% |
| | | 07/09/2018 | Transfer | 520 | 0.00% | 1,823 | 0.00% |
| | | 14/09/2018 | Transfer | 4543 | 0.01% | 6,366 | 0.01% |
| | | 21/09/2018 | Transfer | -5195 | -0.01% | 1,171 | 0.00% |
| | | 28/09/2018 | Transfer | -5 | 0.00% | 1,166 | 0.00% |
| | | 05/10/2018 | Transfer | -60 | 0.00% | 1,106 | 0.00% |
| | | 12/10/2018 | Transfer | 1593 | 0.00% | 2,699 | 0.00% |
| | | 19/10/2018 | Transfer | -103 | 0.00% | 2,596 | 0.00% |
| | | 26/10/2018 | Transfer | 106 | 0.00% | 2,702 | 0.00% |
| | | 02/11/2018 | Transfer | -506 | 0.00% | 2,196 | 0.00% |

## BOARD'S REPORT

| Sl No. | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| | | 09/11/2018 | Transfer | 1000 | 0.00% | 3,196 | 0.01% |
| | | 16/11/2018 | Transfer | -1780 | 0.00% | 1,416 | 0.00% |
| | | 23/11/2018 | Transfer | -320 | 0.00% | 1,096 | 0.00% |
| | | 07/12/2018 | Transfer | 481 | 0.00% | 1,577 | 0.00% |
| | | 14/12/2018 | Transfer | -481 | 0.00% | 1,096 | 0.00% |
| | | 21/12/2018 | Transfer | -50 | 0.00% | 1,046 | 0.00% |
| | | 28/12/2018 | Transfer | 668 | 0.00% | 1,714 | 0.00% |
| | | 04/01/2019 | Transfer | -568 | 0.00% | 1,146 | 0.00% |
| | | 11/01/2019 | Transfer | 6149 | 0.01% | 7,295 | 0.01% |
| | | 18/01/2019 | Transfer | -4107 | -0.01% | 3,188 | 0.01% |
| | | 25/01/2019 | Transfer | -2002 | 0.00% | 1,186 | 0.00% |
| | | 01/02/2019 | Transfer | -140 | 0.00% | 1,046 | 0.00% |
| | | 08/02/2019 | Transfer | 7 | 0.00% | 1,053 | 0.00% |
| | | 15/02/2019 | Transfer | -7 | 0.00% | 1,046 | 0.00% |
| | | 22/02/2019 | Transfer | 1020 | 0.00% | 2,066 | 0.00% |
| | | 01/03/2019 | Transfer | -873 | 0.00% | 1,193 | 0.00% |
| | | 08/03/2019 | Transfer | 10228 | 0.02% | 11,421 | 0.02% |
| | | 15/03/2019 | Transfer | -5715 | -0.01% | 5,706 | 0.01% |
| | | 22/03/2019 | Transfer | -3920 | -0.01% | 1,786 | 0.00% |
| | | 29/03/2019 | Transfer | 434334 | 0.79% | 4,36,120 | 0.79% |
| | At the end of the year | | | | | 4,36,120 | 0.79% |
| **10** | **DEUTSCHE BANK A.G.** | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | 22/03/2019 | Transfer | 4,66,086 | 0.84% | 4,66,086 | 0.84% |
| | | 29/03/2019 | Transfer | (4,66,086) | -0.84% | - | 0.00% |
| | At the end of the year | | | | | 4,66,086 | 0.84% |
| **11** | **EDELWEISS SECURITIES LIMITED** | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | 22/03/2019 | Transfer | 26,00,897 | 4.71% | 26,00,897 | 4.71% |
| | | 29/03/2019 | Transfer | (26,00,897) | -4.71% | - | 0.00% |
| | At the end of the year | | | | | 26,00,897 | 4.71% |

## BOARD'S REPORT

| Sl No. | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 12 | **ANIL KANTIPRASAD PODDAR** | | | | | | |
| | At the beginning of the year | | | 3,80,138 | 0.69% | 3,80,138 | 0.69% |
| | Changes during the year | 10/08/2018 | Transfer | 11261 | 0.02% | 3,91,399 | 0.71% |
| | | 24/08/2018 | Transfer | 2712 | 0.00% | 3,94,111 | 0.71% |
| | | 07/09/2018 | Transfer | 11744 | 0.02% | 4,05,855 | 0.73% |
| | | 14/09/2018 | Transfer | 15000 | 0.03% | 4,20,855 | 0.76% |
| | | 21/09/2018 | Transfer | 14144 | 0.03% | 4,34,999 | 0.79% |
| | | 29/03/2019 | Transfer | -434999 | -0.79% | - | 0.00% |
| | At the end of the year | | | | | - | 0.00% |
| 13 | **MAYUR MANGALDAS KOTHARI** | | | | | | |
| | At the beginning of the year | | | 3,55,742 | 0.64% | 3,55,742 | 0.64% |
| | Changes during the year | 06/04/2018 | Transfer | 3936 | 0.01% | 3,59,678 | 0.65% |
| | | 13/04/2018 | Transfer | 62785 | 0.11% | 4,22,463 | 0.76% |
| | | 20/04/2018 | Transfer | -10200 | -0.02% | 4,12,263 | 0.75% |
| | | 27/04/2018 | Transfer | 11596 | 0.02% | 4,23,859 | 0.77% |
| | | 04/05/2018 | Transfer | 2140 | 0.00% | 4,25,999 | 0.77% |
| | | 11/05/2018 | Transfer | 1938 | 0.00% | 4,27,937 | 0.77% |
| | | 18/05/2018 | Transfer | 30896 | 0.06% | 4,58,833 | 0.83% |
| | | 25/05/2018 | Transfer | 966 | 0.00% | 4,59,799 | 0.83% |
| | | 29/06/2018 | Transfer | 20184 | 0.04% | 4,79,983 | 0.87% |
| | | 06/07/2018 | Transfer | 7150 | 0.01% | 4,87,133 | 0.88% |
| | | 28/09/2018 | Transfer | 7604 | 0.01% | 4,94,737 | 0.90% |
| | | 05/10/2018 | Transfer | 966 | 0.00% | 4,95,703 | 0.90% |
| | | 19/10/2018 | Transfer | 2805 | 0.01% | 4,98,508 | 0.90% |
| | | 01/02/2019 | Transfer | 30 | 0.00% | 4,98,538 | 0.90% |
| | | 15/02/2019 | Transfer | 3002 | 0.01% | 5,01,540 | 0.91% |
| | | 15/03/2019 | Transfer | 43760 | 0.08% | 5,45,300 | 0.99% |
| | | 22/03/2019 | Transfer | 41 | 0.00% | 5,45,341 | 0.99% |
| | At the end of the year | | | | | 5,45,341 | 0.99% |
| 14 | **MAYUR MANGALDAS KOTHARI HUF** | | | | | | |
| | At the beginning of the year | | | 3,31,412 | 0.60% | 3,31,412 | 0.60% |
| | Changes during the year | | | | 0.00% | 3,31,412 | 0.60% |
| | At the end of the year | | | | | 3,31,412 | 0.60% |

## BOARD'S REPORT

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl No. | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | **Ms Veni Verma** | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | | - | | 0.00% |
| 2 | **Dr. Raj Kamal Aggarwal** | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |
| 3 | **Shri Girish Sharma** | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |
| 4 | **Shri Neeraj Kanagat** | | | | | | |
| | At the beginning of the year | | | 160 | 0.00% | 160 | 0.00% |
| | Changes during the year | | | - | 0.00% | 160 | 0.00% |
| | At the end of the year | | | 160 | 0.00% | 160 | 0.00% |
| 5 | **Shri Pravesh Srivastava** | | | | | | |
| | At the beginning of the year | | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | - | 0.00% | - | 0.00% |

## BOARD'S REPORT

**V) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

**Amt. (₹ / lakhs)**

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | | 104.50 | - | 104.50 |
| ii) Interest due but not paid | | - | - | - |
| iii) Interest accrued but not due | - | - | | - |
| **Total (i+ii+iii)** | - | 104.50 | - | 104.50 |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | | 195.76 | - | 195.76 |
| * Reduction | | - | - | - |
| Net Change | - | 195.76 | - | 195.76 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | | 300.26 | - | 300.26 |
| ii) Interest due but not paid | | - | - | - |
| iii) Interest accrued but not due | | - | - | - |
| **Total (i+ii+iii)** | - | 300.26 | - | 300.26 |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** During the year no remuneration was paid to Managing Director

**B. Remuneration to other Directors**

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---|---|---|---|---|---|
| | | Ms Veni Verma | Dr. Raj Kamal Aggarwal | Shri Girish Sharma | (₹) |
| 1 | **Independent Directors** | | | | |
| | Fee for attending board committee meetings | - | 2,30,000.00 | 2,30,000.00 | 4,60,000.00 |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | **Total (1)** | - | 2,30,000.00 | 2,30,000.00 | 4,60,000.00 |
| 2 | **Other Non-Executive Directors** | | | | |
| | Fee for attending board committee meetings | 1,90,000.00 | - | - | 1,90,000.00 |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | **Total (2)** | 1,90,000.00 | - | - | 1,90,000.00 |
| | **Total (B)=(1+2)** | 1,90,000.00 | 2,30,000.00 | 2,30,000.00 | 6,50,000.00 |
| | Total Managerial Remuneration | - | - | - | 6,50,000.00 |
| | Overall Ceiling as per the Act | - | | - | - |

## BOARD'S REPORT

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| SN. | Particulars of Remuneration | Name of Directors | | Total Amount |
|---|---|---|---|---|
| | **Name**<br>**Designation** | **Shri Neeraj Kanagat**<br>**CEO & CFO** | **Shri Pravesh Srivastava**<br>**CS** | (₹) |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 71,13,310 | 18,81,638 | 89,94,948 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 53,785 | 12,813 | 66,598 |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | | | |
| | Employer's contribution to Provident Fund | 4,75,500 | 1,21,176 | 5,96,676 |
| | Total | 76,42,597 | 20,15,627 | 96,58,222 |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

For and on behalf of the Board

Place: New Delhi
Date: 5th August, 2019

Dr. Raj Kamal Aggarwal
Chairman

## BOARD'S REPORT

**Annexure - 4**

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

i. **Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the company for the financial year 2018-19:-**

There is no Executive Director on the roll of the Company during the period under review. Hence, no remuneration was paid to the Executive Director.

ii. **Percentage increase in Remuneration of the Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2018-19.**

| S.No. | Name of Employee | Designation | Percentage increase in remuneration in the financial year |
|---|---|---|---|
| 1 | Shri Neeraj Kanagat | CEO & CFO | 17.55% |
| 2 | Shri Pravesh Srivastava | Company Secretary | 14.28% |

iii. The percentage increase in the median remuneration of Employees in the financial year 2018 – 19 was 11.56 %.

iv. There were 3 permanent employees on the rolls of the Company as on 31st March 2019.

v. The average percentage increase in the last financial year 2018-19 made in the salaries of employees other than the managerial personnel was 20.46%. The average percentage increase in the salaries is an outcome of the individual as well as Company's performance and other factors mentioned above.

vi. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.

For and on behalf of the Board

Place: New Delhi
Date: 5th August, 2019

Dr. Raj Kamal Aggarwal
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## OVERVIEW - FINANCIAL PERFORMANCE

### Company overview

The business objective of Hexa Tradex Limited ("Hexa" or "the Company") is to act as an import and export agent, representative, contractor, selling agent, broker on a whole sale cash and carry basis for metals, minerals, iron and steel products, pipes, household items, general merchandise etc; and holding investments in other entities and to buy, invest in, acquire, hold shares, stocks, debentures, debenture stocks, bonds, and securities of any kind etc.

## OUTLOOK

### Global Economy

Global growth peaked at around 4% in 2017. In the first half of 2018, it remained strong at 3.8%, but declined to 3.2% in the later half. After a two years long upswing in cyclical growth, global economic expansion softened in the second half of 2018, majorly due to the escalation of trade tensions and tariff hikes between USA and China. This has led to a decline in business confidence, a tightening of financial conditions, and higher policy uncertainty across many economies. Slower domestic investment in China due to domestic regulatory tightening, along with declining export orders and increased tariffs from USA slowed China's economic growth from 6.8% to 6.0% within 2018 itself. USA had an overall robust growth on the back of a tight labour market and strong consumption growth, but investments appeared to slow down in the second half.

In other emerging market economies, growth was moderated due to other country-specific factors which were results of worsening global financial market sentiment in the second half of 2018. Concerns over the probability of a no-deal Brexit adversely affected the investment spending in the Euro area. European economies slowed down considerably due to weak intra-euro-area trade, which exacerbated poor sentiment across the common currency area.

### Indian Economy

The Indian Economy started FY2018-19 on a strong foot, recording a growth of 8.2% in the first quarter, supported by domestic resilience. However, in the following quarter, growth eased to 7.3% due to rising volatility on the global stage. The rupee took a hit due to crude prices.

Despite all these factors, India continues to be the fastest growing economy and is expected to hold this position for the coming few years. The country is expected to grow at a growth rate of 7.3% this fiscal and at a rate of 7.5% for the next on the back of continued recovery of investments and robust consumption, along with a more expansionary stance of monetary policy and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment)..

India moved up by 23 places to the 77th position in the World Bank's Ease of Doing Business Index, 2018. This was possible because of the six reforms started this year – starting a business, getting electricity, construction permits, getting credit, paying taxes and trading across borders. The 'Make in India' movement actively helped manufacturing as a percentile of GDP to grow to over 17%. The GST collection for the month of October, 2018 crossed the ₹1 lakh crore mark before it slightly reduced to ₹ 97,637 crore for November, 2018. This shines a light of hope that the government will soon achieve its aim of average monthly collection of ₹ 1 lakh crore per year. FDI's for the year came down by 7% to USD 33.49 billion during the April-December period, with Singapore being the largest source, investing USD 12.97 billion.

According to the UN's World Economic Situation and Prospects (WESP) 2019, India will continue to remain the world's fastest-growing large economy in 2019 as well as in 2020, much ahead of China. As per the report, India's GDP growth is expected to accelerate to 7.6% in 2019-20 from an estimated 7.4% in the fiscal ended March 2019. In the case of China, the growth is estimated to decelerate to 6.3% in 2019 from 6.6% in 2018. It may further go down to 6.2% in 2020.

As India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India's revenue receipts are estimated to touch INR 30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

demonetisation and Goods and Services Tax (GST). India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

**Outlook**

Apart from the hustle of the election campaigns distracting attention from economic policy-making, this year we had to contend with global deceleration and financial constraints cramping many economies. All this is likely to present challenges to India's growth story in FY20. We expect the investment climate to improve in the second half of FY20, as the new Government settles down. Financial markets and capital inflows may witness volatility in the first half of FY20 but gain relative stability in the latter half, given India's inherent potential as an investment destination in the emerging markets space. The traction that the country's infrastructure development has seen in the last few years will, to our minds, continue in the future. Retail (CPI) inflation, projected by the RBI to remain below 4% up to end-2019, should facilitate a soft monetary policy in FY20. Additionally, the decisive market interventions of the central bank, the recent recapitalisation of public sector banks and the ongoing resolution of chronic stressed asset cases through IBC give us reason for a broadly positive outlook.

**Opportunities and Challenges**

**Opportunities**

India was the world's second largest steel producer, as of 2018. The country is slated to surpass USA to become the world's second largest steel consumer in 2019.In FY18, India was also a net exporter of steel in FY18. Exports and imports of finished steel stood at 6.36 MT and 7.84 MT respectively in FY19 (P). Steel consumption is expected to grow 7.5 per cent year-on-year to 95.4 MT in 2018. India's steel production is expected to increase from 103.13 MT in FY18 to 128.6 MT by 2021. The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. Between April 2000 and December 2018, inflow of US$ 11.18 billion has been witnessed in the metallurgical industries as Foreign Direct Investment (FDI).

Iron & steel industry is the most potential industrial sector in India which is the backbone of Indian industry. Iron and steels are the major raw materials for at various other major industries including automobile, automobile components, construction, defence manufacturing, electrical machinery, railways, renewable, thermal power and oil and gas etc. In addition, there are thousands of ancillary industries depend on this main industry. India ranks 3rd in the production of steel globally and it is growing rapidly. However, the domestic availability of raw materials such as iron ore and cost-effective labor are the major driving factors for the growth. Generally, iron and steel industry demand huge investment and a wide range of manufacturing operation.

The Company is part of O P Jindal Group which is one of the largest producers of Iron and steel products, in India. As the business model of the Company involves carrying out trading activity, it is exploring all possible trading opportunities not only within O P Jindal Group but also from open market. Due to the financial crises in the Indian Banking sector, small to medium businesses are facing serious challenges in terms of availability of working capital financing which is opening up business avenues for the Company.

The Company, in last few years, has worked consistently to explore various options to build up relationships with various end users of the products who require the services of traders to complete their operating cycles. The domestic market has witnessed issues related to availability of adequate working capital which is compounded by the poor credit offtake by the banks. The current growing economic environment coupled with availability of inadequate bank finance throws the opportunities to the trading models which is one of the major object of the Company. These opportunities are however not free from risks. The associated risks are likely to have impact on availability of working capital, currency, solvency of customers etc. The company is working extensively to take benefit of these

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

conditions but at the same time it has defined risk mitigation procedures to protect the interest of stakeholders.

**Challenges**

Trading businesses are associated with various risk and challenges which can be faced on account of domestic and global economic scenarios, geo-political conditions, competition, trade protection measures by various economies etc. The success of any business always depend upon its ability as how it faces the challenges and survive in the highly challenging environment. Further, different business and economic conditions throws new and different kind of challenges and risks which needs to be faced and mitigated. The Company continuously works on developing various systems and strategies and also take the help of technologies and artificial intelligence to face the risks and challenges.

**Risk Management**

Every business faces risks that could threaten its success. Risk is defined as the likelihood of an event and its consequences. Risk management is the practice of using processes, methods and tools for managing these risks. The Company believe that risk management is not a one-off exercise. Continuous monitoring and reviewing are crucial for the success of the risk management approach which ensures that risks have been correctly identified and assessed and the right controls put in place. It is also a way to learn from experience and make improvements.

The Company has identified following major risks to its business:

a) Strategic Risk: Trading businesses are highly competitive in nature. The Company faces risks from existing and new competitors.

b) Commercial Risks: Failure of the vendors or customers poses risk to the business.

c) Financial Risks: Trading businesses are also exposed to finance risks for non or delayed payments by the customers. Increase in finance costs also poses a risk to the Financial risks can impact the margins and profitability significantly. Whereas, the Company takes view on the profitability on case to case basis, however does not compromise significantly on the credit risk unless the transaction are with regular customers.

d) Geo Political Risks: The Company proposes to do cross border trading transactions which is subject to political and global economic risks.

The Company is having effective strategy and system to safeguard it against wide range of risks. The Management conceives various elements and analyse the Risk involved and take effective steps to reduce the risk against the business of the Company. The Management system is reviewed periodically and suitable changes are made depending upon the risk prevailing in the market.

**Financial Performance**

The Company's total revenue from operations for the year under review is ₹ 1.04 lakhs as compared to ₹ 0.31 lakhs in the previous year. Company has suffered a loss of ₹ (137.55) lakhs under review as compared to ₹ (169.66) lakhs in the previous year. As at March 31, 2019, the Net worth of the Company increased to ₹ 25539.34 lakhs from ₹ 25204.71 lakhs as at March 31, 2018.

**Adequacy of Internal Control System**

The Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all the transactions are authorized, recorded and reported correctly. The Company has an internal audit and control department to monitor, review and update internal controls on an ongoing basis. The Company has put in place a well-defined organization structure, authority levels and internal guidelines for conducting business transactions. The Internal audit and control department conducts audit of all key business areas as per the pre-drawn audit plan. The audit plan is approved by the Audit Committee, which regularly reviews compliances to the plan. All audit observations and follow up actions are reported to Audit Committee. The Audit Committee periodically reviews audit plans, observations and recommendations of the audit report with reference to significant risk areas and adequacy of internal controls.

**Human Resources and Industrial Relations:** Recruitment and retention of human resources is always a challenge in the growing business organizations. The business as of now involves a limited no. of professionals however with growing business needs your Company may be required to hire the additional talent pool of requisite experience and qualifications.

**Cautionary Statement**

The Statement in this Management Discussion and Analysis report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To The Members of**

**Hexa Tradex Limited**

We have examined the compliance of conditions of corporate governance by Hexa Tradex Limited, for the year ended March 31, 2019 as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub–regulation (2) of regulation 46 and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of corporate governance is the responsibility of the Company's Management. Our Responsibility is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013 in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration No. 003273N

G.K. Aggarwal
Partner
M.No.086622

Place : New Delhi
Dated : 22nd May, 2019

## CORPORATE GOVERNANCE REPORT

### (1) COMPANY'S PHILOSOPHY

The Company's Philosophy on Corporate Governance envisages the attainment of highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

### (2) BOARD OF DIRECTORS

#### (i) COMPOSITION OF BOARD

The composition of Board of Directors during the year ended 31st March, 2019 are in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 (SEBI Listing Regulations) read with Section 149 of the Companies Act, 2013, the details of their directorships, chairmanships/ memberships of the Committees are given below:

| | | | No. of Directorships and Committee Memberships /Chairmanships in other public companies | | |
|---|---|---|---|---|---|
| **Name of Director** | **Category of Director** | **DIN** | **Directorship** | **@Committee Chairmanships** | **@Committee Memberships** |
| Dr. Raj Kamal Aggarwal | Independent– Non Executive | 00005349 | 6 | 3 | 4 |
| Shri Girish Sharma | Independent–Non Executive | 05112440 | 5 | 1 | 4 |
| Ms. Veni Verma | Non-Executive | 07586927 | 1 | 1 | 0 |

@ Includes only Audit Committee and Stakeholders' Relationship Committee.

#### (ii) BOARD MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR

The Board of Directors met 5 times during the year ended 31st March, 2019. These meetings of the Board of Directors were held on 25th May, 2018, 1st August, 2018, 12th November, 2018, 24th January, 2019 and 19th March, 2019. The attendance of each of the Directors including at last Annual General Meeting is as follows:-

| Director | No. of Board Meetings Attended | Attended at the Last AGM |
|---|---|---|
| Dr. Raj Kamal Aggarwal | 5 | Yes |
| Shri Girish Sharma | 5 | No |
| Ms. Veni Verma | 4 | No |

#### (iii) FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meeting of the Independent Directors held during the year.

Updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at http://hexatradex.com/wp-content/uploads/2015/08/Familiarization-Programme-of-Independent-Directors.pdf

#### iv) SHAREHOLDING OF NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2019 IS AS FOLLOWS:

| Name of Director | No. of equity shares |
|---|---|
| Dr. Raj Kamal Aggarwal | Nil |
| Shri Girish Sharma | Nil |
| Ms. Veni Verma | Nil |

## CORPORATE GOVERNANCE REPORT

### (3) AUDIT COMMITTEE

#### (i) COMPOSITION & MEETINGS

As on 31st March, 2019, the Audit Committee comprised of 2 Independent Directors and 1 Non-Executive Director as its members. The Chairman of the Committee is an Independent Director. The composition of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year ended 31st March, 2019, the Committee met 4 (Four) times on 25th May, 2018, 1st August, 2018, 12th November, 2018 and 24th January, 2019. The composition and attendance of the members in the meetings are as follows: -

| Name of Member | Designation | Category | No. of Meetings Attended |
|---|---|---|---|
| Dr. Raj Kamal Aggarwal | Chairman | Independent | 4 |
| Shri Girish Sharma | Member | Independent | 4 |
| Ms. Veni Verma | Member | Non-Executive | 3 |

Shri Pravesh Srivastava, Company Secretary, is the Secretary of the Committee. Head of Finance & Accounts Department, Statutory Auditors and Internal Auditors attend the meetings of the Audit Committee. The Audit Committee deals with the various aspects of financial statements including quarterly, half yearly and annual results, adequacy of internal controls & internal audit functions, compliance with accounting standards and Company's financial & risk management policies etc. It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

#### (ii) TERMS OF REFERENCE

The role and terms of Audit Committee covers the area of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Audit Committee are taken note by the Board of Directors.

