

HINCON HOLDINGS LTD



Annual Report | 2018 - 2019

HINCON HOLDINGS LIMITED

CIN : U67120MH1996PLC102787

BOARD OF DIRECTORS

Ajit Gulabchand, Chairman

Shalaka Gulabchand Dhawan, Vice Chairperson

Chandrabhas V. Zaveri

AUDITORS

Mehta & Pai, Chartered Accountants

BANKERS

ICICI Bank Limited

REGISTERED OFFICE

Hincon House, Lal Bahadur Shastri Marg,

Vikhroli (West),

Mumbai 400 083.

Tel.: 022 - 25751000

Fax No. 022-25777568

website: www.hinconholdings.com

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt Ltd

C-101, 247 Park,

L.B.S. Marg, Vikhroli (West),

Mumbai 400 083.

Notice

Notice is hereby given that the 23rd Annual General Meeting of Hincon Holdings Limited will be held on Tuesday, September 24, 2019 at 11.00 a.m. at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083 to transact the following business:

ORDINARY BUSINESS

1. Adoption of the Audited Standalone and Consolidated Financial Statements of the Company

To receive, consider and adopt

- (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 including the Audited Balance Sheet as at March 31, 2019 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 including the Audited Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit & Loss for the year ended on that date together with the Reports of the Auditors thereon.

2. Appointment of a Director, in place of Mr. Ajit Gulabchand (DIN: 00010827), Non Executive Director, who is retiring by rotation

To appoint a Director in place of Mr. Ajit Gulabchand (DIN:00010827), Non-Executive Director, who retires by rotation, in accordance with Section 152 of the Companies Act, 2013 and being eligible, offers himself for reappointment.

3. Appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, M/s. Mehta & Pai, Chartered Accountants, Mumbai (Firm Registration No.113591W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of 5 years from the conclusion of this 23rd Annual General Meeting (23rd AGM) upto the conclusion of the 6th Annual General Meeting (i.e. 28th AGM), on a remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. Extension of pledge on the shares held by Hincon Holdings Limited (Company) in Hindustan Construction Company Ltd (HCC) in relation to the resolution plan with respect to the debt owed by HCC to its Lenders.

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT in addition to the special resolution passed by the shareholders vide Postal Ballot dated August 26, 2016 (**Original Resolutions**) in relation to providing of security by creation of charge by way of pledge on 21,60,23,600 equity shares of face value of Re. 1/- each held by the Company in HCC (**Equity Shares**), to secure the borrowings/loans availed by HCC, and pursuant to provisions of Section 180(1)(a) and Section 186 of the Companies Act, 2013 (the **Act**) read with the Companies (Meetings of Board and Powers) Rules, 2014 as amended from time to time including any statutory modification or re-enactment thereof, for the time being in force, and all other applicable provisions, if any of the Act, consent of the Shareholders be and is hereby accorded to the Board of Directors for extension of the existing pledge over the Equity Shares, in order to secure the Facilities pursuant to the framework agreement to be executed *inter-alia* HCC, the Company and the Lenders and the amendatory and supplemental pledge agreement to the master pledge agreement (**Amendatory and Supplemental Pledge Agreement**);

RESOLVED FURTHER THAT in clarification to the Original Resolutions, the Shareholders hereby consent and ratify the actions taken by the Company for extension of pledge to secure the Facilities including the extension of trust created for the security trustee to hold the pledge for the benefit of the Lenders and the Company do hereby consent, confirm and ratify that any extension of pledge of the Equity Shares pursuant to the Original Resolutions and this resolution can be made with such ranking *inter-se* the Lenders as may be determined by them and that all pledge (including all extensions, amendments and restatements thereof) created/or extended by the Company with all *inter-se* ranking priority amongst the Lenders (first ranking, second ranking, subservient or otherwise) is hereby ratified and confirmed.

RESOLVED FURTHER THAT no further approvals, consents and permissions under the constitutional documents and other provisions of applicable laws are required in relation to the Original Resolution.