### (4) NOMINATION AND REMUNERATION COMMITTEE

#### (I) COMPOSITION & MEETINGS

As on 31st March, 2019, the Nomination and Remuneration Committee comprised of 2 Independent Directors and 1 Non-Executive Director. The Chairman of the Committee is an Independent Director. The composition of the Nomination and Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year ended 31st March, 2019 the Committee met Once (1) on 25th May, 2018. The composition and attendance of the members of the Committee are as follows:

| Name of Member | Designation | Category | No. of Meetings Attended |
|---|---|---|---|
| Shri Girish Sharma | Chairman | Independent | 1 |
| Dr. Raj Kamal Aggarwal | Member | Independent | 1 |
| Ms. Veni Verma | Member | Non-Executive | NIL |

## CORPORATE GOVERNANCE REPORT

**(II) THE TERMS OF REFERENCE:-**

The role and terms of Nomination and Remuneration Committee covers the area of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Nomination and Remuneration Committee are taken note by the Board of Directors.

**(III) PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board Evaluation Framework has been approved by the Nomination and Remuneration Committee (NRC) and the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Executive and Non-Executive Directors was carried out by the Independent Directors. The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow best practices in Board Governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board's time and increased effectiveness of the Board as a governing body.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The Directors expressed their satisfaction with the evaluation process.

To approve the payment of remuneration to Managerial Personnel as per the Policy laid down by the Committee. The Committee has approved the Nomination and Remuneration Policy. The link for policy is http://hexatradex.com/wp-content/uploads/2015/08/POLICY-REMUNERATION-POLICY-OF-Hexa.pdf.

**(5) DETAILS OF REMUNERATION PAID TO DIRECTORS**

**(a) REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS**

During the year ended 31st March, 2019 the Non-Executive Directors were paid the sitting fee and commission as follows:-

| Name of Director | Sitting Fee (₹) |
|---|---|
| Dr. Raj Kamal Aggarwal | 2,30,000 |
| Shri Girish Sharma | 2,30,000 |
| Ms. Veni Verma | 1,90,000 |

**(b) REMUNERATION PAID TO EXECUTIVE DIRECTORS**

There is no executive directors on the rolls of the company hence, no remuneration was paid during the year ended 31st March, 2019.

**(6) STAKEHOLDERS RELATIONSHIP COMMITTEE**

**(i) COMPOSITION & MEETINGS**

As on 31st March, 2019, the Stakeholders Relationship Committee comprised of 2 Independent Director and 1 Non-Executive Director. The Chairman of the Committee is an Independent Director. The composition of the Stakeholders Relationship Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## CORPORATE GOVERNANCE REPORT

During the year ended 31st March, 2019 the Committee met 11 (eleven) times on 1st May, 2018, 6th July, 2018, 26th July, 2018, 27th August, 2018, 13th September, 2018, 15th October, 2018, 15th November, 2018, 5th December, 2018, 3rd January, 2019, 25th February, 2019 and 13th march, 2019. The composition and attendance of the members of the Committee are as follows:

| Name of Member | Designation | Category | No. of Meetings Attended |
|---|---|---|---|
| Dr. Raj Kamal Aggarwal | Chairman | Independent-Chairman | 11 |
| Shri Girish Sharma | Member | Independent | 11 |
| Ms. Veni Verma | Member | Non-Executive | 11 |

Shri Pravesh Srivastava, Company Secretary, is the compliance officer of the Company

**(ii) TERMS OF REFERENCE**

The role and terms of Stakeholders Relationship Committee covers the area of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013, which inter-alia includes to look at redressing of shareholders/investors complaints like transfer of shares, allotment of securities/ shares on conversion of warrants/bonds, etc., besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Stakeholders Relationship Committee are taken note by the Board of Directors.

**(iii) SHAREHOLDERS' COMPLAINT / TRANSFER OF SHARES**

The details of shareholders' / investors' complaints received / disposed off during the year under review are as follows:-

| No. of Shareholders' Complaints received during the year | No. of Complaints Resolved | No. of pending complaints |
|---|---|---|
| - | - | - |

**(7) GENERAL BODY MEETINGS**

(i) The details of general meetings held in last three years at the regd. office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan-281403, Distt. Mathura, U.P. and that of the special resolution(s) passed are as under: -

| AGM/EGM | DATE | TIME | No. & subject matter of special resolutions |
|---|---|---|---|
| 5th AGM | 29.09.2016 | 11.00 a.m. | 1* |
| 6th AGM | 25.09.2017 | 2.00 p.m. | 2** |
| 7th AGM | 27.09.2018 | 2.00 p.m. | Nil |

* Under Section 149 and 152 of the Companies Act, 2013.

** Under Section 188 of the Companies Act, 2013.

(ii) No special resolution passed last year through postal ballot. At the ensuing annual general meeting, there is no resolution proposed to be passed through postal ballot

## CORPORATE GOVERNANCE REPORT

**(8) DISCLOSURES**

(i) Disclosures on materially significant related party transactions, i.e. the Company's transactions that are of material Value:

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in note of Standalone Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

(ii) No penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. There were no instances of non-compliance by the Company.

(iii) The Company has a whistle Blower Policy and the same has been uploaded at the website of the Company and no person has been denied to access to Audit Committee.

(iv) The Company has complied with the requirement of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Company has not entirely adopted discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 non-mandatory requirement of the said clause during the year under review.

(v) During the year under review, NSE & BSE has imposed fine under Standard Operating Procedure (SOP) for non-compliance of Regulation 19(2) of SEBI (LODR) Regulation, 2015. The Company has rectified the said non-compliance and paid the fine on time.

**(9) MEANS OF COMMUNICATION**

| | | |
|---|---|---|
| (i) Quarterly Results | : | The quarterly results of the Company are submitted to the Stock Exchanges as well as published in the newspapers as per the requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. These results are also posted on website of the Company. |
| (ii) Newspapers wherein results normally published | : | English: Business Standard/ Financial Express<br>Hindi: Jansatta/Desh Ratana |
| (iii) Any website, where displayed | : | The results are displayed on the website of the Company, i.e. www.hexatradex.com |
| (iv) Whether it also displays official news releases | : | No |
| (v) The presentation made to institutional investors or to the analyst | : | Nil |

(vi) NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web based application designed by NSE for corporates. All periodical compliance fillings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

(vii) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web based application designed for corporates. All periodical compliance fillings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on Listing Centre.

(viii) Corporate Filing and Dissemination System (CFDS):

The CFDS portal jointly owned, managed and maintained by BSE & NSE is single source to view information filed by listed Companies. All disclosures and communications to BSE and NSE are filed electronically through the CFDS portal. In particulars, the Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are materials and of relevance to the members.

(ix) SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized Data Base of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

## CORPORATE GOVERNANCE REPORT

### (10) GENERAL SHAREHOLDER INFORMATION

#### (i) Annual General Meeting (AGM)

| | | |
|---|---|---|
| Day & Date | : | Monday, 9th September, 2019 |
| Time | : | 2.00 P.M. |
| Venue | : | A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura – 281 403 |

#### (ii) Financial year (1st April, 2019 to 31st March, 2020)

| | |
|---|---|
| (a) First quarterly results | On or Before 14th of August, 2019 |
| (b) Second quarterly results | On or Before 14th of November, 2019 |
| (c) Third quarterly results | On or Before 14th of February, 2020 |
| (d) Audited yearly results for the year ending 31st March, 2020 | On or Before 30th May, 2020 |
| (e) Annual General Meeting for the year 31st March, 2020 | On or Before 30th September, 2020 |

#### (iii) Date of Book Closure :

3rd September, 2019 to 9th September, 2019 - (Both days inclusive)

#### (iv) Listing on Stock Exchanges :

The Equity Shares of the Company are listed on the following Stock Exchanges:-

| | |
|---|---|
| BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 | The National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400051 |

The Annual Listing Fees for the financial year 2019-20 has been paid to both the exchanges.

#### (v) (a) Stock Code:

| BSE Limited (BSE) | National Stock Exchange of India Ltd. (NSE) |
|---|---|
| Equity | Equity |
| 534328 | HEXATRADEX |

**(b) ISIN: Equity Share** - INE750M01017

## CORPORATE GOVERNANCE REPORT

**(vi) Market Price Data : High, Low during each month in last financial year :**

The details of monthly highest and lowest quotations of the equity shares of the Company at BSE Limited and National Stock Exchange of India Limited during the year from 1st April, 2018 to 31st March, 2019 are as under :-

| Month | NSE | | BSE | |
|---|---|---|---|---|
| | HIGHEST RATE (₹) | LOWEST RATE (₹) | HIGHEST RATE (₹) | LOWEST RATE (₹) |
| Apr-18 | 67.90 | 35.00 | 68.30 | 35.55 |
| May-18 | 54.00 | 39.10 | 53.00 | 39.25 |
| Jun-18 | 45.15 | 31.60 | 42.00 | 32.50 |
| Jul-18 | 36.95 | 24.70 | 35.95 | 24.60 |
| Aug-18 | 39.25 | 29.20 | 39.25 | 29.20 |
| Sep-18 | 40.80 | 30.45 | 40.30 | 30.45 |
| Oct-18 | 30.50 | 25.80 | 30.80 | 26.45 |
| Nov-18 | 31.20 | 25.25 | 30.70 | 25.90 |
| Dec-18 | 28.80 | 24.75 | 28.40 | 25.15 |
| Jan-19 | 27.30 | 20.60 | 28.40 | 21.70 |
| Feb-19 | 23.10 | 19.05 | 23.40 | 20.65 |
| Mar-19 | 23.85 | 20.00 | 24.80 | 20.45 |

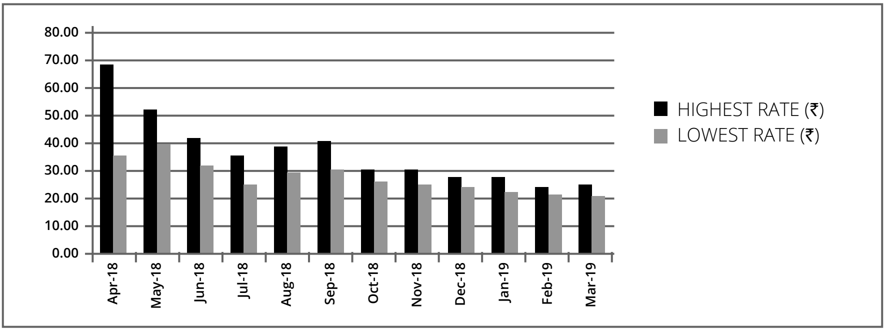
**(vii) Performance in comparison to broad based indices :**

**MARKET PRICE DATA**

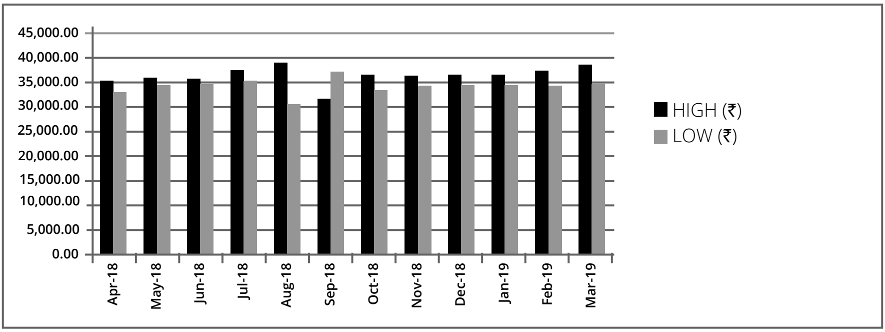
| Month | BSE | | BSE SENSEX | |
|---|---|---|---|---|
| | HIGHEST RATE (₹) | LOWEST RATE (₹) | HIGH (₹) | LOW (₹) |
| Apr-18 | 68.30 | 35.55 | 35213.30 | 32972.56 |
| May-18 | 53.00 | 39.25 | 35993.53 | 34302.89 |
| Jun-18 | 42.00 | 32.50 | 35877.41 | 34784.68 |
| Jul-18 | 35.95 | 24.60 | 37644.59 | 35106.57 |
| Aug-18 | 39.25 | 29.20 | 38989.65 | 37128.99 |
| Sep-18 | 40.30 | 30.45 | 38934.35 | 35985.63 |
| Oct-18 | 30.80 | 26.45 | 36616.64 | 33291.58 |
| Nov-18 | 30.70 | 25.90 | 36389.22 | 34303.38 |
| Dec-18 | 28.40 | 25.15 | 36554.99 | 34426.29 |
| Jan-19 | 28.40 | 21.70 | 36701.03 | 35375.51 |
| Feb-19 | 23.40 | 20.65 | 37172.18 | 35287.16 |
| Mar-19 | 24.80 | 20.45 | 38748.54 | 35926.94 |

## CORPORATE GOVERNANCE REPORT

**BSE PRICE**




**BSE SENSEX**




**(vii) Registrar and Transfer Agent :**

RCMC Share Registry (P) Ltd. B-25/1, 1st Floor, Okhla Industrial Area, Phase-II, New Delhi-110020, Phone:- 011-26387320/21, e-mail: - sectshares@rcmcdelhi.com

The Share Transfer Requests as well as other correspondence relating to shares of the Company are also accepted at our office at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066.

**(viii) Share Transfer System :**

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The Committee of Directors meets regularly to approve the transfer of shares and to oversee other issues relating to shareholders.

## CORPORATE GOVERNANCE REPORT

**(ix) Distribution of Shareholding and Shareholding Pattern :**

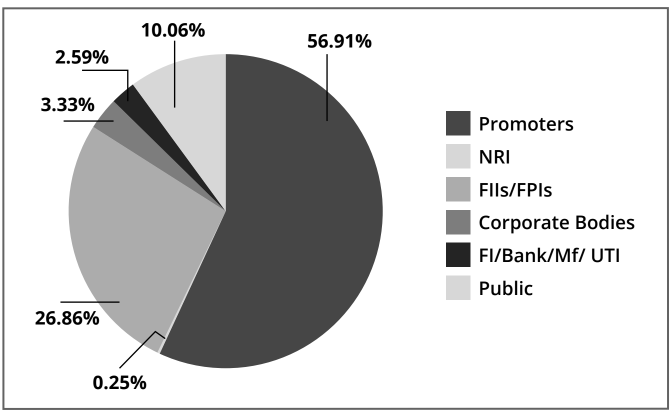
(a) The shareholding distribution of equity shares as on 31st March, 2019 is given below :-

**Distribution of Holdings**

| Shareholding of value of (₹) | Shareholders | | Share holdings | | |
|---|---|---|---|---|---|
| | Number | % to total | Share | Amount | % to total |
| UP TO 5000 | 17,960 | 98.38 | 22,66,352 | 45,32,704 | 4.10 |
| 5001 TO 10000 | 128 | 0.7 | 4,75,808 | 9,51,616 | 0.86 |
| 10001 TO 20000 | 54 | 0.3 | 4,04,649 | 8,09,298 | 0.73 |
| 20001 TO 30000 | 26 | 0.14 | 3,21,460 | 6,42,920 | 0.58 |
| 30001 TO 40000 | 21 | 0.12 | 3,76,195 | 7,52,390 | 0.68 |
| 40001 TO 50000 | 11 | 0.06 | 2,40,534 | 4,81,068 | 0.44 |
| 50001 TO 100000 | 17 | 0.09 | 5,99,302 | 11,98,604 | 1.09 |
| 100001 and Above | 39 | 0.21 | 5,05,60,404 | 10,11,20,808 | 91.52 |
| **** G Total** | **18,256** | **100.00** | **55244704** | **11,04,89,408** | **100.00** |

**(b) Shareholding Pattern as on 31st March, 2019:**

| Category | No. of Shares | % of Holding |
|---|---|---|
| Promoters | 3,14,38,597 | 56.91 |
| NRI | 1,38,635 | 0.25 |
| FIIs/FPIs | 1,48,38,291 | 26.86 |
| Corporate Bodies | 18,37,551 | 3.33 |
| FI/Bank/Mf/ UTI | 14,33,006 | 2.59 |
| Public | 55,58,624 | 10.06 |
| **Total** | **5,52,44,704** | **100.00** |



## CORPORATE GOVERNANCE REPORT

**(x) Dematerialization of shares and liquidity:**

Number of shares in physical and demat form as on 31st March, 2019 are as follows:

| | No. of shares | Percentage |
|---|---|---|
| In Physical Form | 5,44,41,746 | 98.55 |
| In Demat Form | 8,02,958 | 1.45 |
| Total | 5,52,44,704 | 100.00 |

**(xi) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:**

There are no outstanding options on un-issued share capital.

**(xii) Certification of non-disqualification of Directors:**

A Certificate under Clause (i) of point (10) of para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 by Mr. Awanish Dwivedi, Company Secretory in practice confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statuory authority is attached as Annexure A.

**(xiii) Declaration for Code of Conduct**

As provided under regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Sr. Management Personnel have affirmed compliance of Code of Conduct as adopted by the Board for the year ended 31st March, 2019.

For and on behalf of the Board

Place: New Delhi
Date: 5th August, 2019

Neeraj Kanagat
CEO & CFO

**(xiv) Address for correspondence :**

Hexa Tradex Ltd.
Jindal Centre, 12, Bhikaiji Cama Place, New Delhi – 110 066
Telephone no. : 011-26188360-74
Fax no. : 011-26170691/41659575
E-mail : contactus@hexatradex.com
CIN : L51101UP2010PLC042382

For and on behalf of the Board

Place: New Delhi
Date: 5th August, 2019

Dr. Raj Kamal Aggarwal
Chairman

## CORPORATE GOVERNANCE REPORT

**Annexure A**

**Certificate Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (I) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To,**
**The Members of**
**Hexa Tradex Limited**
**A-1, UPSIDC Industrial Area,**
**Nandgaon Road, Kosi Kalan,**
**Mathura-2 81403, Uttar Pradesh**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HEXA TRADEX LIMITED having CIN L51101UP2010PLC042382 and having registered office at A-1, UPSDIC Industrial Area, Nandgaon Road, Kosi Kalan Mathura UP- 281403 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(I) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1 | Raj Kamal Aggarwal | 00005349 | 01/10/2011 |
| 2 | Girish Sharma | 05112440 | 14/08/2015 |
| 3 | Veni Verma | 07586927 | 12/08/2016 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Place: New Delhi
Date: 26th July 2019

Name: Awanish Dwivedi
Membership No.: F8055
CP No.: 9080

# STANDALONE FINANCIAL STATEMENTS

# Independent Auditors' Report on Standalone Financial Statements

**To**

**The Members of HEXA TRADEX LIMITED**

## Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **HEXA TRADEX LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit/ (loss), total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Description of Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Non – Current Investments** | The company has non-current investments in subsidiaries and other investments. Investment in subsidiaries in equity shares has been valued at cost and Quoted & Unquoted Investments are valued at fair value through other comprehensive income. |

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## Independent Auditors’ Report on Standalone Financial Statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

**Auditors’ Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 including Other Comprehensive Income, the Statement of Change in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

## Independent Auditors' Report on Standalone Financial Statements

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 as on March 31, 2019;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(h) The Company does not provide or paid any managerial remuneration as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

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

**G. K. Aggarwal**
Partner
M. No. 086622

Place : New Delhi
Dated : May 22, 2019

## Independent Auditors' Report on Standalone Financial Statements

**ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT**

(Annexure referred to in our report of even date to the members of **HEXA TRADEX LIMITED** on the accounts for the year ended March 31, 2019)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

   (c) The Company does not have any immovable property wherein reporting requirement with respect to title deed is applicable.

2. The company does not have inventory. Accordingly, the provision of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investment made. The Company has not provided any guarantee, loan and security in terms of Section 185 and 186 of the Companies Act, 2013.

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 period. Accordingly, the Paragraph 3(v) of the Order is 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 including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods & services tax and other statutory dues with the appropriate authorities There are no arrears as at 31st March, 2019 for a period of more than six months from the date they become payable.

   (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods & services tax which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, the Company has not taken any loan from financial institution, bank, government and debenture holder. Therefore, clause 3 (viii) of the Order with respect to default of repayment is not applicable to the Company.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, provisions of clause 3 (ix) of the Order 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 period.

## Independent Auditors' Report on Standalone Financial Statements

11. The Company does not provide or paid any managerial remuneration as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
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. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties 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. According to the information and explanations given to us, the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

**G. K. Aggarwal**
Partner
M. No. 086622

Place : New Delhi
Dated : May 22, 2019

## Independent Auditors' Report on Standalone Financial Statements

**ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT**

Annexure referred to in our report of even date to the members of **HEXA TRADEX LIMITED** on the accounts for the year ended 31st March, 2019

**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 **HEXA TRADEX LIMITED** ("the Company") as of 31st March, 2019 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.

## Independent Auditors' Report on Standalone 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, 2019, 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
Dated : May 22, 2019

## Standalone Balance Sheet as at March 31, 2019

(₹ lakhs)

| Particulars | | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1)** | **Non- current assets** | | | |
| (a) | Property, plant and equipment | 5 | **0.41** | 0.24 |
| (b) | Financial assets | | | |
| | (i) Investments | 6 | **26,299.54** | 25,675.30 |
| | (ii) Loans | 7 | **1.81** | 3.20 |
| | (iii) Other financial assets | 8 | **-** | 0.25 |
| (c) | Other non- current assets | 9 | **793.22** | 793.22 |
| **(2)** | **Current assets** | | | |
| (a) | Financial assets | | | |
| | (i) Trade receivables | 10 | **0.65** | 9.01 |
| | (ii) Cash and cash equivalents | 11 | **20.26** | 9.83 |
| | (iii) Loans | 12 | **0.84** | 5.87 |
| (b) | Current tax assets (net) | 29 | **0.06** | 4.16 |
| (c) | Other current assets | 13 | **10.24** | 4.33 |
| | **Total assets** | | **27,127.03** | 26,505.41 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| (a) | Equity share capital | 14 | **1,104.91** | 1,104.91 |
| (b) | Other equity | 15 | **24,434.43** | 24,099.80 |
| **(1)** | **Non- current liabilities** | | | |
| (a) | Financial liabilities | | | |
| | (i) Borrowings | 16 | **300.26** | 104.50 |
| (b) | Provisions | 17 | **30.76** | 51.54 |
| (c) | Deferred tax liabilities (net) | 28 | **669.43** | 578.60 |
| **(2)** | **Current liabilities** | | | |
| (a) | Financial liabilities | | | |
| | (i) Other financial liabilities | 18 | **7.59** | 33.85 |
| (b) | Other current liabilities | 19 | **577.15** | 528.91 |
| (c) | Provisions | 20 | **2.50** | 3.30 |
| | **Total equity and liabilities** | | **27,127.03** | 26,505.41 |

This is the Standalone Balance Sheet referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Veni Verma**
Director
DIN : 07586927

**G.K. Aggarwal**
Partner
M.No. 086622

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Neeraj Kanagat**
Chief Executive Officer
& CFO

Place : New Delhi
Dated : May 22, 2019

## Standalone Statement of Profit and Loss for the Year Ended March 31, 2019

(₹ lakhs)

| | Particulars | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| **Income** | | | | |
| I | Revenue from operations | 21 | **1.04** | 0.31 |
| II | Other income | 22 | **49.47** | - |
| **III** | **Total revenue (I+II)** | | **50.51** | 0.31 |
| **IV** | **Expenses** | | | |
| | Employee benefit expenses | 23 | **112.48** | 126.78 |
| | Finance costs | 24 | **19.78** | 10.27 |
| | Depreciation | 5 | **0.09** | 0.08 |
| | Other expenses | 25 | **117.40** | 51.45 |
| | **Total expenses (IV)** | | **249.75** | 188.58 |
| **V** | **Profit/(loss) before tax (III-IV)** | | **(199.24)** | (188.27) |
| **VI** | **Tax expense** | | | |
| | (1) Current tax | 29 | **0.24** | - |
| | (2) Deferred tax | 28 | **(61.93)** | (18.61) |
| | **Total tax expenses (VI)** | | **(61.69)** | (18.61) |
| **VII** | **Profit/(loss) after tax (V-VI)** | | **(137.55)** | (169.66) |
| **VIII** | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit and loss** | | | |
| | i) Re-measurement gains/ (losses) on defined benefit plans | | **0.70** | (1.34) |
| | ii) Income tax effect on above | | **(0.19)** | 0.44 |
| | iii) Gain/(loss) on fair valuation of non-current investments | | **624.24** | 946.70 |
| | iv) Income tax effect on above | | **(152.57)** | (205.58) |
| | **Total other comprehensive income (VIII)** | | **472.18** | 740.22 |
| **IX** | **Total comprehensive income for the year (VII+VIII)** | | | |
| | (Comprising profit/(loss) and other comprehensive income for the year) | | **334.63** | 570.56 |
| **X** | **Earnings per equity share of ₹ 2 each** | | | |
| | (1) Basic (₹) | 31 | **(0.25)** | (0.31) |
| | (2) Diluted (₹) | 31 | **(0.25)** | (0.31) |

This is the Standalone Statement of Profit and Loss referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Veni Verma**
Director
DIN : 07586927

**G.K. Aggarwal**
Partner
M.No. 086622

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Neeraj Kanagat**
Chief Executive Officer & CFO

Place : New Delhi
Dated : May 22, 2019

# Standalone Statement of Changes in Equity for the Year Ended March 31, 2019

## A. Equity share capital

(₹ lakhs)

| Balance as at April 1, 2017 | Changes in equity share capital during 2017-18 | Balance as at March 31, 2018 | Changes in equity share capital during 2018-19 | Balance as at March 31, 2019 |
|---|---|---|---|---|
| 1,104.91 | - | 1,104.91 | - | 1,104.91 |

## B. Other equity

(₹ lakhs)

| Particulars | Reserves and surplus | | | Items of other comprehensive income — Items that will not be reclassified to profit and loss | | Total |
|---|---|---|---|---|---|---|
| | Securities premium | Capital reserve | Retained earnings | Re-measurements of the net defined benefit plans | Gain/(loss) on fair valuation of non-current investments | |
| **Balance as at April 1, 2017** | **19,697.04** | **1,033.99** | **2,787.49** | **0.45** | **10.27** | **23,529.24** |
| Profit/(loss) for the year | - | - | (169.66) | - | - | **(169.66)** |
| Other comprehensive income for the year | - | - | - | (0.90) | 741.12 | **740.22** |
| **Balance as at March 31, 2018** | **19,697.04** | **1,033.99** | **2,617.83** | **(0.45)** | **751.39** | **24,099.80** |
| Profit/(loss) for the year | - | - | (137.55) | - | - | **(137.55)** |
| Other comprehensive income for the year | - | - | | 0.51 | 471.67 | **472.18** |
| **Balance as at March 31, 2019** | **19,697.04** | **1,033.99** | **2,480.28** | **0.06** | **1,223.06** | **24,434.43** |

This is the Standalone Statement of Changes in Equity referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Veni Verma**
Director
DIN : 07586927

**G.K. Aggarwal**
Partner
M.No. 086622

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Neeraj Kanagat**
Chief Executive Officer
& CFO

Place : New Delhi
Dated : May 22, 2019

## Standalone Statement of Cash Flow for the Year Ended March 31, 2019

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| **A. CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES** | | | | |
| **Net profit/(loss) before tax** | | **(199.24)** | | (188.27) |
| Adjustments for: | | | | |
| Add/(less): | | | | |
| Interest expense and bank charges | **19.78** | | 10.27 | |
| Dividend income | **(0.44)** | | (0.31) | |
| Bad debts | **9.11** | | - | |
| Effect of unrealised foreign exchange (gain)/loss (net) | **31.85** | | 5.09 | |
| Loss on sale of property, plant and equipment and intangibles (net) | **0.09** | | 0.02 | |
| Depreciation | **0.09** | **60.48** | 0.08 | 15.15 |
| **Operating profit before working capital changes** | | **(138.76)** | | (173.12) |
| Changes in operating assets and liabilities: | | | | |
| Trade receivables | **(0.75)** | | 0.27 | |
| Loans, other financial assets and other assets | **0.76** | | 141.11 | |
| Trade payables, other financial liabilities, provisions and other liabilities | **(30.75)** | **(30.74)** | 2.07 | 143.45 |
| Cash generated from operations | | **(169.50)** | | (29.67) |
| Tax refund/(paid) | | **3.86** | | - |
| **Net cash inflow / (outflow) from operating activities** | | **(165.64)** | | (29.67) |
| **B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES** | | | | |
| Purchase of property, plant and equipment | **(0.36)** | | (0.05) | |
| Sale proceeds from property, plant and equipment | **0.01** | | - | |
| **Net cash inflow / (outflow) from investing activities** | | **(0.35)** | | (0.05) |
| **C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES** | | | | |
| Interest and bank charges paid | **(0.03)** | | (0.13) | |
| Dividend received | **0.44** | | 0.31 | |
| Loan from related parties | **176.01** | | 3.21 | |
| **Net cash inflow / (outflow) from financing activities** | | **176.42** | | 3.39 |
| **Net changes in cash and cash equivalents** | | **10.43** | | (26.33) |
| Cash and cash equivalents at beginning of the year | | **9.83** | | 36.16 |
| **Cash and cash equivalents at end of the year** | | **20.26** | | 9.83 |

**Notes:**

1. Increase/(decrease) in current borrowings are shown net of repayments.
2. Figures in bracket indicates cash outflow.
3. The above cash flow statement has been prepared under the indirect method set out in IND AS - 7 'Statement of Cash Flows'
4. Significant non cash movements in borrowings are towards foreign exchange fluctuations and other adjustments ₹ Nil lakhs (March 31, 2018 ₹ Nil lakhs).

This is the Standalone Statement of Cash Flows referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Veni Verma**
Director
DIN : 07586927

**G.K. Aggarwal**
Partner
M.No. 086622

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Neeraj Kanagat**
Chief Executive Officer & CFO

Place : New Delhi
Dated : May 22, 2019

## Notes to Standalone Financial Statements

### 1. Corporate and general information

Hexa Tradex Limited ("Hexa" or "the Company") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of Hexa is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, District Mathura, 281403 (U.P.) India. Information of principal shareholders is provided in note 14.

### 2. Basis of preparation

The standalone financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company has consistently applied the accounting policies used in the preparation for all periods presented.

The significant accounting policies used in preparing the financial statements are set out in Note 3 of the Notes to the standalone financial statements.

### 3. Significant accounting policies

### 3.1 Basis of measurement

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- certain financial assets and liabilities, except certain investments and borrowings carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,

The standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs (₹ 00,000) and two decimals thereof, except as stated otherwise.

### 3.2 Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer note 4 on critical accounting estimates, assumptions and judgements).

### 3.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of Hexa Tradex Limited has appointed CEO who assesses the financial performance and position of the Company, and make strategic decisions. The CEO has been identified as being the chief decision maker. Refer Note 37 for segment information provided.

### 3.4 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## Notes to Standalone Financial Statements

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Estimated useful lives of the assets are as follows:

| Category of assets | Life in years |
|---|---|
| Office equipments | 5 |
| Computer equipments | 3 |

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss in the year of disposal or retirement.

### 3.5 Impairment of non-current assets

Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 3.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### 3.7 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

### 3.8 Employee benefits

a) Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Leave encashment is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

## Notes to Standalone Financial Statements

c) Contribution to provident fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees (₹) is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The Company operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered fund. Funds are managed by trust. The trust have policies from an insurance company. These benefits are partially funded.

### 3.9 Foreign currency reinstatement

**a) Functional and presentation currency**

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

**b) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in statement of profit and loss.

Exchange gain and loss on creditors and other than financing activities are presented in the statement of profit and loss, as other income and as other expenses respectively. Foreign exchange gain and losses on financing activities to the extent that they are regarded as an adjustment to interest costs are presented in the statement of profit and loss as finance cost and balance gain and loss are presented in statement of profit and loss as other income and as other expenses respectively.

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

### 3.10 Financial instruments- initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a) Financial assets**

Financial assets are classified at amortised cost or fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

## Notes to Standalone Financial Statements

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

**Investment in equity instruments**

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through profit or loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in other comprehensive income. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in profit and loss, when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**De-recognition of financial asset**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## Notes to Standalone Financial Statements

**b) Financial liabilities**

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

**i) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the statement of profit and loss.

**ii) Financial liabilities measured at amortised cost**

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for atleast twelve months after reporting period.

**Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## Notes to Standalone Financial Statements

### 3.11 Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

### 3.12 Taxation

Income tax expenses or credit for the period comprised of tax payable on the current period's taxable income based on the applicable income tax rate, the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, minimum alternative tax (MAT) and previous year tax adjustments.

Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

The current income tax charge or credit is calculated on the basis of the tax law enacted after considering allowances, exemptions and unused tax losses under the provisions of the applicable income tax laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

The Company recognises credit of MAT as an asset when there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and included in the deferred tax assets. The carrying amount of MAT is reviewed at each balance sheet date.

### 3.13 Revenue recognition and other income

The Company has adopted the new standard Ind AS 115, "Revenue from contracts with customers" from April 1, 2018, applying the modified retrospective approach which provides that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2018 and comparatives will not be restated. Ind AS 115 have not any impact on the amount or timing of recognition of reported revenue.

#### a) Sale of goods

Revenue from sale of goods is recognised when control of products, being sold has been transferred to the customer and when there are no longer any unfulfilled obligations to the customer.

#### b) Dividend

Dividend income is recognised when the right to receive dividend is established.

#### c) Other income

**Interest-** Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

## Notes to Standalone Financial Statements

**3.14 Dividend distribution**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

**3.15 Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**3.16 Provisions and contingencies**

**a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**i) Gratuity and leave encashment provision**

Refer note 3.8 for provision relating to gratuity and leave encashment.

**b) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset

**3.17 Investment in subsidiary**

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

## Notes to Standalone Financial Statements

### 3.18 Current versus non-current classification

The Company presents assets and liabilities in balance sheet based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

### 3.19 Recent accounting pronouncements

**New and amended standards applied**

The Company has applied the following standards and amendments for the first time for the period commencing from April 1, 2018. The adoption of these standards did not have any material impact on the current period or any impact on comparative period and is not likely to affect future periods.

a) The new standard Ind AS 115, "Revenue from contracts with customers" is mandatory for financial year commencing on April 1, 2018 and early adoption was not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. Also refer note 3.13.

b) The Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, "The effects of changes in foreign exchange rates". The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt. The Company adopted the amendment prospectively to items in scope of the appendix that are initially recognised on or after April 1, 2018. Management has considered the effects of the appendix to its foreign currency transactions for which consideration is received/paid in advance involving advance payments in foreign currency.

## Notes to Standalone Financial Statements

c) Amendments to Ind AS 12, "Income Taxes" regarding recognition of deferred tax assets on unrealised losses, the amendment clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base and also clarify certain other aspects of accounting for deferred tax assets set out below:

1. A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

2. The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

3. Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

4. Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

   The Company has adopted the amendment using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2018 and that comparatives will not be reinstated. There is no impact on adoption of the amendment on the current year and comparative year reported.

d) Amendment to Ind AS 112, "Disclosure of interest in other entities", the amendment clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current assets held for sale and discontinued operations. The Company adopted the amendment retrospectively on transactions that are initially recognised on or after April 1, 2018. There is no impact on the financial statements for the amendment.

**Standards issued but not yet effective**

The new standards, amendments to standards that are issued but not yet effective are discussed below:

| **Title of standard** | **Ind AS 116, Leases** |
|---|---|
| Nature of change | Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.<br>Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets.<br>The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.<br>Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. |

## Notes to Standalone Financial Statements

| Title of standard | Ind AS 116, Leases |
|---|---|
| | The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. |
| Impact | The Company is in the process of assessing the detailed potential impact of Ind AS 116, Leases on its financial statements and related disclosures. The Company has lease arrangements presently classified under operating and finance leases. Operating leases are for hiring of equipment's and properties. Finance leases are for solar panels and facility.<br>The Company will be able to reasonably estimate the impact of Ind AS 116 on the financial statement after completion of above stated assessment. |
| Date of adoption | The Company intends to adopt the standard using the modified retrospective transition approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2019 and that comparatives will not be restated. |

**4. Critical accounting estimates, assumptions and judgements**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

**(a) Property, plant and equipment**

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable, the estimates and assumptions made to determine depreciation are critical to the Company's financial position and performance.

**(b) Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

**(c) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**(d) Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

## Notes to Standalone Financial Statements

### 5. Property, plant and equipment

(₹ lakhs)

| Particulars | Office equipments | Computer equipment | Total |
|---|---|---|---|
| **Gross block** | | | |
| **As at April 1, 2017** | 0.40 | 0.41 | 0.81 |
| Additions | 0.05 | - | 0.05 |
| Less: Disposal/adjustments | 0.05 | - | 0.05 |
| **As at March 31, 2018** | **0.40** | **0.41** | **0.81** |
| Additions | 0.36 | - | 0.36 |
| Less: Disposal/adjustments | 0.25 | - | 0.25 |
| **As at March 31, 2019** | **0.51** | **0.41** | **0.92** |
| **Accumulated depreciation** | | | |
| **As at April 1, 2017** | 0.13 | 0.39 | 0.52 |
| Charge for the year | 0.08 | - | 0.08 |
| Less: Disposal/adjustments | 0.03 | - | 0.03 |
| **As at March 31, 2018** | **0.18** | **0.39** | **0.57** |
| Charge for the year | 0.09 | - | 0.09 |
| Less: Disposal/adjustments | 0.15 | - | 0.15 |
| **As at March 31, 2019** | **0.12** | **0.39** | **0.51** |
| **Net carrying amount** | | | |
| As at March 31, 2018 | 0.22 | 0.02 | 0.24 |
| As at March 31, 2019 | 0.39 | 0.02 | 0.41 |

## Notes to Standalone Financial Statements

### 6. Non- current investments

| Particulars | As at March 31, 2019 | | | As at March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | **No. of shares** | **Face value (₹)** | **₹ lakhs** | **No. of shares** | **Face value (₹)** | **₹ lakhs** |
| **Non-trade** | | | | | | |
| **I. Equity instruments (fully paid up)** | | | | | | |
| **A. Subsidiary company (at cost)** | | | | | | |
| Hexa Securities and Finance Company Limited (refer note i) | **22,13,81,530** | **10** | **22,138.18** | 22,13,81,530 | 10 | 22,138.18 |
| **B. Others- quoted (at fair value through other comprehensive income)** | | | | | | |
| a) JSW Steel Limited | **13,620** | **1** | **39.91** | 13,620 | 1 | 39.25 |
| b) JSW Holdings Limited | **334** | **10** | **9.56** | 334 | 10 | 5.53 |
| | | | **49.47** | | | 44.78 |
| **C. Others- unquoted (at fair value through other comprehensive income)** | | | | | | |
| a) Rohit Tower Building Limited | **2,400** | **100** | **2.40** | 2,400 | 100 | 2.40 |
| b) Sona Bheel Tea Limited | **86,025** | **10** | **106.77** | 86,025 | 10 | 106.77 |
| c) Danta Enterprises Private Limited | **8,189** | **10** | **949.73** | 8,189 | 10 | 751.98 |
| d) OPJ Trading Private Limited | **8,189** | **10** | **0.82** | 8,189 | 10 | 228.27 |
| e) Sahyog Tradecorp Private Limited | **8,189** | **10** | **1,964.70** | 8,189 | 10 | 1,673.80 |
| f) Virtuous Tradecorp Private Limited | **8,189** | **10** | **844.00** | 8,189 | 10 | 684.59 |
| g) Brahmputra Capital & Finance Services Limited | **100** | **10** | **0.01** | 100 | 10 | - |
| h) Groovy Trading Private Limited | **10** | **10** | **0.82** | 10 | 10 | - |
| i) Jindal Holdings Limited | **10** | **10** | **-** | 10 | 10 | - |
| j) Strata Multiventures Private Limited | **819** | **10** | **0.08** | 819 | 10 | 0.08 |
| k) Indusglobe Multiventures Private Limited | **819** | **10** | **133.49** | 819 | 10 | 0.08 |
| l) Divino Multiventures Private Limited | **819** | **10** | **3.59** | 819 | 10 | 0.08 |
| m) Genova Multisolutions Private Limited | **819** | **10** | **0.08** | 819 | 10 | 0.08 |
| n) Radius Multiventures Private Limited | **819** | **10** | **0.08** | 819 | 10 | 0.08 |
| o) Jindal Steel & Alloys Limited | **10** | **10** | **0.01** | 10 | 10 | 0.01 |
| p) Abhinandan Investments Limited | **31,700** | **10** | **64.36** | 31,700 | 10 | 3.17 |
| | | | **4,070.94** | | | 3,451.39 |
| **II. Compulsorily convertible preference shares (CCPS) (at amortised cost)** | | | | | | |
| a) Strata Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| b) Indusglobe Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| c) Divino Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| d) Genova Multisolutions Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| e) Radius Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| f) Sahyog Tradecorp Private Limited | **8,18,900** | **100** | **-** | 8,18,900 | 100 | - |
| | | | **40.95** | | | 40.95 |
| **Total** | | | **26,299.54** | | | 25,675.30 |
| Aggregate value of quoted investments | | | **49.47** | | | 44.78 |
| Market value of quoted investments | | | **49.47** | | | 44.78 |
| Aggregate value of unquoted investments | | | **26,250.07** | | | 25,630.52 |

**Note:**

i) Including 300 shares (March 31, 2018 300) held through nominee shareholders.

## Notes to Standalone Financial Statements

(₹ lakhs)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **7** | **Non- current loans** | | |
| | **Unsecured, considered good** | | |
| | Loans to employees | **1.81** | 3.20 |
| | **Total non- current loans** | **1.81** | 3.20 |
| **8** | **Other non-current financial assets** | | |
| | **Unsecured, considered good** | | |
| | Security deposits | **-** | 0.25 |
| | **Total other non-current financial assets** | **-** | 0.25 |
| **9** | **Other non- current assets** | | |
| | **Unsecured, considered good** | | |
| | Capital advances to related party (refer note 34) | **793.22** | 793.22 |
| | **Total other non- current assets** | **793.22** | 793.22 |
| **10** | **Trade receivables** | | |
| | **Unsecured, considered good** | | |
| | Related party (refer note 34) | **0.65** | - |
| | Other than related parties | **-** | 9.01 |
| | **Total trade receivables** | **0.65** | 9.01 |
| | Also refer note 26 | | |
| **11** | **Cash and cash equivalents** | | |
| | **Balances with banks** | | |
| | In current accounts | **20.26** | 9.83 |
| | Cash on hand* | **-** | - |
| | **Total cash and cash equivalents** | **20.26** | 9.83 |
| | *Absolute amount as on March 31, 2019 ₹ 10/- (March 31, 2018 ₹ 10/-) | | |
| **12** | **Current loans** | | |
| | **Unsecured, considered good** | | |
| | Loans to employees | **0.84** | 5.87 |
| | **Total current loans** | **0.84** | 5.87 |
| **13** | **Other current assets** | | |
| | Prepaid expenses | **0.10** | 0.11 |
| | Advance to vendors | **0.73** | 0.76 |
| | Balances with state and central government authorities | **9.41** | 3.46 |
| | **Total other current assets** | **10.24** | 4.33 |

## Notes to Standalone Financial Statements

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **14 Equity share capital** | | |
| **Authorised** | | |
| 7,50,00,000 equity shares of ₹ 2/- each | **1,500.00** | 1,500.00 |
| | **1,500.00** | 1,500.00 |
| **Issued, subscribed and paid-up** | | |
| 5,52,45,354 equity shares (March 31, 2018 5,52,45,354) of ₹ 2/- each fully paid-up | **1,104.91** | 1,104.91 |
| **Total equity share capital** | **1,104.91** | 1,104.91 |
| **a) Reconciliation of the number of shares:** | | |
| Shares outstanding as at the beginning of the year | **5,52,45,354** | 5,52,45,354 |
| **Shares outstanding as at the end of the year** | **5,52,45,354** | 5,52,45,354 |

**b) Details of shareholders holding more than 5% shares in the Company**

| Name of shareholders | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | **No. of Shares** | **% of holding** | No. of Shares | % of holding |
| Nalwa Sons Investments Limited | **1,07,10,000** | **19.39%** | 1,07,10,000 | 19.39% |
| Sigma Tech Inc | **60,24,000** | **10.90%** | 60,24,000 | 10.90% |
| Cresta Fund Limited | **54,89,085** | **9.94%** | 54,89,085 | 9.94% |
| Albula Investment Fund Limited | **50,04,027** | **9.06%** | 50,04,027 | 9.06% |
| **Total** | **2,72,27,112** | **49.29%** | **2,72,27,112** | **49.29%** |

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **c)** Aggregate number of bonus shares issued, shares issued for consideration other than cash, shares bought back during the period of five years immediately preceding the reporting date. | Nil | Nil |

**d)** 650 equity shares have been held in abeyance, and not allotted due to attachment orders by Court.

**e) Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 2/- per equity share and holder of the equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

## Notes to Standalone Financial Statements

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **15 Other equity** | | |
| **i) Capital reserve** | | |
| Balance as per last financial statements | **1,033.99** | 1,033.99 |
| **Closing balance** | **1,033.99** | 1,033.99 |
| **ii) Securities premium** | | |
| Balance as per last financial statements | **19,697.04** | 19,697.04 |
| **Closing balance** | **19,697.04** | 19,697.04 |
| **iii) Other comprehensive income** | | |
| **Items that will not be reclassified to profit and loss** | | |
| **a) Re-measurements of the net defined benefit plans** | | |
| Balance as per last financial statements | **(0.45)** | 0.45 |
| Add: Addition for the year | **0.51** | (0.90) |
| **Closing balance** | **0.06** | (0.45) |
| **b) Gain/(loss) on fair valuation of non-current investments** | | |
| Balance as per last financial statements | **751.39** | 10.27 |
| Add: Addition for the year | **471.67** | 741.12 |
| **Closing balance** | **1,223.06** | 751.39 |
| **Closing balance (a+b)** | **1,223.12** | 750.94 |
| **iv) Retained earnings** | | |
| Balance as per last financial statements | **2,617.83** | 2,787.49 |
| Add: Net profit/(loss) for the year | **(137.55)** | (169.66) |
| **Closing balance** | **2,480.28** | 2,617.83 |
| **Total other equity** | **24,434.43** | 24,099.80 |

**Nature of reserves**

Retained earnings represent the undistributed profits of the Company.

Other comprehensive income reserve represent the balance in equity for items to be accounted in other comprehensive income. OCI is classified into (i) Items that will not be reclassified to profit and loss (ii) Items that will be reclassified to profit and loss.

Securities premium represents the amount received in excess of par value of securities (equity shares, preference shares and debentures).

## Notes to Standalone Financial Statements

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **16 Non- current borrowings** | | |
| **Unsecured, considered good** | | |
| From related party (refer note 34) | **300.26** | 104.50 |
| **Total non- current borrowings** | **300.26** | 104.50 |

The above loan is repayable in one bullet instalment and carries interest rate range from @ 9.95% p.a. to 11.20% p.a. (March 31, 2018 11.00% p.a.).

There is no default in repayment of principal and interest.

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **17 Non- current provisions** | | |
| **Provision for employee benefit** | | |
| Gratuity | **10.37** | 20.48 |
| Leave encashment | **20.39** | 31.06 |
| **Total non- current provisions** | **30.76** | 51.54 |
| Refer note 35 and note 36 | | |
| **18 Other current financial liabilities** | | |
| Dues to employees | **4.44** | 7.61 |
| Other outstanding financial liabilities # | **3.15** | 26.24 |
| **Total other current financial liabilities** | **7.59** | 33.85 |
| # includes provision for expenses. | | |
| **19 Other current liabilities** | | |
| Statutory dues | **4.26** | 3.88 |
| Other outstanding liabilities | **572.89** | 525.03 |
| **Total other current liabilities** | **577.15** | 528.91 |
| **20 Current provisions** | | |
| **Provision for employee benefits** | | |
| Gratuity | **1.49** | 1.95 |
| Leave encashment | **1.01** | 1.35 |
| **Total current provisions** | **2.50** | 3.30 |
| Refer note 35 and note 36 | | |

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **21 Revenue from operations** | | |
| **Other operating revenues** | | |
| Consultancy income | **0.60** | - |
| Dividend income | **0.44** | 0.31 |
| **Total revenue from operations** | **1.04** | 0.31 |

## Notes to Standalone Financial Statements

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **22 Other income** | | |
| Interest income on income tax refund | **0.29** | - |
| Net gain/ (loss) on foreign currency transactions | **26.82** | - |
| Liabilities written back | **22.36** | - |
| **Total other income** | **49.47** | - |
| **23 Employee benefit expenses** | | |
| Salary and wages | **104.04** | 110.42 |
| Contribution to provident and other funds | **7.16** | 15.60 |
| Workmen and staff welfare | **1.28** | 0.76 |
| **Total employee benefit expenses** | **112.48** | 126.78 |
| Also refer note 35 | | |
| **24 Finance costs** | | |
| **Interest expense** | | |
| Borrowings | **19.75** | 10.14 |
| Other interest | **-** | 0.06 |
| Other bank charges | **0.03** | 0.07 |
| **Total finance costs** | **19.78** | 10.27 |
| **25 Other expenses** | | |
| Rent | **0.32** | 0.38 |
| Repair and maintenance- others | **0.35** | 0.42 |
| Travelling and conveyance | **10.19** | 9.22 |
| Postage and telephones | **5.43** | 3.57 |
| Legal and professional fees | **21.08** | 23.78 |
| Directors' meeting fees | **6.50** | 4.72 |
| Auditors' remuneration [refer note 30(a)] | **1.10** | 1.08 |
| Bad debts | **9.11** | - |
| Advertisement | **1.61** | 1.57 |
| Net (gain)/ loss on foreign currency transactions | **58.67** | 5.09 |
| Loss on sale/ discard of property, plant and equipment (net) | **0.09** | 0.02 |
| Miscellaneous expenses | **2.95** | 1.60 |
| **Total other expenses** | **117.40** | 51.45 |

## Notes to Standalone Financial Statements

**26. Financial risk management**

**26.1 Financial risk factors**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for Company's operations. The Company has loans, trade and other receivables and cash that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

**i) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2019 and March 31, 2018.

**ii) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

**iii) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the treasury department under policies approved by the board of directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk.