RESOLVED FURTHER THAT all the approvals and authorisations accorded by the Original Resolutions shall continue to govern, apply and be valid.

RESOLVED FURTHER THAT for the purposes of giving effect to this resolutions, the Board of Directors of the Company be and is hereby authorised to finalise, settle and execute the Amendatory and Supplemental Pledge Agreement and such other such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem fit, necessary or appropriate."

RESOLVED FURTHER THAT Capitalized terms used herein shall have the meanings given to them under the Framework Agreement.

For and on behalf of the Board of Directors

Ajit Gulabchand
Chairman

Place : Mumbai
Date : May 9,2019

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE 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 MEMBER. IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING I.E. BY 11.00 A.M. ON SUNDAY, SEPTEMBER 22, 2019.**
2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of their Board Resolution together with the respective specimen signature of the representative(s) authorised under the said resolution to attend and vote on their behalf at the Meeting.
3. Members, Proxies and Authorised representatives are requested to bring to the Meeting, the Attendance Slip enclosed herewith duly completed and signed for attending the Meeting.
4. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting, if not already voted through remote e-voting.
5. A Route Map showing the directions to reach the venue

of the Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting".

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 18, 2019 to Tuesday, September 24, 2019 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
 7. The Register of Directors and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
 8. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
 9. Members are hereby informed that Link Intime India Pvt. Ltd is the Company's Registrars and Share Transfer Agents ('R&T agents') whose contact details are as below:
Link Intime India Pvt Ltd
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai 400 083.
Phone: +91 22 49186270
Fax: +91 22 49186060
 10. Further Members are informed that as Company has participated in the National Securities Depository Limited's (NSDL) system for offering Company's Equity shares in dematerialized mode, interested Members can contact their respective Depository Participant (DP) and send the application through their respective DP to Company's R&T agents for dematerialization of the shares held in our Company. The Company's ISIN in NSDL is INE747Q01014.
 11. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, (the Act) the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company and its Associates as defined in the Act for consideration and adoption by the Members of the Company.
- 12. Members are requested to:**
- (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents as mentioned above in respect of their holdings in physical form.
 - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (c) Non-Resident Indian Members are requested to inform Link Intime India Private Limited immediately of

the change in residential status on return to India for permanent settlement.

- (d) Please note that in accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them. Members desirous of making nominations may procure the prescribed form SH-13 from the Registrar & Share Transfer Agents, TSR Darashaw Limited and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in dematerialised mode should file their nomination with their Depository Participant (DP).

13. Green Initiative:

Ministry of Corporate Affairs and SEBI has encouraged paperless communication as a contribution to greener environment.

Members holding shares in physical mode are requested to register their e-mail ID's with Company's Registrar and Share Transfer Agents and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

14. It has been noted that largely Members have not registered their email address so far and hence physical copies of the Annual Report for 2018-19 alongwith the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members in the permitted mode.

Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.hinconholdings.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.

15. Re-appointment of Directors:

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Ajit Gulabchand, Director of the Company (DIN:00010827) , retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

16. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), read with Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time, read with Secretarial Standards-2 on General Meetings relating to the Special Business to be transacted at the ensuing Annual General Meeting (AGM) is annexed hereto and forms part of this Notice.

17. a) The Company has transferred to the Investor Education and Protection Fund (IEPF) on the due date, the unclaimed dividend for the financial year ended March 31, 2011.

Further pursuant to Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "the IEPF Rules"), shares corresponding to the Dividend for FY 2010-11 which had remained unclaimed for a period of seven consecutive years has also been transferred by the Company to IEPF.

- b) Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Registrar & Share Transfer Agents.

Members are requested to note that dividends not claimed within seven years ('Unclaimed Dividend') from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund and the shares corresponding to such Unclaimed Dividend shall also be transferred by the Company to IEPF as per Section 124 of the Companies Act, 2013.

- c) The Company has uploaded/will be uploading the details of the Unclaimed amounts of Dividend of the Members as on September 24, 2019 (date of Annual General Meeting) as per the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, on the website of the Ministry of Corporate Affairs www.mca.gov.in.