**Market Risk**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

**a) Foreign exchange risk and sensitivity**

The Company transacts business primarily in USD and GBP. The Company has obtained foreign currency trade payables and is therefore, exposed to foreign exchange risk.

**Exposure to foreign currency risk expressed in Indian rupees:-**

(₹ lakhs)

| Particulars | USD | GBP |
|---|---|---|
| **As at March 31, 2019** | | |
| Other current liabilities | 557.09 | - |
| **Total** | **557.09** | **-** |
| **As at March 31, 2018** | | |
| Other financials liabilities | - | 22.58 |
| Other current liabilities | 525.03 | - |
| **Total** | **525.03** | **22.58** |

## Notes to Standalone Financial Statements

The following table demonstrates the sensitivity in the USD and GBP currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit/(loss) before tax due to changes in the fair value of monetary assets and liabilities is given below:

| Particulars | Net monetary items in respective currency outstanding on reporting date (Absolute amount) | Change in currency exchange rate | Effect on profit/(loss) before tax (₹ lakhs) |
|---|---|---|---|
| **As at March 31, 2019** | | | |
| USD | (8,05,626.51) | +5% | (27.85) |
| | | -5% | 27.85 |
| **As at March 31, 2018** | | | |
| USD | (8,05,626.51) | +5% | (26.25) |
| | | -5% | 26.25 |
| GBP | (24,720.00) | +5% | (1.13) |
| | | -5% | 1.13 |

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

**Summary of exchange difference accounted in Statement of Profit and Loss:**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Currency fluctuations** | | |
| Net foreign currency loss shown as other expenses | **58.67** | 5.09 |
| Net foreign currency gain shown as other income | **26.82** | - |

**b) Interest rate risk and sensitivity**

As at March 31, 2019, 100% of the Company's borrowings are at a floating rate of interest (March 31, 2018 100%).

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of borrowings:

| Particulars | Increase/ (decrease) in basis points | Effect on profit/ (loss) before tax (₹ lakhs) |
|---|---|---|
| **For the year ended March 31, 2019** | | |
| INR borrowings | +50 | (1.50) |
| | -50 | 1.50 |
| **For the year ended March 31, 2018** | | |
| INR borrowings | +50 | (0.52) |
| | -50 | 0.52 |

The assumed movement in basis points for interest rate sensitivity analysis is based on the management's assessment of currently observable market environment.

**Interest rate and currency of borrowings:**

(₹ lakhs)

| Particulars | Total borrowings | Floating rate borrowings | Fixed rate borrowings | Weighted average interest rate (%) |
|---|---|---|---|---|
| INR | 300.26 | 300.26 | - | 11.20% |
| **Total as at March 31, 2019** | **300.26** | **300.26** | **-** | |
| INR | 104.50 | 104.50 | - | 11.00% |
| **Total as at March 31, 2018** | **104.50** | **104.50** | **-** | |

## Notes to Standalone Financial Statements

**i) Credit risk**

Credit risk arises from cash and cash equivalents, deposited with banks, credit exposures from customers including outstanding receivables and other financial instruments.

**ii) Trade Receivables**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low.

**iii) Others**

For cash and cash equivalents and deposit held with banks, the Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

There are no receivables which have significant increase in credit risk or credit impaired.

**The ageing of trade receivable are provided below:**

(₹ lakhs)

| Particulars | Neither due nor impaired | Past due | | | Total |
|---|---|---|---|---|---|
| | | upto 6 months | 6 to 12 months | Above12 months | |
| **As at March 31, 2019** | | | | | |
| **Unsecured, cosidered good** | | | | | |
| Related party | 0.65 | - | - | - | 0.65 |
| **Gross Total** | **0.65** | **-** | **-** | **-** | **0.65** |
| **As at March 31, 2018** | | | | | |
| **Unsecured, cosidered good** | | | | | |
| Other than related parties | - | - | - | 9.01 | 9.01 |
| **Gross Total** | **-** | **-** | **-** | **9.01** | **9.01** |

**c) Liquidity risk**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

**As at March 31, 2019**

(₹ lakhs)

| Particulars | On demand/ overdue | Less than 6 months | 6 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| Interest bearing borrowings | - | - | - | 300.26 | 300.26 |
| Other financial liabilities | - | 4.00 | 3.59 | - | 7.59 |
| **Total** | **-** | **4.00** | **3.59** | **300.26** | **307.85** |

## Notes to Standalone Financial Statements

**As at March 31, 2018** (₹ lakhs)

| Particulars | On demand/ overdue | Less than 6 months | 6 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| Interest bearing borrowings | - | - | - | 104.50 | 104.50 |
| Other financial liabilities | - | 27.89 | 5.96 | - | 33.85 |
| **Total** | **-** | **27.89** | **5.96** | **104.50** | **138.35** |

### 26.2 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

### 26.3 Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and year ended March 31, 2018.

For the purpose of the Company's capital management, capital includes issued share capital and other equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

During FY 2018-19, the Company's strategy was to maintain a suitable gearing ratio and gearing ratios at March 31, 2019 and March 31, 2018 are as follows:

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Loans and borrowings | **300.26** | 104.50 |
| Less: cash and cash equivalents | **(20.26)** | (9.83) |
| **Net debt (A)** | **280.00** | 94.67 |
| Total capital | **25,539.34** | 25,204.71 |
| **Capital and net debt (B)** | **25,819.34** | 25,299.38 |
| Gearing ratio (A/B) | **1.08%** | 0.37% |

## Notes to Standalone Financial Statements

**27. Fair value of financial assets and liabilities**

The below table provides the carrying amounts and fair value of the financial instruments recognised basis category in the financial statements.

(₹ lakhs)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets designated at fair value through other comprehensive income** | | | | |
| Investment in equity shares | **4,120.41** | **4,120.41** | 3,496.17 | 3,496.17 |
| **Financial assets designated at amortised cost** | | | | |
| Cash and bank balances | **20.26** | **20.26** | 9.83 | 9.83 |
| Investment in preference shares | **40.95** | **40.95** | 40.95 | 40.95 |
| Trade receivables | **0.65** | **0.65** | 9.01 | 9.01 |
| Other financial assets | **2.65** | **2.65** | 9.32 | 9.32 |
| | **4,184.92** | **4,184.92** | 3,565.28 | 3,565.28 |
| **Financial liabilities designated at amortised cost** | | | | |
| Borrowings- floating rate | **300.26** | **300.26** | 104.50 | 104.50 |
| Other financial liabilities | **7.59** | **7.59** | 33.85 | 33.85 |
| | **307.85** | **307.85** | 138.35 | 138.35 |

**Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant available data. The fair values of the financial assets and liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1) Fair value of cash, bank and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2) Long-term fixed-rate and variable-rate loans/ borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of non-performance for the Group is considered to be insignificant in valuation.

**Fair Value hierarchy**

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date like mutual funds. The mutual funds are valued using the closing net assets value (NAV) as at the balance sheet date.

Level 2: It includes fair value of the financial instruments that are not traded in an active market like over-the-counter derivatives, which is valued by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## Notes to Standalone Financial Statements

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:-

**Assets / liabilities measured at fair value (accounted)** **(₹ lakhs)**

| Particulars | As at March 31, 2019 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Investment in equity shares | 49.47 | 4,070.94 | - |

| Particulars | As at March 31, 2018 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial asset** | | | |
| Investment in equity shares | 44.78 | 3,451.39 | - |

**Assets/liabilities recognised at amortised cost for which fair value is disclosed** **(₹ lakhs)**

| Particulars | As at March 31, 2019 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial liabilities** | | | |
| Other financial liabilities | - | 7.59 | - |

**(₹ lakhs)**

| Particulars | As at March 31, 2018 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial liabilities** | | | |
| Other financial liabilities | - | 33.85 | - |

During the year ended March 31, 2019 and year ended March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements. Further there is no transfer in or out and also no balance under level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at March 31, 2019 and March 31, 2018, respectively:

**Assets/liabilities measured at fair value**

| Particulars | Fair value hierarchy | Valuation technique | Inputs used |
|---|---|---|---|
| **Financial assets** | | | |
| **Non- current investments** | | | |
| - Unquoted | Level 2 | Market valuation techniques | Net worth from latest audited financials |
| - Quoted | Level 1 | Market valuation techniques | As per trade price on stock exchange |

**Assets / liabilities for which fair value is disclosed**

| Particulars | Fair value hierarchy | Valuation technique | Inputs used |
|---|---|---|---|
| **Financial liabilities** | | | |
| Other financial liabilities | Level 2 | Discounted cash flows | Prevailing interest rates to discount future cash flows |

## Notes to Standalone Financial Statements

**28. Deferred Income tax**

The analysis of deferred tax assets and deferred tax liabilities dealt in the statement of profit and loss is as follows.

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Book base and tax base of property, plant and equipment | **(0.04)** | 0.02 |
| Brought forward losses carried forward and others | **(61.89)** | (18.63) |
| **Total** | **(61.93)** | (18.61) |

**Component of tax accounted in other comprehensive income**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Component of OCI** | | |
| Deferred tax credit/(expense) on defined benefit | **(0.19)** | 0.44 |
| Deferred tax credit/(expense) on fair valuation of investments | **(152.57)** | (205.58) |

**Deferred tax liabilities (Net)**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Temporary difference** | | |
| **(i) Deferred tax liabilities** | | |
| (i) Fair valuation of investments | **902.84** | 750.27 |
| **Total deferred tax liabilities** | **902.84** | 750.27 |
| **(ii) Deferred tax assets** | | |
| (i) Difference between book & tax base related to property, plant and equipment | **0.07** | 0.03 |
| (ii) Carried forward losses | **223.09** | 155.21 |
| (iii) Disallowance under income tax | **10.25** | 16.43 |
| **Total deferred tax assets** | **233.41** | 171.67 |
| **(iii) Net liabilities of temporary differences (i-ii)** | **669.43** | 578.60 |

## Notes to Standalone Financial Statements

**29. Income tax**

**Total tax expense reconciliation**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Current tax** | | |
| - Previous year tax adjustments | **0.24** | - |
| **Deferred tax** | | |
| - Relating to origination & reversal of temporary differences | **(61.93)** | (18.61) |
| **Total tax expenses** | **(61.69)** | (18.61) |

**Effective tax reconciliation**

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Net profit / (loss) before taxes | **(199.24)** | (188.27) |
| Enacted tax rates | **27.82%** | 27.82% |
| **Computed tax expense** | **(55.42)** | (52.37) |
| **Increase/(decrease) in taxes on account of:** | | |
| Previous year tax adjustments | **(6.27)** | 0.69 |
| Other non deductible expenses | **-** | 8.96 |
| Income not taxable /exempt from tax | **-** | (0.09) |
| Change in rate of tax | **-** | 24.20 |
| **Income tax expense reported** | **(61.69)** | (18.61) |

**Current tax assets/(liabilities) (net)**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Current tax assets (net) | **0.06** | 4.16 |

**30. Other disclosures**

**a) Auditors' remuneration**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| i. Audit fee | **1.10** | 1.08 |
| **Total** | **1.10** | 1.08 |

**b) Details of loans given, investment made and guarantees given, covered u/s 186(4) of the Companies Act 2013.**

-Loans given and investment made are given under the respective heads.

## Notes to Standalone Financial Statements

**31. Earnings per share**

(Number of shares)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Issued equity shares | **5,52,45,354** | 5,52,45,354 |
| **Weighted average number of equity shares used as denominator in the computation of basic and diluted earnings per equity share- (A)** | **5,52,45,354** | 5,52,45,354 |

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit/(loss) for the year after tax- (B) (₹ lakhs)** | **(137.55)** | (169.66) |
| Basic earnings per share (B/A) (₹) | **(0.25)** | (0.31) |
| Diluted earnings per share (B/A) (₹) | **(0.25)** | (0.31) |

**32. Impairment review**

Assets are tested for impairment annually or whenever there are any indicators for impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or group of CGUs within the Company at which assets are monitored for internal management purpose. The impairment assessment is based on higher of value in use and fair value less cost of disposal.

**33.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)- ₹ 1,052.78 lakhs (March 31, 2018 ₹ 1,052.78 lakhs).

**34. Related parties disclosures**

In accordance with the requirements of IND AS 24, Related Party Disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are provided below:

**List of related parties & relationship**

**1. Subsidiary**

1. Hexa Securities and Finance Company Limited

**2. Key management personnel**

| | Name | Designation |
|---|---|---|
| 1. | Dr. Raj Kamal Aggarwal | Director |
| 2. | Mr. Girish Sharma | Director |
| 3. | Ms. Veni Verma | Director |
| 4. | Mr. Neeraj Kanagat | Chief Executive Officer & CFO |
| 5. | Mr. Pravesh Srivastava | Company Secretary |

**3. Relatives of key management personnel where transactions have taken place:**

| | Name of relative | Relationship |
|---|---|---|
| 1. | Ms. Reena Kanagat | Wife of Mr. Neeraj Kanagat |

**4. Entities where key management personnel and their relatives exercise significant influence:**

1. Jindal Saw Limited
2. Glebe Trading Private Limited
3. JSW Steel Limited
4. JITF Shipyards Limited

## Notes to Standalone Financial Statements

(₹ lakhs)

| Particulars | | Subsidiary/Key management personnel (KMP) | | Relatives of KMP and Enterprises over which KMP and their relatives having significant influence | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| **A.** | **Transactions for the year ended** | | | | |
| **1.** | **Sale of services** | | | | |
| | Jindal Saw Limited | **-** | - | **0.71** | - |
| **2.** | **Loan received back** | | | | |
| | Mr. Neeraj Kanagat | **3.50** | 6.00 | **-** | - |
| | Mr. Pravesh Srivastava | **1.67** | 1.67 | **-** | - |
| **3.** | **Purchase of services** | | | | |
| | Ms. Reena Kanagat | **-** | - | **8.95** | 7.35 |
| **4.** | **Expenses reimbursed** | | | | |
| | Jindal Saw Limited | **-** | - | **14.43** | 14.83 |
| | Hexa Securities and Finance Company Limited | **15.55** | 0.01 | **-** | - |
| **5.** | **Dividend income** | | | | |
| | JSW Steel Limited | **-** | - | **0.44** | 0.31 |
| **6.** | **Rent expense** | | | | |
| | Jindal Saw Limited | **-** | - | **0.38** | 0.38 |
| **7.** | **Loan taken** | | | | |
| | Glebe Trading Private Limited | **-** | - | **176.01** | 140.00 |
| **8.** | **Loan repaid** | | | | |
| | Glebe Trading Private Limited | **-** | - | **-** | 136.79 |
| **9.** | **Interest expense** | | | | |
| | Glebe Trading Private Limited | **-** | - | **19.75** | 10.14 |
| **B.** | **Outstanding balances as at** | | | | |
| **1.** | **Loan receivable** | | | | |
| | Mr. Neeraj Kanagat | **-** | 3.50 | **-** | - |
| | Mr. Pravesh Srivastava | **0.14** | 1.81 | **-** | - |
| **2.** | **Loan payable** | | | | |
| | Glebe Trading Private Limited | **-** | - | **300.26** | 104.50 |
| **3.** | **Receivables** | | | | |
| | Jindal Saw Limited | **-** | - | **0.65** | - |
| **4.** | **Payables** | | | | |
| | Hexa Securities and Finance Company Limited | **15.55** | 0.01 | **-** | - |
| **5.** | **Capital advance receivable** | | | | |
| | JITF Shipyards Limited | **-** | - | **793.22** | 793.22 |

**Terms and conditions of transactions with related parties:**

All related party transactions entered during the year were in ordinary course of the business. All outstanding receivable balances are unsecured and repayable in cash.

## Notes to Standalone Financial Statements

**Key management personnel compensation:**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Short-term benefits * | **91.95** | 77.76 |
| Post-employment benefits | | |
| - Defined contribution plan $ # | **11.13** | 8.44 |
| - Defined benefit plan # | **-** | - |
| Other long-term benefits | **-** | - |
| Share-based payment @ | **-** | - |
| Dividend paid | **-** | - |
| **Total** | **103.08** | **86.20** |

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Mr. Neeraj Kanagat | **76.43** | 66.25 |
| Mr. Pravesh Srivastava | **20.16** | 15.35 |
| Others | **6.49** | 4.60 |
| | **103.08** | **86.20** |

* Including bonus, sitting fee, commission and value of perquisites.

# The liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole. Accordingly amounts accrued pertaining to key managerial personnel are not included above.

$ including PF, leave encashment paid and any other benefit.

**35. Employee benefit obligations**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Refer table below for the expense recognised during the period towards defined contribution plan:

**1. Expense recognised for defined contribution plan**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Company's contribution to provident fund | **6.99** | 7.17 |
| **Total** | **6.99** | **7.17** |

## Notes to Standalone Financial Statements

2. Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone balance sheet as at March 31, 2019 and March 31, 2018, being the respective measurement dates:

### 2.a. Movement in defined benefit obligations

(₹ lakhs)

| Particulars | Gratuity (funded) | Leave Encashment (unfunded) |
|---|---|---|
| Present value of obligation as at April 1, 2017 | 25.83 | 29.57 |
| Current service cost | 2.57 | 2.77 |
| Past service cost | 4.88 | - |
| Interest cost | 2.00 | 2.29 |
| Benefits paid | - | (4.97) |
| Remeasurements - actuarial loss/ (gain) | 0.43 | 2.75 |
| **Present value of obligation as at March 31, 2018** | **35.71** | **32.41** |
| **Present value of obligation as at April 1, 2018** | **35.71** | **32.41** |
| Amount transferred to subsidiary company | (10.04) | (5.52) |
| Current service cost | 1.00 | 0.99 |
| Interest cost | 0.20 | 2.51 |
| Benefits paid | (3.40) | (8.47) |
| Remeasurements - actuarial loss/ (gain) | (0.89) | (0.52) |
| **Present value of obligation as at March 31, 2019** | **22.58** | **21.40** |

Present value of obligation as at March 31, 2018 includes ₹ 10.04 lakhs and ₹ 5.52 lakhs relating to gratuity and leave encashment respectively for subsidiary company which transferred during the year.

### 2.b. Movement in plan assets – gratuity

(₹ lakhs)

| Particulars | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Fair value of plan assets at beginning of year | **13.28** | 13.16 |
| Expected return on plan assets | **1.03** | 1.03 |
| Benefits paid | **(3.40)** | - |
| Actuarial gain / (loss) | **(0.19)** | (0.91) |
| **Fair value of plan assets at end of year** | **10.72** | **13.28** |
| Present value of obligation | **22.58** | 35.71 |
| Net funded status of plan # | **(11.86)** | (22.43) |
| Actual return on plan assets | **0.84** | 0.12 |

# The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans in line with the actuary's latest recommendations.

## Notes to Standalone Financial Statements

**2.c. Recognised in statement of profit and loss**

(₹ lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current service cost | 2.57 | 2.77 |
| Past service cost | 4.88 | - |
| Interest cost | 2.00 | 2.29 |
| Expected return on plan assets | (1.03) | - |
| Remeasurement - actuarial loss/(gain) | - | 2.75 |
| **For the year ended March 31, 2018** | **8.42** | **7.81** |
| Actual return on plan assets | 0.12 | |
| Current service cost | 1.00 | 0.99 |
| Interest cost | 0.20 | 2.51 |
| Expected return on plan assets | (1.03) | - |
| Remeasurement - actuarial loss/(gain) | - | (0.52) |
| **For the year ended March 31, 2019** | **0.17** | **2.98** |
| Actual return on plan assets | 0.84 | |

**2.d. Recognised in other comprehensive income**

(₹ lakhs)

| Particulars | Gratuity |
|---|---|
| Remeasurement- actuarial loss/(gain) | 1.34 |
| **For the year ended March 31, 2018** | **1.34** |
| Remeasurement- actuarial loss/(gain) | (0.70) |
| **For the year ended March 31, 2019** | **(0.70)** |

**2.e. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Attrition rate | **5.00% per annum** | 5.00% per annum |
| Discount rate | **7.75 % per annum** | 7.75 % per annum |
| Expected rate of increase in salary | **11.00 % per annum** | 11.00 % per annum |
| Expected rate of return on plan assets | **7.75% per annum** | 7.75% per annum |
| Mortality rate | **IALM 2006-08 Ultimate** | IALM 2006-08 Ultimate |
| Average future service of employees (years) | **14.30** | 17.20 |

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

## Notes to Standalone Financial Statements

**2.f. Sensitivity analysis:**

**As at March 31, 2019**

(₹ lakhs)

| Particulars | Change in assumption | Effect on gratuity obligation |
|---|---|---|
| Discount rate | +1% | 21.45 |
| | -1% | 23.92 |
| Salary growth rate | +1% | 23.39 |
| | -1% | 21.97 |
| Withdrawal rate | +1% | 22.32 |
| | -1% | 22.88 |

**As at March 31, 2018**

(₹ lakhs)

| Particulars | Change in assumption | Effect on gratuity obligation |
|---|---|---|
| Discount rate | +1% | 23.62 |
| | -1% | 27.98 |
| Salary growth rate | +1% | 27.47 |
| | -1% | 24.13 |
| Withdrawal rate | +1% | 25.16 |
| | -1% | 26.19 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet. The method and types of assumption used in preparing the sensitivity analysis did not change as compared to the previous year.

**2.g. History of experience adjustments is as follows:**

(₹ lakhs)

| Particulars | Gratuity |
|---|---|
| **For the year ended March 31, 2018** | |
| Plan liabilities- (loss)/gain | 6.06 |
| Plan assets- (loss)/gain | (0.91) |
| **For the year ended March 31, 2019** | |
| Plan liabilities- (loss)/gain | 3.45 |
| Plan assets- (loss)/gain | (0.19) |

**2.h. Expected contribution during the next annual reporting period**

(₹ lakhs)

| Particulars | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Company's best estimate of contribution to post employment benefit plans for the next year | **2.29** | 3.59 |

**2.i. Maturity profile of defined benefit obligation**

(Figures in no.)

| Particulars | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Weighted average duration (based on discounted cash flows) in years | **11** | 14 |

## Notes to Standalone Financial Statements

**2.j. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)**

(₹ lakhs)

| Particulars | Gratuity |
|---|---|
| April 1, 2019 to March 31, 2020 | 1.49 |
| April 1, 2020 to March 31, 2021 | 1.49 |
| April 1, 2021 to March 31, 2022 | 1.49 |
| April 1, 2022 to March 31, 2023 | 1.49 |
| April 1, 2023 to March 31, 2024 | 20.34 |
| April 1, 2024 onwards | 0.27 |

**2.k. Employee benefits provision**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Gratuity | **11.86** | 22.43 |
| Leave encashment | **21.40** | 32.41 |
| **Total** | **33.26** | **54.84** |

**2.l. Current and non-current provision for gratuity and leave encashment**

**As at March 31, 2019**

(₹ lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 1.49 | 1.01 |
| Non- current provision | 10.37 | 20.39 |
| **Total provision** | **11.86** | **21.40** |

**As at March 31, 2018**

(₹ lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 1.95 | 1.35 |
| Non- current provision | 20.48 | 31.06 |
| **Total Provision** | **22.43** | **32.41** |

## Notes to Standalone Financial Statements

### 2.m.Employee benefits expense

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Salaries and wages (excluding leave encashment) | **94.39** | 88.03 |
| Costs-defined benefit plan | **7.16** | 15.60 |
| Costs-defined contribution plan (including leave encashment) | **9.65** | 22.39 |
| Welfare expenses | **1.28** | 0.76 |
| **Total** | **112.48** | **126.78** |

(Figures in no.)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Average no. of people employed | **3** | 5 |

**OCI presentation of defined benefit plan**

Gratuity is in the nature of defined benefit plan, Accordingly, re-measurement gains and losses on gratuity is presented under OCI as an Item that will not be reclassified to profit and loss alongwith income tax effect on the same.