18. Voting:

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely, Tuesday, September 17, 2019 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or voting by use of electronic voting or poll paper at the General Meeting venue. If a person was a Member as on the date of dispatch of the notice but has ceased to be a Member as on the cut-off date i.e. Tuesday, September 17,

2019, he / she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

General Information:

In compliance with the provisions of Section 108, of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and sub clause (1) & (2) of Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide remote e-voting facilities to its Members in respect of the business to be transacted at the 23rd Annual General Meeting (AGM) of the Company. The Company has engaged the services of National Securities Depository Ltd. (NSDL) as authorised agency to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM) ('remote e-voting'). It is clarified that it is not mandatory for a Member to vote using remote e-voting facility.

The facility for voting through electronic voting or poll paper shall be made available at the AGM for those Members who have not cast their votes earlier.

The Members who have cast their votes by remote e-voting prior to the AGM may also attend and participate in the AGM but they shall not be entitled to cast their vote again at the AGM.

Members can opt for only one mode of voting i.e. either by remote e-voting or voting at the AGM by electronic voting or poll paper. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and the votes cast at the AGM shall be treated as invalid.

Resolutions passed by Members through remote e-voting or through electronic voting or poll paper at the AGM, are deemed to have been passed as if they have been passed at the AGM.

The remote e-voting period will commence on Friday, September 20, 2019 (9.00 am) and will end on Monday, September 23, 2019 (5.00 pm). During this period, Members of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date of Tuesday, September 17, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, September 17, 2019.

Mr. B. Narasimhan, Proprietor, B. N & Associates, Practicing Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440), or failing him, Mr. Venkataraman K, Practicing Company Secretary

(Membership No. ACS 8897 and Certificate of Practice No. 12459), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at AGM, in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of electronic voting or poll paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting venue, will first ensure that the number of votes cast at the meeting is recorded and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.hinconholding.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal and on the NSE NEAPS Portal.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Tuesday, September 24, 2019.

Voting through Electronic means (E-Voting)

The Company is pleased to provide E-voting facility to all its members, to enable them to cast their votes electronically, instead of physical form. E-voting is optional. The Company has engaged the services of National Securities Depository Limited ('NSDL') as the authorised agency for the purpose of providing e-voting facility to all its members. The instructions for electronic voting are annexed to this Notice. Members cannot exercise votes by proxy, though corporate and institutional members shall be entitled to vote through their authorized representatives with proof of their authorization.

Please carefully read and follow the instructions on Voting through electronic means as printed in this notice. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

A. For Members whose e-mail addresses are registered with the Company / depositories :

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on step 1 are 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.nsd.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.nsd.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 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 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 For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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.nsd.com.
 - b) Physical user reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) 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, tick 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 given 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.
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. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting.hcc@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.nsd.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

B. For Members whose e-mail addresses are not registered with Company / depositories:

Such Members will receive a physical copy of the Notice of AGM. Initial Password is provided below / at the bottom of the Attendance Slip for the AGM.

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

Please follow Step 1 and Step 2 mentioned above, to cast vote.

Additional information:

In case Members have any queries relating to e-voting, they are requested to refer the 'Frequently Asked Questions (FAQs) for Members' and 'Remote e-voting User Manual for Members' available at the downloads section of www.evoting.nsd.com or call on toll free no.: 1800-222-990.

Members may also send their queries relating to e-voting to Ms. Pallavi Mhatre, Assistant Manager, NSDL at : E-mail id: evoting@nsdl.co.in; Toll free No.: 1800-222-990; Tel. No. : 022 2499 4545

Members are requested to update their mobile numbers and e-mail IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, September 17, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer / RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details / Password?' or 'Physical User Reset Password?' option available on www.evoting.nsd.com or contact NSDL at the following toll free no.: 1800-222-990.

19. Members wishing to register for e-communication are requested to inform their respective Depository Participant, in respect of shares held in demat mode or to the Registrars and Share Transfer Agents (RTA) in case of shares held in physical mode, requesting to note the same. The Members registered for e-communication are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the members may also send requests to the Company's investor email id: investor.hinconholdings@hccindia.com.

20. All documents referred to in the accompanying Notice, if any, shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company

For and on behalf of Board of Directors

Ajit Gulabchand
Chairman

Place: Mumbai
Date: May 9, 2019

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") In respect of Special Business

Item No. 4

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up share capital, free reserves and securities premium account, or ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if a special resolution is passed by the members of the Company.

The Members are informed that pursuant to the provisions of Sections 180(1)(a) and 186 of the Companies Act, 2013, the members had passed special resolutions vide postal ballot dated August 26, 2016, and had accorded their permission and authorized the Board of Directors or any duly constituted committee thereof, for creating Security Interest in favour of the Lenders (or their designated agents/ nominees/ trustees) in order to secure the borrowings/loans availed/ to be availed by HCC, by way of pledge over 21,60,23,600 equity shares of face value of Re.1/- each of HCC held by the Company (Equity Shares), notwithstanding that providing such security by way of creation of pledge may exceed the limits specified under Section 186 of the Act.

Pursuant to the 'Reserve Bank of India (Prudential Framework for Resolution Stressed Assets) Directions, 2019' issued by the Reserve Bank of India on June 07, 2019 and the erstwhile 'Resolution of Stressed Assets – Revised Framework' circular issued by the Reserve Bank of India on February 12, 2018, HCC, in which the Company holds 21,60,23,600 equity shares, has proposed a resolution plan in relation to its debt (including cash credit limits and non-fund based limit) of approximately INR 13,032 Crores owed to various lenders that have extended credit facilities to HCC (Lenders) to improve the cashflows of HCC and to reduce its outstanding debt, the resolution plan proposed by HCC inter-alia, provides for monetization of the beneficial interest in certain arbitration awards and claims (Claim Monetization Transaction).

The proceeds (aggregating to INR 1750 Crore) to be received from the Claim Monetization Transaction are proposed to be utilized by HCC towards, inter-alia, (a) capital expenditure, working capital and general corporate expenses of HCC (upto an amount of INR 500 Crore); and (b) repayment of Eligible Prepayment Facilities comprising term loans and certain optionally convertible debentures including yield of HCC aggregating up to a principal amount of [INR 1250 Crore] and accordingly, an inter-se re-arrangement of working capital facilities granted to HCC by the Lenders (for equitable treatment of all Lenders on a pro rata basis) is proposed where under the Lenders agree to the reduction of exposure of certain existing working capital

lenders in working capital facilities to HCC and enhancement/ sanction of working capital facilities (or alternative facilities in the form of corporate loan/cash credit facilities or other facilities by Lenders unable to grant working capital facilities) by other Lenders in place thereof, such that the aggregate working capital exposures (including alternative facilities) of HCC remains the same. The abovementioned transactions are being captured inter-alia under a framework agreement to be executed inter-alia HCC, the Company and the Lenders (Framework Agreement). One of the terms of the Lenders is that the enhanced / fresh working capital facilities are to be secured by the pledge over 21,60,23,600 shares held by the Company in HCC and any further shares acquired by the Company in HCC (Pledged Shares). The Company has proposed to achieve this by extending the pledge created over Pledged Shares (Existing Pledge) pursuant to the Master Pledge Agreement dated March 29, 2018 executed by the Company (Master Pledge Agreement), to secure the said Facilities.

The Company has previously settled a trust with the Security Trustee (as defined in the Framework Agreement) and created pledge over the Pledged Shares for the benefit of the Lenders to secure the debt obligations of HCC pursuant to the Master Pledge Agreement and it was proposed to amend and extend the existing pledge for the enhanced / fresh working capital facilities and accordingly, the redistributed Facilities availed by HCC. The members are requested to consent, ratify and confirm extension of pledge to secure the Facilities with such ranking inter-se Lenders as may be agreed amongst them;

Accordingly, it is proposed to pass a special resolution as at Item No. 4 authorizing the Board to extend the Existing Pledge to secure the Facilities being availed by HCC pursuant to the Framework Agreement.