**Presentation in statement of profit & loss and balance sheet**

Expense for service cost, net interest cost and expected return on plan assets is charged to statement of profit & loss.

Actuarial liability for leave encashment and gratuity is shown as current and non-current provision in balance sheet.

The Company has taken policy from an insurance company for managing gratuity fund. The major categories of plan assets for the year ended March 31, 2018 and March 31, 2019 has not been provided by the insurance company. Accordingly, the disclosure for major categories of plan assets has not been provided.

**Risk exposure**

The Company has taken gratuity policies from an insurance company. Contribution towards policies are done annually basis demand from the insurance company.

The insurance policy is non participating variable insurance plan and will not participate in the profits of the insurance company.

These policies provide for minimum floor rate (MFR), i.e. a guaranteed interest rate that the policy account will earn during the entire policy term. In addition to MFR the insurance company shall also declare a non-zero positive additional interest rate (AIR) at the beginning of every financial quarter on the policy account and AIR shall remain guaranteed for that financial quarter. In addition to this, the policy also earns residual addition.

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility**

This may arise from volatility in asset values due to market fluctuations. Most of the plan asset investments are in fixed income securities.

## Notes to Standalone Financial Statements

### Changes in government bond yields

The plan liabilities are calculated using a discount rate set with reference to government bond yields. A decrease in government bond yields will increase plan liabilities and vice-versa, although this will be partially offset by an increase in the value of the plans' holdings in such bonds.

### Salary cost inflation risk

The present value of the defined benefit plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

### 36. Provision

Movement in provision during the financial year are provided below:

(₹ lakhs)

| Particulars | Employee Benefits |
|---|---|
| As at April 1, 2017 | 42.24 |
| Provision during the year | 12.97 |
| Remeasurement losses accounted in OCI | 1.34 |
| Payment during the year | (4.97) |
| Interest charge | 3.26 |
| **As at March 31, 2018** | **54.84** |
| **As at April 1, 2018** | 54.84 |
| Amount transferred to subsidiary company | (15.56) |
| Provision during the year | 4.87 |
| Remeasurement gains accounted in OCI | (0.70) |
| Payment during the year | (11.87) |
| Interest charge | 1.68 |
| **As at March 31, 2019** | **33.26** |
| **As at March 31, 2018** | |
| Current | 3.30 |
| Non Current | 51.54 |
| **As at March 31, 2019** | |
| Current | 2.50 |
| Non Current | 30.76 |

Refer note 3.8 for nature and brief of employee benefit provision.

## Notes to Standalone Financial Statements

### 37 Segment information

The Company has two business segments viz. trading activities and investment and finance including consultancy. Company's operations are carried out in India and all assets are also located in India, hence, there is no reportable secondary business segment.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the CEO (Chief operating decision maker).

**Primary business segment**

(₹ lakhs)

| S. no. | Particulars | Year ended March 31, 2019 | | | | Year ended March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Trading activities | Investment and finance | Un allocable | Total | Trading activities | Investment and finance | Un allocable | Total |
| 1 | **Segment revenue** | | | | | | | | |
| | Revenue from operations | 0.60 | 0.44 | - | 1.04 | - | 0.31 | - | 0.31 |
| 2 | **Segment results before interest, other income and taxes** | (229.37) | 0.44 | - | (228.93) | (178.31) | 0.31 | - | (178.00) |
| | Less: interest expenses | | | | (19.78) | | | | (10.27) |
| | Add: Other income | | | | 49.47 | | | | - |
| | **Profit/(loss) before taxes** | | | | (199.24) | | | | (188.27) |
| | Less: Tax expense/ (credit) | | | | (61.69) | | | | (18.61) |
| | **Net profit/(loss) after tax** | | | | (137.55) | | | | (169.66) |
| 3 | **Other informations** | | | | | | | | |
| | Segment assets | 31.56 | 27,092.76 | 2.71 | 27,127.03 | 23.66 | 26,468.52 | 13.23 | 26,505.41 |
| | Segment liabilities | 885.00 | - | 702.69 | 1,587.69 | 667.26 | - | 633.44 | 1,300.70 |
| | Capital expenditure | 0.36 | - | - | 0.36 | 0.05 | - | - | 0.05 |
| | Depreciation | 0.09 | - | - | 0.09 | 0.08 | - | - | 0.08 |

**Unallocated assets comprises of:**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Loans | 2.65 | 9.07 |
| Current tax assets (net) | 0.06 | 4.16 |
| **Total** | **2.71** | **13.23** |

**Unallocated liabilities comprises of:**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Provisions | 33.26 | 54.84 |
| Deferred tax liabilities (net) | 669.43 | 578.60 |
| **Total** | **702.69** | **633.44** |

**b) Information about major customers**

No customer individually accounted for more than 10% of the revenue.

## Notes to Standalone Financial Statements

**38. Corporate social responsibility**

Details of expenditure on corporate social responsibility activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below:

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Amount required to be spent | Nil | 9.59 |

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | | | Year ended March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | Total | In cash | Yet to be paid | Total | In cash | Yet to be paid |
| Amount spent | Nil | Nil | Nil | Nil | Nil | Nil |

**39.** These financial statements were approved and adopted by board of directors of the Company in their meeting dated May 22, 2019.

**40.** Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Veni Verma**
Director
DIN : 07586927

**G.K. Aggarwal**
Partner
M.No. 086622

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Neeraj Kanagat**
Chief Executive Officer & CFO

Place : New Delhi
Dated : May 22, 2019

**Statement containing salient features of the financial statement of subsidiary pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014**
**Form AOC - I**
**Part "A": Subsidiary**

(₹ lakhs)

| S. No. | Name of the subsidiary | Date of incorpo-ration | Date of becoming a subsidiary (acquisi-tion) | Reporting currency | Reporting period | Financial period ended | Share capital including share application | Reserves & surplus (net of accumula-ted losses) | Total assets | Total liabilities | Investme-nts included in total assets (other than in subsidiar-ies) | Turnover /total income | Profit /(loss) before taxation | Provision for taxation | Profit /(loss) after taxation | Proposed dividend | % of shareho-lding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Hexa Securities and Finance Company Limited | November 23, 1994 | January 1, 2011 | INR | Apr'18-Mar'19 | March 31, 2019 | 22,138.15 | 3,170.39 | 27,261.93 | 1,953.39 | 25,357.21 | 5,506.90 | 4,480.95 | (373.93) | 4,854.28 | Nil | 100.00% |

# CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditors' Report on Consolidated Financial Statements

**To**

**The Members of HEXA TRADEX LIMITED**

**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **HEXA TRADEX LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at 31 March 2019, their consolidated profit/ (loss) (including Other Comprehensive income), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Description of Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Non – Current Investments** | The company has Quoted & Unquoted Investments that are valued at fair value through other comprehensive income. The valuation has been done best on the latest available audited balance sheets. |

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## Independent Auditors' Report on Consolidated Financial Statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

## Independent Auditors’ Report on Consolidated Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Change in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

## Independent Auditors’ Report on Consolidated Financial Statements

(e) On the basis of the written representations received from the directors of the Holding Company and subsidiary company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and subsidiary company, none of the directors of the Group is disqualified as on 31st March, 2019 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 our separate report in **Annexure ‘A’;** and

(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 Group does not have any pending litigations which would impact its consolidated financial statements;

ii. The Group does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(h) The managerial remuneration for the year ended 31st March, 2019 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

**G. K. Aggarwal**
Partner
M. No. 086622

Place : New Delhi
Dated : May 22, 2019

## Independent Auditors' Report on Consolidated Financial Statements

**ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2019, We have audited the internal financial controls over financial reporting of HEXA TRADEX LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), as of the date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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. (The "Act" or the "Companies Act").

**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

## Independent Auditors' Report on Consolidated Financial Statements

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, 2019, 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
Dated : May 22, 2019

## Consolidated Balance Sheet as at March 31, 2019

(₹ lakhs)

| Particulars | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non- current assets** | | | |
| (a) Property, plant and equipment | 5 | **0.41** | 0.24 |
| (b) Financial assets | | | |
| (i) Investments | 6 | **29,518.57** | 28,016.46 |
| (ii) Loans | 7 | **1,502.25** | 1,668.13 |
| (iii) Other financial assets | 8 | **-** | 0.25 |
| (c) Deferred tax assets (net) | 30 | **373.62** | - |
| (d) Other non- current assets | 9 | **793.22** | 793.22 |
| **(2) Current assets** | | | |
| (a) Financial assets | | | |
| (i) Trade receivables | 10 | **0.65** | 9.01 |
| (ii) Cash and cash equivalents | 11 | **23.74** | 13.19 |
| (iii) Loans | 12 | **3.84** | 5.87 |
| (iv) Other financial assets | 13 | **8.10** | 78.67 |
| (b) Current tax assets (net) | 31 | **15.92** | 70.15 |
| (c) Other current assets | 14 | **10.46** | 4.42 |
| **Total assets** | | **32,250.78** | 30,659.61 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 15 | **1,104.91** | 1,104.91 |
| (b) Other equity | 16 | **27,604.80** | 26,327.32 |
| **(1) Non- current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | **941.43** | 692.61 |
| (b) Provisions | 18 | **48.65** | 51.54 |
| (c) Deferred tax liabilities (net) | 30 | **669.43** | 578.60 |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | **1,300.00** | 1,321.01 |
| (ii) Other financial liabilities | 20 | **13.32** | 41.55 |
| (b) Other current liabilities | 21 | **565.05** | 534.61 |
| (c) Provisions | 22 | **3.19** | 7.46 |
| **Total equity and liabilities** | | **32,250.78** | 30,659.61 |

This is the Consolidated Balance Sheet referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Veni Verma**
Director
DIN : 07586927

**G.K. Aggarwal**
Partner
M.No. 086622

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Neeraj Kanagat**
Chief Executive Officer & CFO

Place : New Delhi
Dated : May 22, 2019

## Consolidated Statement of Profit and Loss for the Year Ended March 31, 2019

(₹ lakhs)

| | Particulars | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| | **Income** | | | |
| I | Revenue from operations | 23 | **5.76** | 120.84 |
| II | Other income | 24 | **5,551.66** | - |
| **III** | **Total revenue (I+II)** | | **5,557.42** | 120.84 |
| **IV** | **Expenses** | | | |
| | Employee benefit expenses | 25 | **138.90** | 148.30 |
| | Finance costs | 26 | **82.91** | 70.41 |
| | Depreciation | 5 | **0.09** | 0.08 |
| | Other expenses | 27 | **1,053.80** | 5,364.34 |
| | **Total expenses (IV)** | | **1,275.70** | 5,583.13 |
| **V** | **Profit/(loss) before tax (III-IV)** | | **4,281.72** | (5,462.29) |
| **VI** | **Tax expense** | | | |
| 1) | Current tax | 31 | **0.24** | (3.89) |
| 2) | Deferred tax | 30 | **(435.25)** | (18.61) |
| | **Total tax expense (VI)** | | **(435.01)** | (22.50) |
| **VII** | **Profit/(loss) for the year (V-VI)** | | **4,716.73** | (5,439.79) |
| **VIII** | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit and loss** | | | |
| | i) Re-measurement gains/ (losses) on defined benefit plans | | **1.86** | (1.34) |
| | ii) Income tax effect on above | | **(0.50)** | 0.44 |
| | iii) Gain/(loss) on fair valuation of non-current investments | | **(3,288.65)** | 962.65 |
| | iv) Income tax effect on above | | **(151.96)** | (205.58) |
| | **Total other comprehensive income (VIII)** | | **(3,439.25)** | 756.17 |
| **IX** | **Total comprehensive income for the year (VII+VIII)** (Comprising profit/(loss) and other comprehensive income for the year) | | **1,277.48** | (4,683.62) |
| **X** | **Earnings per equity share of ₹ 2 each** | | | |
| (1) | Basic (₹) | 33 | **8.54** | (9.85) |
| (2) | Diluted (₹) | 33 | **8.54** | (9.85) |

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**G.K. Aggarwal**
Partner
M.No. 086622

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Veni Verma**
Director
DIN : 07586927

**Neeraj Kanagat**
Chief Executive Officer & CFO

Place : New Delhi
Dated : May 22, 2019

## Consolidated Statement of Changes in Equity for the Year Ended March 31, 2019

### A. Equity share capital

(₹ lakhs)

| Balance as at April 1, 2017 | Changes in equity share capital during 2017-18 | Balance as at March 31, 2018 | Changes in equity share capital during 2018-19 | Balance as at March 31, 2019 |
|---|---|---|---|---|
| 1,104.91 | - | 1,104.91 | - | 1,104.91 |

### B. Other equity

(₹ lakhs)

| Particulars | Reserves and surplus | | | | | Items of other comprehensive income — Items that will not be reclassified to profit and loss | | Total |
|---|---|---|---|---|---|---|---|---|
| | Securities premium | Capital reserve | Capital reserve on consolidation | Statutory reserve | Retained earnings | Re-measurements of the net defined benefit plans | Gain/(loss) on fair valuation of non-current investments | |
| **Balance as at April 1, 2017** | **19,697.04** | **1,033.99** | **648.09** | **1,618.69** | **(383.51)** | **0.45** | **8,396.19** | **31,010.94** |
| Profit/(loss) for the year | - | - | - | - | (5,439.79) | - | - | (5,439.79) |
| Other comprehensive income for the year | - | - | - | - | - | (0.90) | 757.07 | 756.17 |
| **Balance as at March 31, 2018** | **19,697.04** | **1,033.99** | **648.09** | **1,618.69** | **(5,823.30)** | **(0.45)** | **9,153.26** | **26,327.32** |
| Profit/(loss) for the year | - | - | - | - | 4,716.73 | - | - | 4,716.73 |
| Other Comprehensive income for the year | - | - | - | - | - | 1.36 | (3,440.61) | (3,439.25) |
| **Balance as at March 31, 2019** | **19,697.04** | **1,033.99** | **648.09** | **1,618.69** | **(1,106.57)** | **0.91** | **5,712.65** | **27,604.80** |

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**G.K. Aggarwal**
Partner
M.No. 086622

Place : New Delhi
Dated : May 22, 2019

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Veni Verma**
Director
DIN : 07586927

**Neeraj Kanagat**
Chief Executive Officer & CFO

HEXA TRADEX

# Consolidated Statement of Cash Flow for the Year Ended March 31, 2019

(₹ lakhs)

| Particulars | **Year ended March 31, 2019** | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| **A. CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES** | | | | |
| **Net profit/(loss) before tax** | | **4,281.72** | | (5,462.29) |
| Adjustments for: | | | | |
| Add/(less): | | | | |
| Interest expense and bank charges | **82.91** | | 70.41 | |
| Dividend income | **(5.16)** | | (4.30) | |
| Effect of unrealised foreign exchange (gain)/loss (net) | **31.85** | | 5.09 | |
| Liabilities written back | **(22.36)** | | - | |
| Loss on sale of property, plant and equipment and intangibles (net) | **0.09** | | 0.02 | |
| Bad debts | **9.11** | | - | |
| Provision for sub- standard assets | **162.33** | | - | |
| Provision for doubtful assets | **-** | | 5,042.57 | |
| Provision for doubtful asset written back | **(5,483.55)** | | - | |
| Loss on fair valuation of non-current investments | **692.79** | | 266.98 | |
| Interest income | **(9.93)** | | (116.54) | |
| Interest reversed on non performing assets | **78.67** | | - | |
| Depreciation | **0.09** | **(4,463.16)** | 0.08 | 5,264.31 |
| **Operating profit before working capital changes** | | **(181.44)** | | (197.98) |
| Changes in operating assets and liabilities: | | | | |
| Trade receivables | **(0.75)** | | 0.27 | |
| Loans, other financial assets and other assets | **(12.47)** | | 135.59 | |
| Trade payables, Other financial liabilities, provisions and other liabilities | **(7.27)** | **(20.49)** | 0.41 | 136.27 |
| **Cash generated from operations** | | **(201.93)** | | (61.71) |
| Tax refund / (paid) | | **53.99** | | (15.78) |
| **Net cash inflow / (outflow) from operating activities** | | **(147.94)** | | (77.49) |
| **B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES** | | | | |
| Purchase of property, plant and equipment | **(0.36)** | | (0.05) | |
| Sale proceeds from property, plant and equipment | **0.01** | | - | |
| Interest received | **9.93** | | 64.08 | |
| **Net cash inflow / (outflow) from investing activities** | | **9.58** | | 64.03 |
| **C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES** | | | | |
| Interest and bank charges paid | **(5.49)** | | (13.25) | |
| Dividend received | **5.16** | | 4.30 | |
| Loan from related parties | **220.25** | | 243.93 | |
| Loan repaid to related parties | **(71.01)** | | (248.80) | |
| **Net cash inflow/(outflow) from financing activities** | | **148.91** | | (13.82) |
| **Net changes in cash and cash equivalent** | | **10.55** | | (27.28) |
| Cash and cash equivalent (opening balance) | | **13.19** | | 40.47 |
| **Cash and cash equivalent (closing balance)** | | **23.74** | | 13.19 |

**Notes:**

1. Increase/(decrease) in current borrowings are shown net of repayments.
2. Figures in bracket indicates cash outflow.
3. The above cash flow statement has been prepared under the indirect method set out in IND AS - 7 'Statement of Cash Flows'
4. Significant non cash movements in borrowings are towards foreign exchange fluctuations and other adjustments ₹ Nil lakhs March 31, 2018 ₹ Nil lakhs).

This is the Consolidated Statement of Cash Flows referred to in our report of even date.
The accompanying notes are integral part of these financial statements.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Veni Verma**
Director
DIN : 07586927

**G.K. Aggarwal**
Partner
M.No. 086622

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Neeraj Kanagat**
Chief Executive Officer & CFO

Place : New Delhi
Dated : May 22, 2019

## Notes to Consolidated Financial Statements

**1. Corporate and general information**

Hexa Tradex Limited ("Hexa" or "Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of Hexa is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, District Mathura, 281403 (U.P.) India.

Under Companies Act, 2013, Group is defined as parent, subsidiaries, joint ventures and associates. For the purpose of these financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

**2. Basis of preparation**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Group has consistently applied the accounting policies used in the preparation for all periods presented.

The significant accounting policies used in preparing the consolidated financial statements are set out in Note 3 of the Notes to the consolidated financial statements.

**3. Significant accounting policies**

**3.1 Basis of measurement**

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- certain financial assets and liabilities, except certain investments and borrowings carried at amortised cost,
- defined benefit plans- plan assets measured at fair value,

The consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional and presentation currency and all amounts are rounded to the nearest lakhs (₹ 00,000) and two decimals thereof, except as stated otherwise.

**3.2 Use of estimates**

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 4 on critical accounting estimates, assumptions and judgements).

**3.3 Basis of consolidation**

The consolidated financial statements relate to Parent and subsidiary ('Group'). Subsidiary are those entities in which the Parent directly or indirectly, has interest more than 50% of the voting power or otherwise control the composition of the board or governing body so as to obtain economic benefits from activities. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The consolidated financial statements have been prepared on the following basis:-

a. The financial statements of the subsidiary are combined on a line-by–line basis by adding together the like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and unrealized profits or losses in accordance with IND AS 110 –'Consolidated Financial Statements' notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time.

## Notes to Consolidated Financial Statements

b. Non-controlling interest (NCI) in the results and net assets of the consolidated subsidiary is identified and presented in the consolidated statement of profit and loss, balance sheet and statement of change in equity separately from liabilities and the equity attributable to the Parent's shareholders. NCI in the net assets of the consolidated subsidiary consists of:

- The amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and

- The NCI share of movement in the equity since the date the parent subsidiary relationship came into existence.

c. NCI in the total comprehensive income (comprising of profit and loss and other comprehensive income) for the year, of consolidated subsidiary is identified and adjusted against the total comprehensive income of the Group. Where accumulated losses attributable to the NCI before the date of transition to IND AS i.e. April 1, 2014 are in excess of their equity, in the absence of actual obligation of the NCI, the same is accounted for by Parent. However, losses attributable over and above the share of NCI are borne by NCI even if it results in their deficit balance subsequent to IND AS transition date.

d. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.

**3.4 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Group chief operating decision maker. The board of directors of Hexa Tradex Limited has appointed Group CEO who assesses the financial performance and position of the Group, and make strategic decisions. The CEO has been identified as being the chief decision maker.

**3.5 Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Estimated useful lives of the assets are as follows:

| Category of assets | Life (in years) |
|---|---|
| Office equipments | 5 |
| Computer equipments | 3 |

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss in the year of disposal or retirement.

## Notes to Consolidated Financial Statements

**3.6 Impairment of non-current assets**

Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**3.7 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**3.8 Employee benefits**

a) Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Leave encashment is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c) Contribution to provident fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

   The present value of the defined benefit obligation denominated in Indian Rupees (₹) is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

   The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

   Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

   Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

   The Group operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered fund. Funds are managed by trust. The trust have policies from an insurance company. These benefits are partially funded.

## Notes to Consolidated Financial Statements

**3.9 Foreign currency reinstatement**

**a) Functional and presentation currency**

Consolidated financial statements have been presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

**b) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in statement of profit and loss.

Exchange gain and loss on creditors and other than financing activities are presented in the statement of profit and loss, as other income and as other expenses respectively. Foreign exchange gain and losses on financing activities to the extent that they are regarded as an adjustment to interest costs are presented in the statement of profit and loss as finance cost and balance gain and loss are presented in statement of profit and loss as other income and as other expenses respectively.

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

**3.10 Financial instruments- initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a) Financial assets**

Financial assets are classified at amortised cost or fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

**Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

**Investment in equity instruments**

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through profit or loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in other comprehensive income. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains

## Notes to Consolidated Financial Statements

and losses to profit and loss. Dividends from such investments are recognised in profit and loss, when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**De-recognition of financial asset**

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**b) Financial liabilities**

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

**i) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Group has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognised in the statement of profit and loss.

**ii) Financial liabilities measured at amortised cost**

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has unconditional right to defer settlement of the liability for atleast twelve months after reporting period.

**Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## Notes to Consolidated Financial Statements

**De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**3.11 Equity share capital**

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

**3.12 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred. All other borrowing costs are expensed in the period in which they occur.

**3.13 Taxation**

Income tax expenses or credit for the period comprised of tax payable on the current period's taxable income based on the applicable income tax rate, the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, minimum alternative tax (MAT) and previous year tax adjustments.

Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

The current income tax charge or credit is calculated on the basis of the tax law enacted after considering allowances, exemptions and unused tax losses under the provisions of the applicable income tax laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

The Group recognises credit of MAT as an asset when there is reasonable certainty that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account and included in the deferred tax assets. The carrying amount of MAT is reviewed at each balance sheet date.

**3.14 Revenue recognition and other income**

The Group has adopted the new standard Ind AS 115, "Revenue from contracts with customers" from April 1, 2018, applying the modified retrospective approach which provides that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2018 and comparatives will not be restated. Ind AS 115 have not any impact on the amount or timing of recognition of reported revenue.

## Notes to Consolidated Financial Statements

The Group recognises revenue as per the required five step process for revenue recognition which depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Five step process

1. Identify contracts with customers;
2. Identify the separate performance obligation;
3. Determine the transaction price of the contract;
4. Allocate the transaction price to each of the separate performance obligations, and
5. Recognise the revenue as each performance obligation is satisfied.

**a) Sale of goods**

Revenue from sale of goods is recognised when control of products, being sold has been transferred to the customer and when there are no longer any unfulfilled obligations to the customer.

**b) Dividend**

Dividend income is recognised when the right to receive dividend is established.

**c) Other income**

**Interest-** Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**3.15 Dividend distribution**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

**3.16 Earnings per share**

Basic earnings per share is computed using the net profit/(loss) for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**3.17 Provisions and contingencies**

**a) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used

## Notes to Consolidated Financial Statements

to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**i) Gratuity and leave encashment provision**

Refer note 3.8 for provision relating to gratuity and leave encashment.