The Board accordingly recommends the shareholders to pass the special resolution at Item No. 4.

None of the Directors of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the resolution at Item No. 4, except to the extent of their respective shareholding in the Company, if any.

For and on behalf of Board of Directors

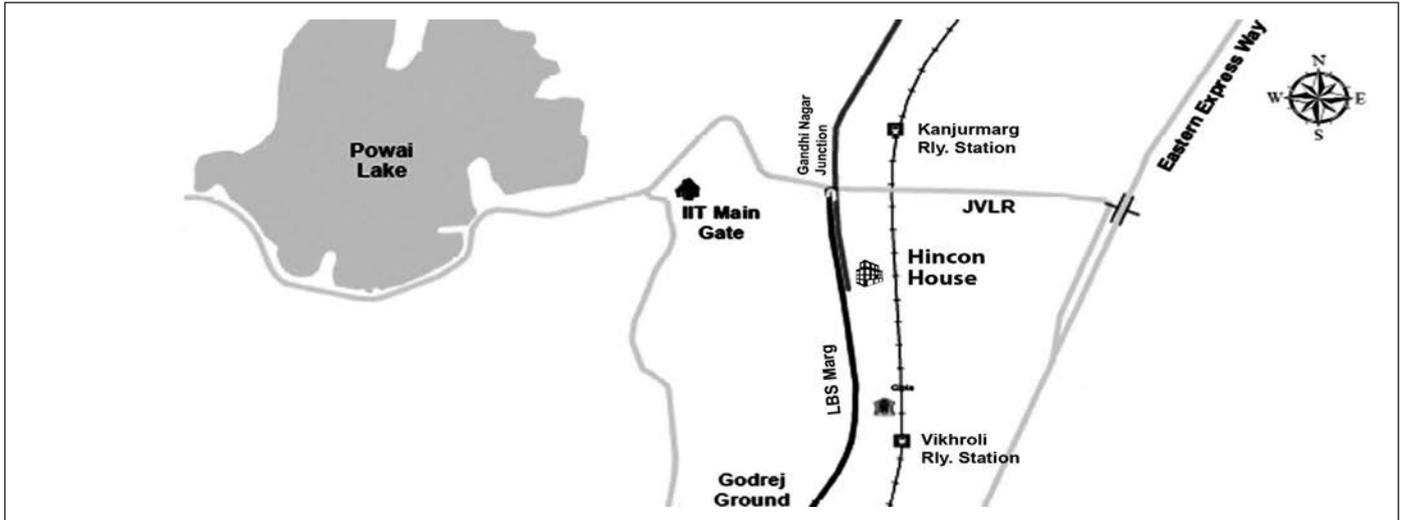
Ajit Gulabchand
Chairman

Place: Mumbai
Date: May 9, 2019

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

ROUTE MAP TO REACH THE AGM VENUE

Venue of the 23rd Annual General Meeting of the company to be held on
Tuesday, September 24, 2019 at 11.00 a.m.



Venue :

Hincon House, Lal Bahadur Shastri Marg, Vikhroli
(West), Mumbai 400 083.

Board's Report

To,
The Members of
Hincon Holdings Limited

1. Report

Your Directors have presented the 23rd Annual Report together with the Audited Accounts for the financial year ended 31st March 2019.

2. Financial Highlights

Particulars	Year ended 31st March 2019 ₹ in lacs	Year ended 31st March 2018 ₹ in lacs
Profit before Tax	281.59	298.70
Less: Provision for Tax	30.86	22.44
Less: Deferred Tax Liability / (Asset)	8.12	10.44
Less: MAT Credit entitlement	-	-
Less: excess/(short) Provision of earlier years	(8.98)	12.19
Profit after Tax	31.73	(0.19)
Add: Balance brought forward from previous year	1324.95	1325.14
Amount available for Appropriations	1356.68	1324.95
Less : Appropriations	-	-
a) Proposed Dividend	-	-
b) Tax on proposed Dividend	-	-
c) General Reserve	-	-
d) Special Reserve under section 45(IC) of the RBI Act, 1934	6.35	-
Balance carried to Balance Sheet	1350.33	1324.95

3. Dividend

With a view to conserve the financial resources your Directors do not recommend any dividend on 9,26,610 equity shares of ₹ 10/- each for the financial year under review.