**b) Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### 3.18 Current versus non-current classification

The Group presents assets and liabilities in balance sheet based on current/non-current classification. The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 3.19 Recent accounting pronouncements

**New and amended standards applied**

The Group has applied the following standards and amendments for the first time for the period commencing from April 1, 2018. The adoption of these standards did not have any material impact on the current period or any impact on comparative period and is not likely to affect future periods.

a) The new standard Ind AS 115, "Revenue from contracts with customers" is mandatory for financial year commencing on April 1, 2018 and early adoption was not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. Also refer note 3.14.

b) The Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, "The effects of changes in foreign exchange rates". The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt. The Group adopted the amendment prospectively to items in scope of the appendix that are initially recognised on or after April 1, 2018.

c) Amendments to Ind AS 12, "Income Taxes" regarding recognition of deferred tax assets on unrealised losses, the amendment clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base and also clarify certain other aspects of accounting for deferred tax assets set out below:

   1. A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

   2. The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

   3. Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

   4. Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

   The Group has adopted the amendment using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2018 and that comparatives will not be reinstated. There is no impact on adoption of the amendment on the current year and comparative year reported.

d) Amendment to Ind AS 112, "Disclosure of interest in other entities", the amendment clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current assets held for sale and discontinued operations. The Group adopted the amendment retrospectively on transactions that are initially recognised on or after April 1, 2018. There is no impact on the financial statements for the amendment.

## Notes to Consolidated Financial Statements

**Standards issued but not yet effective**

The new standards, amendments to standards that are issued but not yet effective are discussed below:

| **Title of standard** | **Ind AS 116, Leases** |
|---|---|
| Nature of change | Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.<br><br>Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets.<br><br>The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.<br><br>Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.<br><br>The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. |
| Impact | The Group is in the process of assessing the detailed potential impact of Ind AS 116, Leases on its financial statements and related disclosures.<br><br>The Group will be able to reasonably estimate the impact of Ind AS 116 on the financial statement after completion of above stated assessment. |
| Date of adoption | The Group intends to adopt the standard using the modified retrospective transition approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2019 and that comparatives will not be restated. |

### 4. Critical accounting estimates, assumptions and judgements

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

**(a) Property, plant and equipment**

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable, the estimates and assumptions made to determine depreciation are critical to the Group's financial position and performance.

## Notes to Consolidated Financial Statements

**(b) Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

**(c) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

**(d) Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

### 5. Property, plant and equipment

(₹ lakhs)

| Particulars | Office equipments | Computer equipment | Total |
|---|---|---|---|
| **Gross block** | | | |
| **As at April 1, 2017** | 0.40 | 0.41 | 0.81 |
| Additions | 0.05 | - | 0.05 |
| Less: Disposal/adjustments | 0.05 | - | 0.05 |
| **As at March 31, 2018** | **0.40** | **0.41** | **0.81** |
| Additions | 0.36 | - | 0.36 |
| Less: Disposal/adjustments | 0.25 | - | 0.25 |
| **As at March 31, 2019** | **0.51** | **0.41** | **0.92** |
| **Accumulated depreciation** | | | |
| **As at April 1, 2017** | 0.13 | 0.39 | 0.52 |
| Charge for the year | 0.08 | - | 0.08 |
| Less: Disposal/adjustments | 0.03 | - | 0.03 |
| **As at March 31, 2018** | **0.18** | **0.39** | **0.57** |
| Charge for the year | 0.09 | - | 0.09 |
| Less: Disposal/adjustments | 0.15 | - | 0.15 |
| **As at March 31, 2019** | **0.12** | **0.39** | **0.51** |
| **Net carrying amount** | | | |
| As at March 31, 2018 | 0.22 | 0.02 | 0.24 |
| As at March 31, 2019 | 0.39 | 0.02 | 0.41 |

## Notes to Consolidated Financial Statements

### 6. Non- current investments

| Particulars | As at March 31, 2019 | | | As at March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | **No. of shares** | **Face value (₹)** | **₹ lakhs** | **No. of shares** | **Face value (₹)** | **₹ lakhs** |
| **Non-trade** | | | | | | |
| **I. Equity instruments (fully paid up)** | | | | | | |
| **A. Others- quoted (at fair value through other comprehensive income)** | | | | | | |
| a) JSW Steel Limited | **13,620** | **1** | **39.91** | 13,620 | 1 | 39.25 |
| b) JSW Holdings Limited | **334** | **10** | **9.56** | 334 | 10 | 5.53 |
| c) Jindal Stainless Limited (refer note i) | **49,31,175** | **2** | **2,002.06** | 49,31,175 | 2 | 3,863.58 |
| d) Jindal Stainless (Hisar) Limited (refer note i) | **49,31,175** | **2** | **4,622.98** | 49,31,175 | 2 | 6,674.35 |
| | | | **6,674.51** | | | 10,582.71 |
| **B. Others- quoted (at fair value through statement of profit and loss)** | | | | | | |
| a) Shalimar Paints Limited | **15,00,000** | **2** | **1,223.26** | 15,00,000 | 2 | 2,070.76 |
| b) HDFC Bank Limited | **36,205** | **2** | **839.56** | 36,205 | 2 | 684.80 |
| c) ACC Limited | **2** | **10** | **0.03** | 2 | 10 | 0.03 |
| d) Dr. Reddy's Laboratories Limited | **4** | **5** | **0.11** | 4 | 5 | 0.08 |
| e) Electrosteel Castings Limited | **20** | **1** | **-** | 20 | 1 | - |
| f) Ambuja Cement Limited | **15** | **2** | **0.04** | 15 | 2 | 0.03 |
| g) Hindustan Unilever Limited | **2** | **1** | **0.03** | 2 | 1 | 0.03 |
| h) Infosys Limited (refer note ii) | **32** | **5** | **0.12** | 16 | 5 | 0.18 |
| i) Maharashtra Seamless Limited | **4** | **5** | **0.02** | 4 | 5 | 0.02 |
| j) Maruti Suzuki India Limited | **2** | **5** | **0.12** | 2 | 5 | 0.18 |
| k) Man Industries (India) Limited | **4** | **5** | **-** | 4 | 5 | - |
| l) Oil & Natural Gas Corporation Limited | **18** | **5** | **0.03** | 18 | 5 | 0.03 |
| m) PSL Limited | **2** | **10** | **-** | 2 | 10 | - |
| n) Sun Pharmaceutical Industries Limited | **3** | **1** | **0.01** | 3 | 1 | 0.01 |
| o) Reliance Communications Limited | **2** | **5** | **-** | 2 | 5 | - |
| p) Reliance Industries Limited | **8** | **10** | **0.11** | 8 | 10 | 0.07 |
| q) Reliance Infrastructure Limited | **2** | **10** | **0.01** | 2 | 10 | 0.01 |
| r) State Bank of India | **20** | **1** | **0.06** | 20 | 1 | 0.05 |
| s) Tata Steel Limited | **2** | **10** | **0.01** | 2 | 10 | 0.01 |
| t) Tata Motors Limited | **10** | **2** | **0.01** | 10 | 2 | 0.03 |
| u) Welspun Corp. Limited | **2** | **5** | **-** | 2 | 5 | - |
| | | | **2,063.53** | | | 2,756.32 |
| **C. Others- unquoted (at fair value through other comprehensive income)** | | | | | | |
| a) Rohit Tower Building Limited | **2,400** | **100** | **2.40** | 2,400 | 100 | 2.40 |
| b) Sona Bheel Tea Limited | **86,025** | **10** | **106.77** | 86,025 | 10 | 106.77 |
| c) Danta Enterprises Private Limited | **8,189** | **10** | **949.73** | 8,189 | 10 | 751.98 |
| d) OPJ Trading Private Limited | **8,189** | **10** | **0.82** | 8,189 | 10 | 228.27 |
| e) Sahyog Tradecorp Private Limited | **8,189** | **10** | **1,964.70** | 8,189 | 10 | 1,673.80 |
| f) Virtuous Tradecorp Private Limited | **8,189** | **10** | **844.00** | 8,189 | 10 | 684.59 |
| g) Brahmputra Capital & Finance Services Limited | **5,20,900** | **10** | **40.35** | 5,20,900 | 10 | 40.34 |
| h) Groovy Trading Private Limited | **10** | **10** | **0.82** | 10 | 10 | - |

## Notes to Consolidated Financial Statements

| Particulars | As at March 31, 2019 | | | As at March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | No. of shares | Face value (₹) | ₹ lakhs | No. of shares | Face value (₹) | ₹ lakhs |
| i) Jindal Holdings Limited | **10** | **10** | **-** | 10 | 10 | - |
| j) Strata Multiventures Private Limited | **819** | **10** | **0.08** | 819 | 10 | 0.08 |
| k) Indusglobe Multiventures Private Limited | **819** | **10** | **133.49** | 819 | 10 | 0.08 |
| l) Divino Multiventures Private Limited | **819** | **10** | **3.59** | 819 | 10 | 0.08 |
| m) Genova Multisolutions Private Limited | **819** | **10** | **0.08** | 819 | 10 | 0.08 |
| n) Radius Multiventures Private Limited | **819** | **10** | **0.08** | 819 | 10 | 0.08 |
| o) Jindal Steel & Alloys Limited | **10** | **10** | **0.01** | 10 | 10 | 0.01 |
| p) Abhinandan Investments Limited | **39,700** | **10** | **94.63** | 39,700 | 10 | 33.44 |
| q) Goswamis Credit & Investments Limited | **28,55,000** | **10** | **-** | 28,55,000 | 10 | - |
| | | | **4,141.55** | | | 3,522.00 |
| **II. Compulsorily convertible preference shares (CCPS) (at amortised cost)** | | | | | | |
| a) Strata Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| b) Indusglobe Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| c) Divino Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| d) Genova Multisolutions Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| e) Radius Multiventures Private Limited | **8,190** | **100** | **8.19** | 8,190 | 100 | 8.19 |
| f) Sahyog Tradecorp Private Limited | **8,19,000** | **100** | **-** | 8,19,000 | 100 | - |
| | | | **40.95** | | | 40.95 |
| **III. 9% Non-cumulative redeemable preference shares (NCRPS) (at amortised cost)** | | | | | | |
| a) Goswamis Credit & Investments Limited | **28,08,333** | **100** | **2,808.33** | 28,08,333 | 100 | 2,808.33 |
| b) Mansarover Investments Limited | **20,93,070** | **100** | **2,093.07** | 20,93,070 | 100 | 2,093.07 |
| c) Renuka Financial Services Limited | **21,99,002** | **100** | **2,199.00** | 21,99,002 | 100 | 2,199.00 |
| d) Stainless Investments Limited | **6,70,327** | **100** | **670.33** | 6,70,327 | 100 | 670.33 |
| e) Everplus Securities and Finance Company Limited | **2,19,250** | **100** | **219.26** | 2,19,250 | 100 | 219.26 |
| f) Manjula Finances Limited | **27,21,000** | **100** | **-** | 27,21,000 | 100 | - |
| g) Jindal Equipment Leasing & Consultancy Services Limited | **20,80,493** | **100** | **2,080.49** | 20,80,493 | 100 | 2,080.49 |
| h) Nalwa Investments Limited | **10,44,000** | **100** | **1,044.00** | 10,44,000 | 100 | 1,044.00 |
| i) Colorado Trading Company Limited | **54,83,547** | **100** | **5,483.55** | - | - | - |
| | | | **16,598.03** | | | 11,114.48 |
| **Total** | | | **29,518.57** | | | 28,016.46 |
| Aggregate value of quoted investments | | | **8,738.04** | | | 13,339.03 |
| Market value of quoted investments | | | **8,738.04** | | | 13,339.03 |
| Aggregate value of unquoted investments | | | **20,780.53** | | | 14,677.43 |

**Notes:**

i) 49,27,470 (March 31, 2018 49,27,470) equity shares of Jindal Stainless Limited & 49,31,175 (March 31, 2018 49,31,175) 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.

ii) During the year Infosys Limited has issued bonus shares in the ratio of 1:1

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **7 Non- current loans** | | |
| **Secured, considered good** | | |
| Loans to other party | **1,664.93** | 1,664.93 |
| Less: Provision (refer note 37) | **(166.49)** | - |
| **Unsecured, considered good** | | |
| Loans to employees | **3.81** | 3.20 |
| **Total non- current loans** | **1,502.25** | 1,668.13 |
| **8 Other non-current financial assets** | | |
| **Unsecured, considered good** | | |
| Security deposits | **-** | 0.25 |
| **Total other non-current financial assets** | **-** | 0.25 |
| **9 Other non- current assets** | | |
| **Unsecured, considered good** | | |
| Capital advances to related party (refer note 45) | **793.22** | 793.22 |
| **Total other non- current assets** | **793.22** | 793.22 |
| **10 Trade receivables** | | |
| **Unsecured, considered good** | | |
| Related party (refer note 45) | **0.65** | - |
| Other than related parties | **-** | 9.01 |
| **Total trade receivables** | **0.65** | 9.01 |
| Also refer note 28 | | |
| **11 Cash and cash equivalents** | | |
| **Balances with banks** | | |
| In current accounts | **23.74** | 13.19 |
| Cash on hand* | **-** | - |
| **Total cash and cash equivalents** | **23.74** | 13.19 |
| *Absolute amount as on March 31, 2019 ₹ 276/- (March 31, 2018 ₹ 276/-) | | |
| **12 Current loans** | | |
| **Unsecured, considered good** | | |
| Loans to employees | **3.84** | 5.87 |
| **Doubtful** | | |
| Loan to related parties (refer note 45) | **820.95** | 6,304.50 |
| Loans to other party | **119.30** | 119.30 |
| Less: provision (refer note 38) | **(940.25)** | (6,423.80) |
| **Total current loans** | **3.84** | 5.87 |

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **13 Other current financial assets** | | |
| **Unsecured, considered good** | | |
| Interest receivable | **-** | 78.67 |
| Non-trade receivables | **8.10** | - |
| **Total other current financial assets** | **8.10** | 78.67 |
| **14 Other current assets** | | |
| Prepaid expenses | **0.10** | 0.11 |
| Advance to vendors | **0.95** | 0.87 |
| Balances with state and central government authorities | **9.41** | 3.44 |
| **Total other current assets** | **10.46** | 4.42 |
| **15 Equity share capital** | | |
| **Authorised** | | |
| 7,50,00,000 equity shares of ₹ 2/- each | **1,500.00** | 1,500.00 |
| | **1,500.00** | 1,500.00 |
| **Issued, subscribed and paid-up** | | |
| 5,52,45,354 equity shares (March 31, 2018 5,52,45,354) of ₹ 2/- each fully paid-up | **1,104.91** | 1,104.91 |
| **Total equity share capital** | **1,104.91** | 1,104.91 |
| **a) Reconciliation of the number of shares:** | | |
| Shares outstanding as at the beginning of the year | **5,52,45,354** | 5,52,45,354 |
| **Shares outstanding as at the end of the year** | **5,52,45,354** | 5,52,45,354 |

**b) Details of shareholders holding more than 5% shares in Parent**

| Name of Shareholders | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| Nalwa Sons Investments Limited | **1,07,10,000** | **19.39%** | 1,07,10,000 | 19.39% |
| Sigma Tech Inc | **60,24,000** | **10.90%** | 60,24,000 | 10.90% |
| Cresta Fund Limited | **54,89,085** | **9.94%** | 54,89,085 | 9.94% |
| Albula Investment Fund Limited | **50,04,027** | **9.06%** | 50,04,027 | 9.06% |
| **Total** | **2,72,27,112** | **49.29%** | 2,72,27,112 | 49.29% |

**c)** Aggregate number of bonus shares issued, shares issued for consideration other than cash, shares bought back during the period of five years immediately preceding the reporting date. Nil Nil

**d)** 650 equity shares have been held in abeyance, and not allotted due to attachment orders by Court.

**e) Terms/ rights attached to equity shares:**

The Parent has only one class of equity shares having a par value of ₹ 2/- per equity share and holder of the equity share is entitled to one vote per share. The dividend proposed by the Board of Directors of Parent is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the Group, the holders of the equity shares will be entitled to receive the remaining assets of the Group in proportion to the number of equity shares held.

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **16 Other equity** | | |
| **i) Capital reserve** | | |
| Balance as per last financial statements | **1,033.99** | 1,033.99 |
| **Closing balance** | **1,033.99** | 1,033.99 |
| **ii) Securities premium** | | |
| Balance as per last financial statements | **19,697.04** | 19,697.04 |
| **Closing balance** | **19,697.04** | 19,697.04 |
| **iii) Capital reserve on consolidation** | | |
| Balance as per last financial statements | **648.09** | 648.09 |
| **Closing balance** | **648.09** | 648.09 |
| **iv) Statutory reserve** | | |
| Balance as per last financial statements | **1,618.69** | 1,618.69 |
| Add: Addition for the year | **1,112.56** | - |
| **Closing balance** | **2,731.25** | 1,618.69 |
| **v) Other comprehensive income** | | |
| **Items that will not be reclassified to profit and loss** | | |
| **a) Re-measurements of the net defined benefit plans** | | |
| Balance as per last financial statements | **(0.45)** | 0.45 |
| Add: Addition for the year | **1.36** | (0.90) |
| **Closing balance** | **0.91** | (0.45) |
| **b) Gain/(loss) on fair valuation of non-current investments** | | |
| Balance as per last financial statements | **9,153.26** | 8,396.19 |
| Add: Addition for the year | **(3,440.61)** | 757.07 |
| **Closing balance** | **5,712.65** | 9,153.26 |
| **Closing balance (a+b)** | **5,713.56** | 9,152.81 |
| **vi) Retained earnings** | | |
| Balance as per last financial statements | **(5,823.30)** | (383.51) |
| Add: Net profit/(loss) for the year | **4,716.73** | (5,439.79) |
| Less: Transfer to statutory reserve | **(1,112.56)** | - |
| **Closing balance** | **(2,219.13)** | (5,823.30) |
| **Total other equity** | **27,604.80** | 26,327.32 |

**Nature of reserves:**

Retained earnings represent the undistributed profits of the Group.

Other comprehensive income reserve represent the balance in equity for items to be accounted in other comprehensive income. OCI is classified into (i) Items that will not be reclassified to profit and loss (ii) Items that will be reclassified to profit and loss.

Securities Premium represents the amount received in excess of par value of securities (equity shares, preference shares and debentures).

Capital reserve on consolidation represents gain on business combination.

Statutory reserve is the reserve to be created by subsidiary as non-banking finance company (NBFC) under reserve bank of India regulation.

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **17 Non- current borrowings** | | |
| **Unsecured, considered good** | | |
| From related parties (refer note 45) | **941.43** | 692.61 |
| **Total non- current borrowings** | **941.43** | 692.61 |

The above loan is repayable in one bullet instalment and carries interest rate range from @ 9.95% p.a. to 11.20% p.a. (March 31, 2018 11.00% p.a.).

There is no default in repayment of principal and interest.

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **18 Non- current provisions** | | |
| **Provision for employee benefits** | | |
| Gratuity | **22.16** | 20.48 |
| Leave encashment | **26.49** | 31.06 |
| **Total non- current provisions** | **48.65** | 51.54 |
| Refer note 43 and note 44 | | |
| **19 Current borrowings** | | |
| **Unsecured, considered good** | | |
| From related parties (refer note 45) | **-** | 21.01 |
| From related parties- Zero Coupon Optionally Convertible Bonds (refer note 45) | **1,300.00** | 1,300.00 |
| **Total current borrowings** | **1,300.00** | 1,321.01 |

The loan from related parties has been repaid during the year and carried interest @ 9.00% p.a..
Zero coupon 13,00,000 optionally convertible bonds of ₹ 100 each aggregating to ₹ 1,300 lakhs have an option to convert each bond into equity share of ₹ 10 each of subsidiary company at the rate of ₹ 80 per equity share any time up to 30.09.2022.

There is no default in repayment of principal and interest.

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **20 Other current financial liabilities** | | |
| Interest accrued but not due | **-** | 1.15 |
| Dues to employees | **5.66** | 8.63 |
| Other outstanding financial liabilities # | **7.66** | 31.77 |
| **Total other current financial liabilities** | **13.32** | 41.55 |
| # includes provision for expenses. | | |
| **21 Other current liabilities** | | |
| Statutory dues | **7.71** | 9.58 |
| Other outstanding liabilities | **557.34** | 525.03 |
| **Total other current liabilities** | **565.05** | 534.61 |
| **22 Current provisions** | | |
| **Provision for employee benefits** | | |
| Gratuity | **1.95** | 1.95 |
| Leave encashment | **1.24** | 1.35 |
| Provision for standard assets (refer note 36) | **-** | 4.16 |
| **Total current provisions** | **3.19** | 7.46 |
| Also refer note 43 and note 44 | | |

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **23 Revenue from operations** | | |
| Interest on loans | **-** | 116.54 |
| **Other operating revenues** | | |
| Consultancy income | **0.60** | - |
| Dividend income | **5.16** | 4.30 |
| | **5.76** | 4.30 |
| **Total revenue from operations** | **5.76** | 120.84 |
| **24 Other income** | | |
| Interest income on income tax refund | **9.93** | - |
| Net gain/ (loss) on foreign currency transactions | **26.82** | - |
| Provision for doubtful asset written back | **5,483.55** | - |
| Liabilities written back | **22.36** | - |
| Other non operating income | **9.00** | - |
| | **5,551.66** | - |
| **25 Employee benefit expenses** | | |
| Salary and wages | **125.78** | 130.49 |
| Contribution to provident and other funds | **11.84** | 16.79 |
| Workmen and staff welfare | **1.28** | 1.02 |
| **Total employee benefit expenses** | **138.90** | 148.30 |
| Also refer note 43 | | |
| **26 Finance costs** | | |
| **Interest expense** | | |
| Borrowings | **82.87** | 70.27 |
| Other bank charges | **0.04** | 0.14 |
| **Total finance costs** | **82.91** | 70.41 |

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **27 Other expenses** | | |
| Rent | **0.32** | 0.38 |
| Repair and maintenance- others | **0.35** | 0.42 |
| Travelling and conveyance | **10.67** | 9.94 |
| Postage and telephone | **5.43** | 3.64 |
| Legal and professional fees | **21.42** | 24.35 |
| Directors' meeting fees | **6.50** | 4.72 |
| Auditors' remuneration [refer note 32(a)] | **1.57** | 1.94 |
| Bad debts | **9.11** | - |
| Advertisement | **1.61** | 1.57 |
| Net (gain)/ loss on foreign currency transactions | **58.67** | 5.09 |
| Loss on sale/ discard of property, plant and equipment (net) | **0.09** | 0.02 |
| Provision for sub- standard assets (refer note 37) | **162.33** | - |
| Provision for doubtful assets (refer note 38) | **-** | 5,042.57 |
| Interest reversed on non performing assets | **78.67** | - |
| Loss on fair valuation of non-current investments | **692.79** | 266.98 |
| Miscellaneous expenses | **4.27** | 2.72 |
| **Total other expenses** | **1,053.80** | 5,364.34 |

**28. Financial risk management**

**28.1 Financial risk factors**

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for Group's operations. The Group has loans, trade and other receivables and cash that arise directly from its operations. The Group's activities expose it to a variety of financial risks:

**i) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2019 and March 31, 2018.

**ii) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

**iii) Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury department under policies approved by the board of directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk.

## Notes to Consolidated Financial Statements

**Market Risk**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

**a) Foreign exchange risk and sensitivity**

The Group transacts business primarily in USD and GBP. The Group has obtained foreign currency trade payables and is therefore, exposed to foreign exchange risk.

**Exposure to foreign currency risk expressed in Indian rupees:-**

(₹ lakhs)

| Particulars | USD | GBP |
|---|---|---|
| **As at March 31, 2019** | | |
| Other current liabilities | 557.09 | - |
| **Total** | **557.09** | **-** |
| **As at March 31, 2018** | | |
| Other financials liabilities | - | 22.58 |
| Other current liabilities | 525.03 | - |
| **Total** | **525.03** | **22.58** |

The following table demonstrates the sensitivity in the USD and GBP currencies to the Indian Rupee with all other variables held constant. The impact on the Group's profit/(loss) before tax due to changes in the fair value of monetary assets and liabilities is given below:

| Particulars | Net monetary items in respective currency outstanding on reporting date (absolute amount) | Change in currency exchange rate | Effect on profit/(loss) before tax (₹ lakhs) |
|---|---|---|---|
| **As at March 31, 2019** | | | |
| USD | (8,05,626.51) | +5% | (27.85) |
| | | -5% | 27.85 |
| **As at March 31, 2018** | | | |
| USD | (8,05,626.51) | +5% | (26.25) |
| | | -5% | 26.25 |
| GBP | (24,720.00) | +5% | (1.13) |
| | | -5% | 1.13 |

The assumed movement in exchange rate sensitivity analysis is based on the management's assessment of currently observable market environment.

**Summary of exchange difference accounted in Statement of Profit and Loss:**

(₹ lakhs)

| Particulars | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| **Currency fluctuations** | | |
| Net foreign currency loss shown as other expenses | **58.67** | 5.09 |
| Net foreign currency gain shown as other income | **26.82** | - |

## Notes to Consolidated Financial Statements

**b) Interest rate risk and sensitivity**

As at March 31, 2019, 100% of the Group's borrowings are at a floating rate of interest (March 31, 2018 100%).

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of borrowings:

| Interest rate sensitivity | Increase/ (decrease) in basis points | Effect on profit/ (loss) before tax (₹ lakhs) |
|---|---|---|
| **For the year ended March 31, 2019** | | |
| INR borrowings | +50 | (4.71) |
| | -50 | 4.71 |
| **For the year ended March 31, 2018** | | |
| INR borrowings | +50 | (3.46) |
| | -50 | 3.46 |

The assumed movement in basis points for interest rate sensitivity analysis is based on the management's assessment of currently observable market environment.

**Interest rate and currency of borrowings:**

(₹ lakhs)

| Particulars | Total borrowings | Floating rate borrowings | Fixed rate borrowings | Weighted average interest rate (%) |
|---|---|---|---|---|
| INR | 2,241.43 | 941.43 | 1,300.00 | 4.73% |
| **Total as at March 31, 2019** | **2,241.43** | **941.43** | **1,300.00** | |
| INR | 2,013.62 | 692.61 | 1,321.01 | 3.86% |
| **Total as at March 31, 2018** | **2,013.62** | **692.61** | **1,321.01** | |

**i) Credit risk**

Credit risk arises from cash and cash equivalents, deposited with banks, credit exposures from customers including outstanding receivables and other financial instruments.

**ii) Trade receivables**

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low.

**iii) Others**

For cash and cash equivalents and deposit held with banks, the Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations.

There are no receivables which have significant increase in credit risk or credit impaired.

## Notes to Consolidated Financial Statements

**The ageing of trade receivable are provided below:**

(₹ lakhs)

| Particulars | Neither due nor impaired | Past due | | | Total |
|---|---|---|---|---|---|
| | | upto 6 months | 6 to 12 months | Above12 months | |
| **As at March 31, 2019** | | | | | |
| **Unsecured, considered good** | | | | | |
| Related party | 0.65 | - | - | - | 0.65 |
| **Gross Total** | **0.65** | **-** | **-** | **-** | **0.65** |
| **As at March 31, 2018** | | | | | |
| **Unsecured, considered good** | | | | | |
| Other than related parties | - | - | - | 9.01 | 9.01 |
| **Gross Total** | **-** | **-** | **-** | **9.01** | **9.01** |

**c) Liquidity risk**

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(₹ lakhs)

| Particulars | On demand/ overdue | Less than 6 months | 6 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2019** | | | | | |
| Interest bearing borrowings | - | - | 1,300.00 | 941.43 | 2,241.43 |
| Other financial liabilities | - | 8.51 | 4.81 | - | 13.32 |
| **Total** | **-** | **8.51** | **1,304.81** | **941.43** | **2,254.75** |
| **As at March 31, 2018** | | | | | |
| Interest bearing borrowings | - | - | 1,321.01 | 692.61 | 2,013.62 |
| Other financial liabilities | - | 34.57 | 6.98 | - | 41.55 |
| **Total** | **-** | **34.57** | **1,327.99** | **692.61** | **2,055.17** |

## Notes to Consolidated Financial Statements

**28.2 Competition risk**

The Group faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

**28.3 Capital risk management**

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and year ended March 31, 2018.

For the purpose of the Group's capital management, capital includes issued share capital and other equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

During FY 2018-19, the Group's strategy was to maintain a suitable gearing ratio and gearing ratios at March 31, 2019 and March 31, 2018 are as follows:

**(₹ lakhs)**

| **Particulars** | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Loans and borrowings | **2,241.43** | 2,013.62 |
| Less: cash and cash equivalents | **(23.74)** | (13.19) |
| **Net debt (A)** | **2,217.69** | 2,000.43 |
| Total capital | **28,709.71** | 27,432.23 |
| **Capital and net debt (B)** | **30,927.40** | 29,432.66 |
| Gearing ratio (A/B) | **7.17%** | 6.80% |

## Notes to Consolidated Financial Statements

**29. Fair value of financial assets and liabilities**

The below table provides the carrying amounts and fair value of the financial instruments recognised basis category in the financial statements.

(₹ lakhs)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets designated at fair value through other comprehensive income** | | | | |
| Investment in equity shares | **10,816.06** | **10,816.06** | 14,104.71 | 14,104.71 |
| **Financial assets designated at fair value through statement of profit and loss** | | | | |
| Investment in equity shares | **2,063.53** | **2,063.53** | 2,756.32 | 2,756.32 |
| **Financial assets designated at amortised cost** | | | | |
| Cash and bank balances | **23.74** | **23.74** | 13.19 | 13.19 |
| Investment in preference shares | **16,638.98** | **16,638.98** | 11,155.43 | 11,155.43 |
| Trade receivables | **0.65** | **0.65** | 9.01 | 9.01 |
| Other financial assets | **1,514.19** | **1,514.19** | 1,752.92 | 1,752.92 |
| | **31,057.15** | **31,057.15** | 29,791.58 | 29,791.58 |
| **Financial liabilities designated at amortised cost** | | | | |
| Borrowings- fixed rate | **1,300.00** | **1,300.00** | 1,321.01 | 1,321.01 |
| Borrowings- floating rate | **941.43** | **941.43** | 692.61 | 692.61 |
| Other financial liabilities | **13.32** | **13.32** | 41.55 | 41.55 |
| | **2,254.75** | **2,254.75** | 2,055.17 | 2,055.17 |

**Fair valuation techniques**

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant available data. The fair values of the financial assets and liabilities represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following methods and assumptions were used to estimate the fair values:**

1) Fair value of cash and bank, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2) Long-term fixed-rate and variable-rate loans/ borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the Group's borrowings rate. Risk of non-performance for the Group is considered to be insignificant in valuation.

## Notes to Consolidated Financial Statements

**Fair Value hierarchy**

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date like mutual funds. The mutual funds are valued using the closing net assets value (NAV) as at the balance sheet date.

Level 2: It includes fair value of the financial instruments that are not traded in an active market like over-the-counter derivatives, which is valued by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 2 as described below:-

**Assets/liabilities measured at fair value (accounted)**

**(₹ lakhs)**

| Particulars | As at March 31, 2019 | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **Financial assets** | | | |
| Investment in equity shares | 8,738.04 | 4,141.55 | - |

**(₹ lakhs)**

| Particulars | As at March 31, 2018 | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **Financial assets** | | | |
| Investment in equity shares | 13,339.03 | 3,522.00 | - |

**Assets/liabilities recognised at amortised cost for which fair value is disclosed**

**(₹ lakhs)**

| Particulars | As at March 31, 2019 | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **Financial liabilities** | | | |
| Borrowings- fixed rate | - | 1,300.00 | - |
| Other financial liabilities | - | 13.32 | - |

**(₹ lakhs)**

| Particulars | As at March 31, 2018 | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **Financial liabilities** | | | |
| Borrowings- fixed rate | - | 1,321.01 | - |
| Other financial liabilities | - | 41.55 | - |

During the year ended March 31, 2019 and year ended March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements. Further there is no transfer in or out and also no balance under level 3 fair value measurements.

## Notes to Consolidated Financial Statements

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at March 31, 2019 and March 31, 2018, respectively:

**Assets/liabilities measured at fair value**

| **Particulars** | **Fair value hierarchy** | **Valuation technique** | **Inputs used** |
|---|---|---|---|
| **Financial assets** | | | |
| **Non- current investments** | | | |
| - Unquoted | Level 2 | Market valuation techniques | Net worth from latest audited financials |
| - Quoted | Level 1 | Market valuation techniques | As per trade price on stock exchange |

**Assets / liabilities for which fair value is disclosed**

| **Particulars** | **Fair value hierarchy** | **Valuation technique** | **Inputs used** |
|---|---|---|---|
| **Financial liabilities** | | | |
| Borrowings- fixed rate | Level 2 | Discounted Cash Flow | Prevailing interest rates to discount future cash flows |
| Other financial liabilities | Level 2 | Discounted Cash Flow | Prevailing interest rates to discount future cash flows |

### 30. Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities dealt in the statement of profit and loss is as follows.

**(₹ lakhs)**

| **Particulars** | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| Book base and tax base of property, plant and equipment | **(0.04)** | 0.02 |
| Brought forward losses carried forward and others | **(435.21)** | (18.63) |
| **Total** | **(435.25)** | **(18.61)** |

**Component of tax accounted in other comprehensive income**

**(₹ lakhs)**

| **Particulars** | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| **Component of OCI** | | |
| Deferred tax credit/(expense) on defined benefit | **(0.50)** | 0.44 |
| Deferred tax credit/(expense) on fair valuation of investments | **(151.96)** | (205.58) |

## Notes to Consolidated Financial Statements

**Deferred tax liabilities (Net)**

(₹ lakhs)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| | **Temporary difference** | | |
| **(i)** | **Deferred tax liabilities** | | |
| | (i) Fair valuation of investments | **902.84** | 750.27 |
| | **Total deferred tax liabilities** | **902.84** | 750.27 |
| **(ii)** | **Deferred tax assets** | | |
| | (i) Difference between book & tax base related to property, plant and equipment | **0.07** | 0.03 |
| | (ii) Carried forward losses | **223.09** | 155.21 |
| | (iii) Disallowance under income tax | **10.25** | 16.43 |
| | **Total deferred tax assets** | **233.41** | 171.67 |
| **(iii)** | **Net liabilities of temporary differences (i-ii)** | **669.43** | 578.60 |

**Deferred tax assets (net)**

(₹ lakhs)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| | **Temporary difference** | | |
| **(i)** | **Deferred tax liabilities** | | |
| | (i) Allowance under income tax and others | **1,437.78** | - |
| | **Total deferred tax liabilities** | **1,437.78** | - |
| **(ii)** | **Deferred tax assets** | | |
| | (i) Carried forward losses | **37.20** | - |
| | (ii) Disallowance under income tax | **1,774.20** | - |
| | **Total deferred tax assets** | **1,811.40** | - |
| **(iii)** | **Net assets of temporary differences (ii-i)** | **373.62** | - |

**31. Income tax**

**Total tax expense reconciliation**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Current tax** | | |
| - Previous year tax adjustments | **0.24** | (3.89) |
| **Deferred tax** | | |
| - Relating to origination & reversal of temporary differences | **(435.25)** | (18.61) |
| | **(435.01)** | (22.50) |

## Notes to Consolidated Financial Statements

**Effective tax reconciliation**

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Net profit/(loss) before taxes** | **4,281.72** | (5,462.29) |
| Enacted tax rates | **25%** | 25% |
| **Computed tax expense** | **1,070.62** | (1,365.81) |
| **Increase/(decrease) in taxes on account of:** | | |
| Previous year tax adjustments | **(1,736.83)** | (17.35) |
| Other non deductible expenses | **1,209.25** | 1,337.57 |
| Income not taxable /exempt from tax | **(978.05)** | (1.11) |
| Change in rate of tax | **-** | 24.20 |
| **Income tax expense reported** | **(435.01)** | (22.50) |

**Current tax assets/(liabilities) (net)**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Current tax assets (net) | **15.92** | 70.15 |

**32. Other disclosures**

**a. Auditors' remuneration**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| i. Audit fee | **1.51** | 1.49 |
| ii. Tax audit fee | **0.06** | 0.06 |
| iii. Certification/others | **-** | 0.39 |
| **Total** | **1.57** | 1.94 |

**b. Details of loans given, investment made and guarantees given, covered u/s 186(4) of the Companies Act 2013.**

-Loans given and investment made are given under the respective heads.

## Notes to Consolidated Financial Statements

### 33. Earnings per share

(Number of shares)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Issued equity shares | **5,52,45,354** | 5,52,45,354 |
| **Weighted average number of equity shares used as denominator in the computation of basic and diluted earnings per equity share- (A)** | **5,52,45,354** | **5,52,45,354** |

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit/(loss) for the year after tax- (B) (₹ lakhs)** | **4,716.73** | (5,439.79) |
| Basic earnings per share (B/A) (₹) | **8.54** | (9.85) |
| Diluted earnings per share (B/A) (₹) | **8.54** | (9.85) |

### 34. Impairment review

Assets are tested for impairment annually or whenever there are any indicators for impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or group of CGUs within the Group at which assets are monitored for internal management purpose. The impairment assessment is based on higher of value in use and fair value less cost of disposal.

### 35. Corporate social responsibility

Details of expenditure on corporate social responsibility activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below:

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Amount required to be spent | **Nil** | 9.59 |

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | | | Year ended March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | Total | In cash | Yet to be paid | Total | In cash | Yet to be paid |
| Amount spent | **Nil** | **Nil** | **Nil** | Nil | Nil | Nil |

**36.** In subsidiary company, provision for standard assets amounting to ₹ Nil (March 31, 2018 4.16 lakhs) has been made at 0.25% of the outstanding standard assets. As per para 14 of Non-Systemically important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Opening balance | 4.16 | 4.16 |
| Add: Transfer to provision for sub- standard assets | (4.16) | - |
| **Closing balance** | **-** | 4.16 |

## Notes to Consolidated Financial Statements

**37.** In subsidiary company, provision for non-performing loans and advances has been made by the management considering prudential norms prescribed by the Reserve Bank of India.

**(₹ lakhs)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Opening balance | **-** | 560.29 |
| Add: Provision made during the year | **162.33** | - |
| Add: Transfer from standard assets | **4.16** | - |
| Less: Transfer to doubtful assets | **-** | (560.29) |
| **Closing balance** | **166.49** | - |

**38.** In subsidiary company, provision for doubtful loans and advances has been made by the management considering prudential norms prescribed by the Reserve Bank of India.

**(₹ lakhs)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Opening balance | **6,423.80** | 820.94 |
| Add: Provision made during the year | **-** | 5,042.57 |
| Add: Transfer from sub-standard assets | **-** | 560.29 |
| Less: Provision written back during the year | **(5,483.55)** | - |
| **Closing balance** | **940.25** | 6,423.80 |

**39.** In subsidiary company, 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, subsidiary 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 subsidiary company since the subsidiary company is a non-systemic NBFC Company.

**40. Information related to standalone financial statement**

Parent Company is listed on stock exchange in India. Parent Company has prepared standalone financial statement as required under Companies Act, 2013 and listing requirements. The standalone financial statement is available on Parent's website for public use.

## Notes to Consolidated Financial Statements

### 41. Financial information pursuant to schedule III of Companies Act, 2013

| Name of the enterprise | Net assets (total assets minus total liabilities) | | Share in profit and loss | | Share in other comprehsive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | ₹ lakhs | As % of consolidated profit / (loss) | ₹ lakhs | As % of consolidated other comprehensive income | ₹ lakhs | As % of consolidated total comprehensive income | ₹ lakhs |
| **Parent** | | | | | | | | |
| Hexa Tradex Limited | 85.00% | 24,434.43 | -3.00% | (137.55) | -14.00% | 472.18 | 26.00% | 334.63 |
| **Subsidiary- Indian** | | | | | | | | |
| Hexa Securities and Finance Company Limited | 88.00% | 25,308.54 | 103.00% | 4,854.28 | 114.00% | (3,911.43) | 74.00% | 942.85 |
| Consol adjustments | -73.00% | (21,033.26) | 0.00% | - | 0.00% | - | 0.00% | - |
| **Total** | **100.00%** | **28,709.71** | **100.00%** | **4,716.73** | **100.00%** | **(3,439.25)** | **100.00%** | **1,277.48** |

The above figures for Parent and its subsidiary are before inter-company eliminations and consolidation adjustments.

### 42 Segment information

The Group has two business segments viz. trading activities and investment and finance including consultancy. Group's operations are carried out in India and all assets are also located in India, hence, there is no reportable secondary business segment.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Group CEO (Chief operating decision maker).

**a) Primary business segment:**

**(₹ lakhs)**

| S. No. | Particulars | Year Ended March 31, 2019 | | | | Year Ended March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Trading Activities | Investment and Finance | Un allocable | Total | Trading Activities | Investment and Finance | Un allocable | Total |
| 1 | **Segment revenue** | | | | | | | | |
| | Revenue from operations | **0.60** | **5.16** | **-** | **5.76** | - | 120.84 | - | 120.84 |
| 2 | **Segment result before interest, other income and taxes** | **(229.37)** | **(957.66)** | **-** | **(1,187.03)** | (178.31) | (5,213.57) | - | (5,391.88) |
| | Less: Interest expenses | | | | **(82.91)** | | | | (70.41) |
| | Add: Other income | | | | **5,551.66** | | | | - |
| | **Profit/(loss) before taxes** | | | | **4,281.72** | | | | (5,462.29) |
| | Less: Tax expense/(credit) | | | | **(435.01)** | | | | (22.50) |
| | **Net profit/(loss) after tax** | | | | **4,716.73** | | | | (5,439.79) |
| 3 | **Other information** | | | | | | | | |
| | Segment assets | **31.56** | **31,822.03** | **397.19** | **32,250.78** | 23.66 | 30,556.73 | 79.22 | 30,659.61 |
| | Segment liabilities | **869.44** | **1,950.36** | **721.27** | **3,541.07** | 667.25 | 1,926.69 | 633.44 | 3,227.38 |
| | Capital expenditure | **0.36** | **-** | **-** | **0.36** | 0.05 | - | - | 0.05 |
| | Depreciation | **0.09** | **-** | **-** | **0.09** | 0.08 | - | - | 0.08 |

## Notes to Consolidated Financial Statements

**Unallocated assets comprises of:**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Loans to employees | 7.65 | 9.07 |
| Current tax assets (net) | 15.92 | 70.15 |
| Deferred tax assets (net) | 373.62 | - |
| **Total** | **397.19** | 79.22 |

**Unallocated liabilities comprises of:**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Provisions | 51.84 | 54.84 |
| Deferred tax liabilities (net) | 669.43 | 578.60 |
| **Total** | **721.27** | 633.44 |

**b) Information about major customers**

No customer individually accounted for more than 10% of the revenue.

### 43. Employee Benefit Obligations

The Group has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. Refer table below for the expense recognised during the period towards defined contribution plan:

**1. Expense recognised for defined contribution plan**

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Group's contribution to provident fund | 8.30 | 8.36 |
| **Total** | **8.30** | 8.36 |

## Notes to Consolidated Financial Statements

2. Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the consolidated Balance Sheet as at March 31, 2019 and March 31, 2018, being the respective measurement dates:

**2.a. Movement in defined benefit obligations**

(₹ lakhs)

| Particulars | Gratuity (funded) | Leave Encashment (unfunded) |
|---|---|---|
| Present value of obligation as at April 1, 2017 | 25.83 | 29.56 |
| Current service cost | 2.57 | 2.77 |
| Past service cost | 4.88 | - |
| Interest cost | 2.00 | 2.29 |
| Benefits paid | - | (4.96) |
| Remeasurements- actuarial loss/ (gain) | 0.43 | 2.75 |
| **Present value of obligation as at March 31, 2018** | **35.71** | **32.41** |
| **Present value of obligation as at April 1, 2018** | 35.71 | 32.41 |
| Current service cost | 1.80 | 1.44 |
| Interest cost | 2.77 | 2.50 |
| Benefits paid | (3.40) | (8.47) |
| Remeasurements- actuarial loss/ (gain) | (2.05) | (0.15) |
| **Present value of obligation as at March 31, 2019** | **34.83** | **27.73** |

**2.b. Movement in plan assets – gratuity**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Fair value of plan assets at beginning of year | **13.28** | 13.17 |
| Expected return on plan assets | **1.03** | 1.02 |
| Benefits paid | **(3.40)** | - |
| Actuarial gain / (loss) | **(0.19)** | (0.91) |
| **Fair value of plan assets at end of year** | **10.72** | 13.28 |
| Present value of obligation | **34.83** | 35.71 |
| Net funded status of plan # | **(24.11)** | (22.43) |
| Actual return on plan assets | **0.84** | 0.11 |

# The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans in line with the actuary's latest recommendations.

## Notes to Consolidated Financial Statements

**2.c. Recognised in statement of profit and loss**

(₹ lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current service cost | 2.57 | 2.77 |
| Past service Cost | 4.88 | - |
| Interest cost | 2.00 | 2.29 |
| Expected return on plan assets | (1.02) | - |
| Remeasurement- actuarial loss/(gain) | - | 2.75 |
| **For the year ended March 31, 2018** | **8.43** | **7.81** |
| Actual return on plan assets | 0.11 | |
| Current service cost | 1.80 | 1.44 |
| Interest cost | 2.77 | 2.50 |
| Expected return on plan assets | (1.03) | - |
| Remeasurement- actuarial loss/(gain) | - | (0.15) |
| **For the year ended March 31, 2019** | **3.54** | **3.79** |
| Actual return on plan assets | 0.84 | |

**2.d. Recognised in other comprehensive income**

(₹ lakhs)

| Particulars | Gratuity |
|---|---|
| Remeasurement- actuarial loss/(gain) | 1.34 |
| **Total for the year ended March 31, 2018** | **1.34** |
| Remeasurement- actuarial loss/(gain) | (1.86) |
| **Total for the year ended March 31, 2019** | **(1.86)** |

**2.e. The principal actuarial assumptions used for estimating the Group's defined benefit obligations are set out below:**

| Particulars | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Attrition rate | **5.00% per annum** | 5.00% per annum |
| Discount rate | **7.75 % per annum** | 7.75 % per annum |
| Expected rate of increase in salary | **11.00 % per annum** | 11.00 % per annum |
| Expected rate of return on plan assets | **7.75% per annum** | 7.75% per annum |
| Mortality rate | **IALM 2006-08 ultimate** | IALM 2006-08 ultimate |
| Average future service of employees (years) | **18.70** | 17.20 |

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

## Notes to Consolidated Financial Statements

**2.f. Sensitivity analysis:**

**As at March 31, 2019**

(₹ lakhs)

| Particulars | Change in assumption | Effect on gratuity obligation |
|---|---|---|
| Discount rate | +1% | 32.46 |
| | -1% | 37.60 |
| Salary growth rate | +1% | 37.01 |
| | -1% | 33.00 |
| Withdrawal rate | +1% | 34.32 |
| | -1% | 35.40 |

**As at March 31, 2018**

(₹ lakhs)

| Particulars | Change in assumption | Effect on gratuity obligation |
|---|---|---|
| Discount rate | +1% | 32.93 |
| | -1% | 38.99 |
| Salary growth rate | +1% | 38.33 |
| | -1% | 33.54 |
| Withdrawal rate | +1% | 35.05 |
| | -1% | 36.46 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet. The method and types of assumption used in preparing the sensitivity analysis did not change as compared to the previous year.