4. Operations

Total Income and profit before tax aggregated to ₹ 281.59 lakhs and ₹ 30.86 lakhs, respectively as compared to income of ₹ 298.70 lacs and profit before tax of ₹ 22.44 lakhs during the previous year. Post tax, there is a Profit of ₹ 31.73 lakhs as compared to small loss after tax of ₹ (0.19) lakhs during the previous year.

Operations of Associate Companies

(i) Hindustan Construction Company Ltd

Hindustan Construction Company Ltd.,(HCC) is a 90 plus year old business and among the leading engineering, construction and infrastructure development companies in India wherein your Company, in its

capacity as Promoter Company, holds 14.28% of HCC's paid-up equity share capital. On a positive note, there were several market opportunities especially in the field of transportation related infrastructure development. Equally, the sector was plagued by several adverse challenges, including uncertainties related to sporadic regulatory changes, legacy issues related to high financial leveraging of companies and practical problems relating to the implementation of the new indirect tax regime.

In FY2019, apart from the principal focus on continuously enhancing execution capabilities and optimising processes to deliver value to clients, HCC laid considerable emphasis on improving its financial strength, reducing debt and improving cash flows.

The Company's order backlog as on March 31, 2019 was ₹18,554 crore. Transportation sector continues to have a large share. There is a substantial pipeline of new orders up for bidding, especially in the highways, bridges and metro-rail segments.

For FY 2018-19, HCC registered a turnover of ₹ 4341.00 crore and loss after tax of ₹ (1961.75) crore as compared to a turnover of ₹ 4575.08 crore and net profit of ₹ 77.53 in the previous year. The profit before tax was ₹ (2592.22) crore (including exceptional item) as compared to ₹ 111.97 crore for the previous year.

(ii) Hincon Finance Ltd

Hincon Finance Limited is an Investment Company registered as a Non-Banking Finance Company (NBFC) wherein your Company holds 48.75% of its paid-up equity share capital. Your Company and Hincon Finance Ltd are fellow Promoter Companies of HCC.

The principal business of Hincon Finance Limited is to carry on the activities of an Investment Company and other related activities. Total Income and Profit before tax for FY2018- 19 aggregated to ₹ 607.91 lakhs and ₹ 152.48 lakhs respectively as compared to ₹ 288.65 lakhs and ₹ 31.01 lakhs respectively, during the previous year. Profit after tax stood at ₹ 113.77 lakhs as compared to ₹37.44 lakhs for the previous year.

5. Share Capital

During the year under review, your Company's Authorised Share Capital has remain unchanged at ₹ 3,00,00,000 (Rupees Three Crore) comprising 20,00,000 equity Shares of ₹ 10/- each and 10,00,000 Unclassified Shares of ₹ 10/- each and the Company's paid up equity share capital has also remained unchanged at ₹ 92,66,100 (Rupees Ninety Two Lakhs Sixty Six Thousand one Hundred) comprising 9,26,610 equity Shares of ₹ 10/- each.

6. Transfer to Reserves

The Board proposes to carry the amounts as mentioned hereunder to the following Reserves:

Transfer to General Reserve – Nil

Transfer to Special Reserve under Section 45(IC) of the RBI Act, 1934 – ₹ 6.35 lacs

7. Details of Subsidiary and Joint Ventures

The Company has no Subsidiaries and Joint Ventures.

The details of Associate Companies are as under :

1. Hindustan Construction Company Ltd
2. Hincon Finance Ltd

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of the Associate Companies forms part of

the Consolidated Financial Statements of the Company for the financial year ended 31st March 2018.

8. Fixed Deposits

Your Company has not accepted any deposit from the public under the erstwhile section 58A of the Companies Act, 1956 nor under Section 73 of the Companies Act, 2013 ('Act').