**2.g. History of experience adjustments is as follows:**

(₹ lakhs)

| Particulars | Gratuity |
|---|---|
| **For the year ended March 31, 2018** | |
| Plan liabilities - (loss) / gain | (6.06) |
| Plan assets - (loss) / gain | (0.91) |
| **For the year ended March 31, 2019** | |
| Plan liabilities- (loss)/gain | 2.05 |
| Plan assets- (loss)/gain | (0.19) |

**2.h. Expected contribution during the next annual reporting period**

(₹ lakhs)

| Particulars | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Company's best estimate of contribution to post employment benefit plans for the next year | **2.99** | 3.59 |

## Notes to Consolidated Financial Statements

**2.i. Maturity profile of defined benefit obligation**

(Figures in no.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Weighted average duration (based on discounted cash flows) in years | **12** | 14 |

**2.j. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)**

(₹ lakhs)

| Particulars | Gratuity |
|---|---|
| April 1, 2019 to March 31, 2020 | 1.95 |
| April 1, 2020 to March 31, 2021 | 1.95 |
| April 1, 2021 to March 31, 2022 | 1.95 |
| April 1, 2022 to March 31, 2023 | 1.95 |
| April 1, 2023 to March 31, 2024 | 20.80 |
| April 1, 2024 onwards | 6.73 |

**2.k. Employee benefits provision**

(₹ lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Gratuity | **24.11** | 22.43 |
| Leave encashment | **27.73** | 32.41 |
| **Total** | **51.84** | 54.84 |

**2.l. Current and non-current provision for gratuity and leave encashment**
**As at March 31, 2019**

(₹ lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 1.95 | 1.24 |
| Non- current provision | 22.16 | 26.49 |
| **Total provision** | **24.11** | **27.73** |

**As at March 31, 2018**

(₹ lakhs)

| Particulars | Gratuity | Leave Encashment |
|---|---|---|
| Current provision | 1.95 | 1.35 |
| Non- current provision | 20.48 | 31.06 |
| **Total Provision** | **22.43** | **32.41** |

## Notes to Consolidated Financial Statements

### 2.m.Employee benefits expense

(₹ lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Salaries and wages (excluding leave encashment) | **110.14** | 105.90 |
| Costs-defined benefit plan | **11.84** | 16.79 |
| Costs-defined contribution plan (including leave encashment) | **15.64** | 24.59 |
| Welfare expenses | **1.28** | 1.02 |
| **Total** | **138.90** | 148.30 |

(Figures in no.)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Average no. of people employed | **5** | 6 |

**OCI presentation of defined benefit plan**

Gratuity is in the nature of defined benefit plan, Accordingly, re-measurement gains and losses on gratuity is presented under OCI as an Item that will not be reclassified to profit and loss alongwith income tax effect on the same.

**Presentation in statement of profit and loss and balance sheet**

Expense for service cost, net interest cost and expected return on plan assets is charged to statement of Profit and Loss.

Actuarial liability for leave encashment and gratuity is shown as current and non-current provision in balance sheet. The Group has taken policy from an insurance company for managing gratuity fund.

The major categories of plan assets for the year ended March 31, 2018 and March 31, 2019 has not been provided by the insurance company. Accordingly, the disclosure for major categories of plan assets has not been provided.

**Risk exposure**

The Group has taken group gratuity policies from an insurance company. Contribution towards policies are done annually basis demand from the insurance company.

The insurance policy is non participating variable insurance plan and will not participate in the profits of the insurance company.

These policies provide for minimum floor rate (MFR), i.e. a guaranteed interest rate that the policy account will earn during the entire policy term. In addition to MFR the insurance company shall also declare a non-zero positive additional interest rate (AIR) at the beginning of every financial quarter on the policy account and AIR shall remain guaranteed for that financial quarter. In addition to this, the policy also earns residual addition. Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility**

This may arise from volatility in asset values due to market fluctuations. Most of the plan asset investments are in fixed income securities.

**Changes in government bond yields**

The plan liabilities are calculated using a discount rate set with reference to government bond yields. A decrease in government bond yields will increase plan liabilities and vice-versa, although this will be partially offset by an increase in the value of the plans' holdings in such bonds.

## Notes to Consolidated Financial Statements

**Salary cost inflation risk**

The present value of the defined benefit plan liability is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**44. Provisions**

Movement in provision during the financial year are provided below:

(₹ lakhs)

| Particulars | Employee Benefits |
|---|---|
| As at April 1, 2017 | 42.23 |
| Provision during the year | 12.96 |
| Remeasurement loss/(gain) accounted in OCI | 1.34 |
| Payment during the year | (4.96) |
| Interest charge | 3.27 |
| **As at March 31, 2018** | **54.84** |
| **As at April 1, 2018** | **54.84** |
| Provision during the year | 3.09 |
| Remeasurement loss/(gain) accounted in OCI | (1.86) |
| Payment during the year | (8.47) |
| Interest charge | 4.24 |
| **As at March 31, 2019** | **51.84** |
| **As at March 31, 2018** | |
| Current | 3.30 |
| Non current | 51.54 |
| **As at March 31, 2019** | |
| Current | 3.19 |
| Non current | 48.65 |

Refer Note 3.8 for nature and brief of employee benefit provision.

## Notes to Consolidated Financial Statements

**45. Related parties disclosures**

In accordance with the requirements of IND AS 24 on Related Party Disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are provided below:

**Related party name and relationship**

**1. Key management personnel**

| Name | Designation |
|---|---|
| **A. Parent** | |
| 1. Dr. Raj Kamal Aggarwal | Director |
| 2. Mr. Girish Sharma | Director |
| 3. Ms. Veni Verma | Director |
| 4. Mr. Neeraj Kanagat | Chief Executive Officer & CFO |
| 5. Mr. Pravesh Srivastava | Company Secretary |
| **B. Subsidiary** | |
| 1. Mr. Ranjit Malik | Whole Time Director and CFO |
| 2. Mr. Rahul Kumar (upto January 12, 2018) | Company Secretary |
| 3. Mr. Shivam Aggarwal (w.e.f. February 4, 2019) | Company Secretary |

**2. Relatives of key management personnel where transactions have taken place**

| Name of relative | Relationship |
|---|---|
| 1. Ms. Reena Kanagat | Wife of Mr. Neeraj Kanagat |

**3. Entities where control exist- direct subsidiary**

| | Name of the entity | Principal place of operation / Country of Incorporation | Principal activities | % Shareholding /Voting Power | |
|---|---|---|---|---|---|
| | | | | As at March 31, 2019 | As at March 31, 2018 |
| 1. | Hexa Securities and Finance Company Limited | India | Non-banking finance services | 100% | 100% |

**4. Entities where key management personnel and their relatives exercise significant influence**

1. Jindal Saw Limited
2. Glebe Trading Private Limited
3. JSW Steel Limited
4. JITF Shipyards Limited
5. Danta Enterprises Private Limited
6. Green Delhi BQS Limited
7. Jindal Equipment and Leasing Company Limited
8. Nalwa Engineering Company Limited
9. Stainless Investment Limited
10. Colorado Trading Company Limited

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | | Key management Personnel (KMP) | | Relative of KMP and Enterprises over which KMP and their relatives having significant influence | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| **A.** | **Transactions for the year ended** | | | | |
| **1.** | **Sale of services** | | | | |
| | Jindal Saw Limited | **-** | - | **0.71** | - |
| | Nalwa Engineering Company Limited | **-** | - | **9.00** | - |
| **2.** | **Loan given** | | | | |
| | Mr. Ranjit Malik | **5.00** | - | **-** | - |
| **3.** | **Loan received back** | | | | |
| | Mr. Neeraj Kanagat | **3.50** | 6.00 | **-** | - |
| | Mr. Pravesh Srivastava | **1.67** | 1.67 | **-** | - |
| **4.** | **Purchase of services** | | | | |
| | Ms. Reena Kanagat | **-** | - | **8.95** | 7.35 |
| **5.** | **Expenses reimbursed** | | | | |
| | Mr. Rahul Kumar | **-** | 0.23 | **-** | - |
| | Mr. Shivam Aggarwal | **0.04** | - | **-** | - |
| | Jindal Saw Limited | **-** | - | **17.32** | 17.86 |
| **6.** | **Dividend income** | | | | |
| | JSW Steel Limited | **-** | - | **0.44** | 0.31 |
| **7.** | **Rent expense** | | | | |
| | Jindal Saw Limited | **-** | - | **0.38** | 0.38 |
| **8.** | **Loan taken** | | | | |
| | Glebe Trading Private Limited | **-** | - | **220.25** | 243.93 |
| **9.** | **Loan repaid** | | | | |
| | Glebe Trading Private Limited | **-** | - | **50.00** | 135.78 |
| | Jindal Equipment and Leasing Company Limited | **-** | - | **8.15** | 113.02 |
| | Nalwa Engineering Company Limited | **-** | - | **12.86** | - |
| **10.** | **Interest expense** | | | | |
| | Glebe Trading Private Limited | **-** | - | **67.59** | 48.26 |
| | Danta Enterprises Private Limited | **-** | - | **15.14** | 13.98 |
| | Jindal Equipment and Leasing Company Limited | **-** | - | **0.14** | 6.86 |
| | Nalwa Engineering Company Limited | **-** | - | **-** | 1.17 |
| **11.** | **Conversion of loan in preference shares** | | | | |
| | Colorado Trading Company Limited | **-** | - | **5,483.55** | - |

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Particulars | Key management Personnel (KMP) | | Relative of KMP and Enterprises over which KMP and their relatives having significant influence | |
|---|---|---|---|---|
| | **March 31, 2019** | **March 31, 2018** | **March 31, 2019** | **March 31, 2018** |
| **B. Outstanding balances as at** | | | | |
| **1. Loan receivable** | | | | |
| Mr. Neeraj Kanagat | **-** | 3.50 | **-** | - |
| Mr. Pravesh Srivastava | **0.14** | 1.81 | **-** | - |
| Mr. Ranjit Malik | **5.00** | - | **-** | - |
| Green Delhi BQS Limited | **-** | - | **820.95** | 820.95 |
| Colorado Trading Company Limited | **-** | - | **-** | 5,483.55 |
| **2. Loan payable** | | | | |
| Glebe Trading Private Limited | **-** | - | **784.42** | 549.98 |
| Danta Enterprises Private Limited | **-** | - | **157.01** | 142.63 |
| Jindal Equipment and Leasing Company Limited | **-** | - | **-** | 8.12 |
| Stainless Investment Limited | **-** | - | **1,100.00** | 1,100.00 |
| Everplus Securities and Finance Limited | **-** | - | **200.00** | 200.00 |
| Nalwa Engineering Company Limited | **-** | - | **-** | 14.04 |
| **3. Receivables** | | | | |
| Jindal Saw Limited | **-** | - | **0.65** | - |
| Nalwa Engineering Company Limited | **-** | - | **8.10** | - |
| **4. Payables** | | | | |
| Jindal Saw Limited | **-** | - | **-** | 1.46 |
| Mr. Shivam Aggarwal | **0.04** | - | **-** | - |
| **5. Capital advance receivable** | | | | |
| JITF Shipyards Limited | **-** | - | **793.22** | 793.22 |

**Terms and conditions of transactions with related parties:**

All related party transactions entered during the year were in ordinary course of the business. All outstanding receivable balances are unsecured and repayable in cash.

**Key management personnel compensation:**

(₹ lakhs)

| Particulars | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| Short-term benefits * | **114.40** | 98.08 |
| Post-employment benefits | | |
| - Defined contribution plan $ # | **13.06** | 10.87 |
| - Defined benefit plan # | **-** | - |
| Other long-term benefits | **-** | - |
| Share-based payment @ | **-** | - |
| Dividend paid | **-** | - |
| **Total** | **127.46** | 108.95 |

## Notes to Consolidated Financial Statements

(₹ lakhs)

| Name | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Mr. Neeraj Kanagat | **76.43** | 66.25 |
| Mr. Pravesh Srivastava | **20.16** | 15.35 |
| Mr. Ranjit Malik | **23.95** | 18.73 |
| Others | **6.92** | 8.62 |
| | **127.46** | **108.95** |

* Including bonus, sitting fee, commission and value of perquisites.

# The liability for gratuity and leave encashment are provided on actuarial basis for the Group as a whole. Accordingly amounts accrued pertaining to key managerial personnel are not included above.

$ including PF, leave encashment paid and any other benefit.

**46.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)- ₹ 1,052.78 lakhs (March 31, 2018 ₹ 1,052.78 lakhs).

**47.** The consolidated financial statements for the year ended March 31, 2019 are approved and adopted by board of directors of the Parent in their meeting dated May 22, 2019.

**48.** Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

For and on behalf of Board of Directors of Hexa Tradex Limited

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

**G.K. Aggarwal**
Partner
M.No. 086622

**Raj Kamal Aggarwal**
Director
DIN : 00005349

**Pravesh Srivastava**
Company Secretary
M. No. A20993

**Veni Verma**
Director
DIN : 07586927

**Neeraj Kanagat**
Chief Executive Officer & CFO

Place : New Delhi
Dated : May 22, 2019

# NOTICE

## Notice

NOTICE is hereby given that the 8th Annual General Meeting (AGM) of the Members of Hexa Tradex Ltd. will be held at registered office at A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.) – 281 403 on Monday, the 9th day of September, 2019 at 2.00 P.M. to transact the following businesses:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statement of the Company for the financial year ended 31st March, 2019 and the reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Ms. Veni Verma, (DIN: 07586927), who retires by rotation and, being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Raj Kamal Aggarwal (DIN 00005349), whose first term as an Independent Director would be expired on 9th September, 2019, be and is hereby re-appointed as an Independent Director of the Company for his second term of five consecutive years w.e.f. 10th September, 2019."

Place : New Delhi
Date : 5th August, 2019

By order of the Board
for HEXA TRADEX LTD.

Regd. Office:
A-I ,UPSIDC Indl. Area Nandgaon Road,
Kosi Kalan Distt. Mathura (U.P.)-281 403
CIN- L51101UP2010PLC042382

PRAVESH SRIVASTAVA
Company Secretary
Membership No.: A20993

## Notice

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID & EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ABOVE MEETING.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. For the convenience of members the route map of the venue of the meeting is depicted at the end of the Notice.
3. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents, for consolidation into a single folio.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September, 2019 to 9th September, 2019 (both days inclusive).
7. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, is given hereunder forming part of the Annual Report.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
9. The Members are requested to notify promptly any change in their address to the Company or their depository participant, as the case may be.
10. Members are entitled to make nomination in respect of shares held by them in physical form as per the provisions of section 72 of the Companies Act, 2013. Members desirous of making nomination are requested to send Form SH-13 either to the Company or its Registrar and Share Transfer Agent. Members holding shares in DEMAT form may contact their respective

    Depository Participant for recording nomination in respect of their shares.

    Members are requested to note that pursuant to directions given by SEBI/Stock Exchanges, the Company has appointed RCMC Share Registry Pvt. Ltd., B-25/1, 1st Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 as Registrar and Transfer Agent to look after the work related to shares held in physical as well as demat mode.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall provide their PAN details to the Company/Registrars and Transfer Agent, RCMC Share Registry Pvt. Ltd.

**Notice**

12. As per SEBI mandate, no transfer of shares except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
13. Members are informed that the Company is sending Annual Report through mail to those shareholders who have registered their E-mail ID with the Company/Depository Participant(s). For members who have not registered their email address with Company/ Depository Participant(s), physical copies of the Annual Report for FY 2018-19 is being sent through permitted mode and also be available on the Company's website www.hexatradex.com for their download.
14. In terms of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. Mr. Awanish Kumar Dwivedi of M/s Awanish Dwivedi & Associates, Company Secretaries, New Delhi shall act as the Scrutinizer for this purpose.

    The procedure with respect to e-voting is provided below: -

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    **Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/**

    **Step 2 : Cast your vote electronically on NSDL e-Voting system.**

    Details on Step 1 is mentioned below:

    How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

    Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical** | **Your User ID is:** |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

## Notice

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote
4. Now you are ready for e-Voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

## Notice

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board resolution/authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through an email to awanishdassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

**Other Instructions:**

A. The e-voting period commences at 9.00 a.m. on Friday, 6th September, 2019 and ends at 5.00 p.m. on Sunday, 8th September, 2019. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 2nd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

B. The voting right of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 2nd September, 2019.

C. Mr. Awanish Kumar Dwivedi of M/s Awanish Dwivedi & Associates, Company Secretaries, New Delhi has been appointed as the Scrutinizer to scrutinize the voting through poll at AGM and remote e-voting process in a fair and transparent manner.

D. The Scrutinizer shall after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in employment of the Company and shall not later than two days submit a consolidated scrutinizer's report of the total votes cast in favour and against, if any, forthwith to the Chairman of the Company or any other person authorised by him.

E. The Results declared along with the scrutinizer's report shall be placed on the Company's website www.hexatradex.com and on the website of NSDL within 48 hours of conclusion of the AGM of the Company and communicated to the NSE and BSE where Company's equity shares are listed.

Members/Proxies are requested to bring their copies of the Annual Report to the meeting

Place : New Delhi
Date : 5th August, 2019

By order of the Board
for HEXA TRADEX LTD.

Regd. Office:
A-I ,UPSIDC Indl. Area Nandgaon Road,
Kosi Kalan Distt. Mathura (U.P.)-281 403
CIN- L51101UP2010PLC042382

PRAVESH SRIVASTAVA
Company Secretary
Membership No.: A20993

## Notice

### EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

**Item No. 3**

Dr. Raj Kamal Aggarwal was appointed as an Independent Director for a first term of a period of 5 years by the shareholders in the 3rd Annual General Meeting held on 10th September, 2014 and his tenure will end at 9th September, 2019.

Your Board of Directors, taking into consideration the recommendations of Nomination and Remuneration Committee and given his background, experience and contribution made by him during his tenure as Independent Director and the performance evaluation feels that the continued association of Dr. Raj Kamal Aggarwal would be beneficial to the interest of Company as Independent Director, recommended the appointment of Dr. Raj Kamal Aggarwal for 2nd term of a further period of 5 consecutive years as an Independent Director w.e.f. 10th September, 2019. The Company had received the consent of the above Director for his appointment along with declaration that he met the criteria of independence U/s 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief resume of Dr. Raj Kamal Aggarwal, nature of his expertise and name of the companies in which he holds Directorship(s) and Membership(s)/Chairmanship(s) of Board/Committee, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided in the Annexure to the Notice.

Dr. Raj Kamal Aggarwal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as Director.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise in these resolutions set out at Item Nos. 3 of the Notice.

The Board recommended the appointment of Dr. Raj Kamal Aggarwal as an Independent Director for their second terms of five consecutive years effective from 10th September, 2019 as special resolutions as set out at Item Nos. 3 of the Notice for approval by the members.

## Notice

**Additional Information on directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

| | | |
|---|---|---|
| Name of Director | Ms. Veni Verma | Raj Kamal Aggarwal |
| Director Identification No. | 07586927 | 00005349 |
| Date of Birth | 10.02.1984 | 07.07.1952 |
| Date of Appointment | 12.08.2016 | 01.10.2011 |
| Qualification | Post Graduate | M.B.B.S |
| Brief Resume of the Director | Ms. Veni Verma is a Post Graduate in Human Resources with BBA in HR. She also hold Diploma as certified Trainer from Indian Society for Training & Development. Having around a decade of rich experience in Human Resources & Organisational Development, she holds a strong command on man management. With outclass employee relation management across the organization, she holds a position of repute in Human Resource department of a reputed corporate. | Dr. Raj Kamal Aggarwal is a leading medical practitioner in Delhi. |
| Expertise in Specific Functional Area | Human Resource Management | Corporate Affairs |
| Relationship between directors inter-se | NIL | NIL |
| Directorship in other Listed Companies as on 31.03.2019 | 1. JITF INFRALOGISTICS LIMITED | 1. JINDAL SAW LIMITED<br>2. JITF INFRALOGISTICS LIMITED |
| Chairman/Membership of Committees in other Listed Companies as on 31.3.2018 (C=Chairman; M=Member) | Chairman-1 | Chairman-1<br>Member-2 |
| No. of equity shares held | NIL | NIL |

# HEXA TRADEX LIMITED

CIN: L51101UP2010PLC042382

Registered Office: A-1,UPSIDC **I**ndustrial Area, Nandgaon Road, Kosi Kalan**,** Mathura, UttarPradesh-281403.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

**CIN**:- L51101UP2010PLC042382

**Name of the Company**- HEXA TRADEX LIMITED

**Registered Office**:- A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh-281403.

Name of the Member(s)..................................................   Folio No/Client ID*.....................................................

Registered Address...........................................................   D.P. ID ..............................................................................

.......................................................................................................

E-mail Id....................................................................................

I/We, being the member(s) of..............................................................shares of the above named company. Hereby appoint

Name........................................................................................   E-mail Id .........................................................................

Address.....................................................................................   Signature .......................................................................

.......................................................................................................

or failing him

Name........................................................................................   E-mail Id .........................................................................

Address.....................................................................................   Signature .......................................................................

.......................................................................................................

or failing him

Name........................................................................................   E-mail Id .........................................................................

Address.....................................................................................   Signature .......................................................................

.......................................................................................................

or failing him

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the company, to be held on the Monday, 9th day of September, 2019 at 02.00 p.m. at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh-281403 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S No. | Resolution(s) | Vote | |
|---|---|---|---|
| | | For | Against |
| 1. | Adoption of the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the reports of the Directors and Auditors thereon. | | |

| S No. | Resolution(s) | Vote | |
|---|---|---|---|
| | | **For** | **Against** |
| 2. | Appoint a Director in place of Ms. Veni Verma, who retires by rotation and, being eligible, offers herself for re-appointment. | | |
| 3. | Re-appointment of Dr. Raj Kamal Aggarwal as an Independent Director of the Company for period of 5 consecutive years. | | |

* Applicable for investors holding shares in Electronic form.

Affix Revenue Stamps

Signed this.........................................day of.................................20........................

...................................................... Signature of Shareholder

........................................................ Signature of Proxy holder

................................................................. Signature of the sahareholder across Revenue Stamp

Note:

1] This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2] The proxy need not be a member of the company.

3] This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

# HEXA TRADEX LIMITED

ATTENDANCE SLIP

CIN : L51101UP2010PLC042382

Registered Office : A-1, UPSIDC Indal. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.) – 281 403

**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE**

Joint shareholders may obtain additional Slip at the venue of the meeting

D.P. ID.................................................................................. Folio No. ...................................................................................

Client ID* ....................................................................................... No. of Shares ..........................................................................

Name of the Shareholder: ............................................................................

Address: .......................................................................................................................

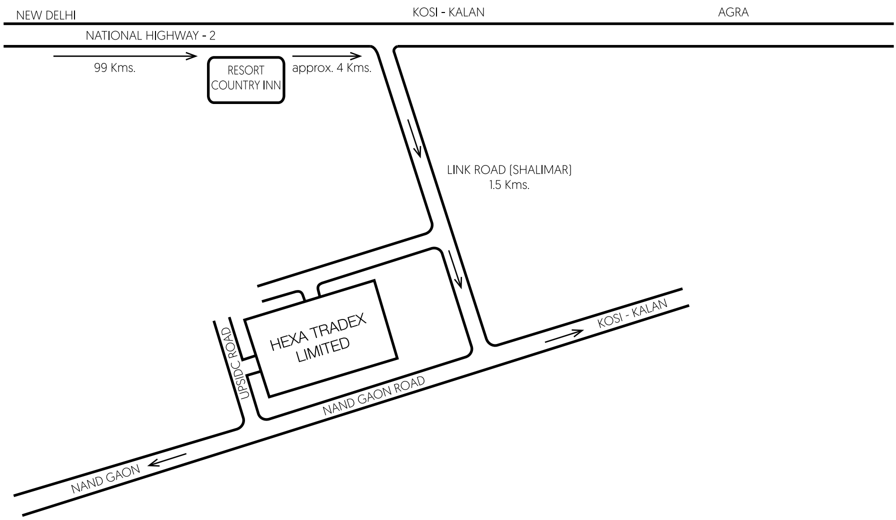
..............................................................................................................................................

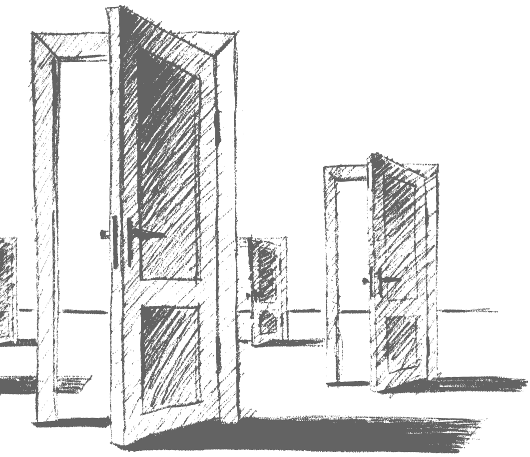
I/We hereby record my /our presence at the 8th Annual General Meeting of the Company at A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.) – 281 403 on Monday, the 9th day of September, 2019 at 02.00 PM

Signature of Shareholder/proxy

*Applicable for investors holding shares in electronic form.

# ROUTE MAP OF MEETING





HEXA TRADEX

**HEXA TRADEX LIMITED**
**JINDAL CENTRE**
12, BHIKAIJI CAMA PLACE,
NEW DELHI - 110 066, INDIA
PHONE: +91-11-26188345
FAX: +91-11-26170691

CIN: L51101UP2010PLC042382

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