9. Consolidated Financial Statements

In accordance with the Companies Act, 2013, the Audited Consolidated Financial Statements are provided in this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each of the associate company in the prescribed form AoC-1 is annexed to this annual report.

10. Statutory Auditors

M/s. Mehta & Pai, Chartered Accountants, Mumbai, bearing Firm Registration No.113591W, existing Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for appointment as Statutory Auditors for a term of five year, commencing from the conclusion of this 23rd AGM upto the conclusion of the 28rd AGM. M/s. Mehta & Pai, Chartered Accountants, have furnished a certificate to the effect that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Section 139 and Section 141 of the Act read with the provisions of the Companies (Audit and Auditors) Rules, 2014.

11. Statutory Auditors' Report

The Standalone Auditor's Report to the Members does not contains any qualifications or observations or any remarks.

12. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed. The Form MGT 9 is uploaded on Company Website at www.hinconholdings.com.

13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 requiring captioned information is not applicable to your Company. During the year under review, there was no income or expenditure in foreign currency.

14. Board of Directors

Ms. Ajit Gulabchand, Director of the Company (DIN 00010827) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Company has received Form DIR-8 from all Directors pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

15. Number of Board Meetings:

During the financial year, Board met 4 times on May 3, 2018, August 8, 2018, November 1, 2018 and February 5, 2019 for review of business and operations. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days.

16. Stakeholders Relationship Committee

During the financial year, one meeting of Stakeholders Relationship Committee was held on May 3, 2018 for noting of matters relating to transfer of shares/dematerialization of shares and consideration of any other matters related to shares and shareholders.

17. Particulars of loans, guarantees or Investments under Section 186 of the Companies Act, 2013

In accordance with the provisions of Section 186 of the Companies Act, 2013, there are no Loans, Guarantees and Investments made by the Company during the year under review except security provided by way recreation of Pledge on 21,60,23,600 equity Shares held in HCC (in respect of which equity Shares pledge was already created in terms of S4A scheme for HCC), towards Working Capital facilities extended by Lenders to HCC for operations and Arbitration Bank Guarantees, as per particulars given in the Notes to the Standalone financial statements and Master Pledge Agreement executed on March 29, 2018 in relation to facility agreements entered by HCC during financial year 2017-18 for availing additional working capital facilities from its Lenders for Operations and Arbitration Bank Guarantees..

18. Particulars of contracts or arrangements with related parties

During the financial year, there is no contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

19. Risk management Framework

The Company has a robust internal business management framework to identify, evaluate business risks and opportunities which seeks to minimize adverse impact on the business objectives and enhance the Company's

business prospects. The Company has an Internal Control System, commensurate with the size and scale of its operations.

20. Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors under Section 143 of the Act read with relevant Rules framed thereunder either to the Company or to the Central Government.

21. Particulars of Employees and other additional information

Your Company has no employees requiring disclosure pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. Material Changes and commitments in the financial Statements

There are no material changes which have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

23. Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to IEPF, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to IEPF. Accordingly during the year under review, the Company has transferred the unclaimed dividend for the financial year 2010-11 of ₹ 5,35,760 to IEPF and 1,798 equity Shares of face value ₹10/- each for a total face value of ₹ 17,980/-, in accordance with the IEPF Rules, to the IEPF account.

24. Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

25. Directors' Responsibility Statement

In accordance with the provisions of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual Accounts, the applicable accounting standards have been followed and there has been no material departure.

- b. Appropriate accounting policies have been selected and applied consistently and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date.
- c. proper and sufficient care has been taken 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 the annual accounts have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Internal Financial Controls.

The Management had reviewed the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company within the meaning of the explanation to

Section 134(5) (e) of the Companies Act, 2013, to ensure timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The Board is of the opinion that the Company has efficient controls in place and operating effectively.

27. Acknowledgements

Your Directors wish to place on record their appreciation for the co-operation and assistance received from the bankers, members, clients and concerned authorities during the year under review.

For and on behalf of Board of Directors

Ajit Gulabchand
Chairman

Place: Mumbai
Date: May 9, 2019
Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083

Form No. MGT-9

Extract of Annual Return

For the financial year ended on 31st March, 2019
[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN:	U67120MH1996PLC102787
2	Registration Date:	24th September, 1996
3	Name of the Company:	Hincon Holdings Limited
4	Category / Sub-Category of the Company:	Company having Share Capital
5	Address of the Registered office: Contact details:	Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083. Tel.: 022 - 25751000 Fax No. 022-25777568 email: investor.hinconholdings@hccindia.com Website: www.hinconholdings.com
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Phone: +91 22 49186000 Fax: +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: Non Banking Finance Company (NBFC) which is principally engaged in lending and investing activities.

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	Lending and Investing Activities	64,990 (n.e.c)	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Hindustan Construction Company Ltd	L45200MH1926PLC001228	Associate	14.28	2(6)
2	Hincon Finance Ltd	U67120MH1992PLC066854	Associate	48.75	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding:

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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	885309	885309	95.54	-	886409	886409	95.66	0.12
b) Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d) Any other (Specify) Bodies Corporate	-	1100	1100	0.12	-	-	-	-	-0.12
Sub-Total A(1)	-	886409	886409	95.66	-	886409	886409	95.66	0.00
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total A(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = A(1)+A(2)	-	886409	886409	95.66	-	886409	886409	95.66	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Fund / UTI	-	-	-	-	-	-	-	-	-
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
f) Financial Institutions / Banks	-	2364	2364	0.26	-	2364	2364	0.26	-0.00
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total B(1):	-	2364	2364	0.26	-	2364	2364	0.26	-0.00
(2) Central Government/ State Government(s)/ President of India									
Central Government / State Government(s)	-	228	228	0.02	558	120	678	0.07	0.05
Sub-Total B(2):	-	228	228	0.02	558	120	678	0.07	0.05

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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(3) Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	230	23281	23511	2.54	944	20785	21729	2.35	-0.19
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c) employee Trusts	-	-	-	-	-	-	-	-	-
d) overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any other (Specify)	-	-	-	-	-	-	-	-	-
IEPF	11182	-	11182	1.21	12980	-	12980	1.40	0.19
Foreign Nationals	162	-	162	0.02	162	-	0	0.00	-0.02
Foreign Companies	288	-	288	0.03	288	-	0	0.00	-0.03
Non Resident Indians (Non Repat)	12	-	12	0	12	-	12	0.00	0.00
j) Non Resident Indians (Repat)	-	2058	2058	0.22	-	2042	2042	0.22	0.00
Bodies Corporate	-	396	396	0.04	20	376	396	0.04	0.00
Sub - Total (B)(3)	11874	25735	37609	4.06	13956	23203	37159	4.01	-0.05
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	11874	28327	40201	4.34	14514	25687	40201	4.34	0.00
Total (A)+(B)	11874	914736	926610	100.00	14514	912096	926610	100.00	0.00
C. Non Promoter - Non Public	-	-	-	-	-	-	-	-	-
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
(2) Employee Benefit Trust (under SeBI (Share based employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	11874	914736	926610	100.00	14514	912096	926610	100.00	0.00

ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
A. Individual, HUF & Trust							
1. Ajit Gulabchand	6,51,327	70.29	0.00	6,51,327	70.29	0.00	0.00
2. Gulabchand Memorial Trust	86,096	9.29	0.00	86,096	9.29	0.00	0.00
3. Ajit Gulabchand HUF	61,331	6.62	0.00	61,331	6.62	0.00	0.00
4. Gulabchand Hirachand HUF	52,713	5.69	0.00	52,713	5.69	0.00	0.00
5. Meera Gulabchand	22,478	2.42	0.00	22,478	2.42	0.00	0.00
6. Shalaka Gulabchand Dhawan	11,364	1.23	0.00	11,364	1.23	0.00	0.00
B. Bodies Corporate							
1. Shalaka Investment Pvt. Ltd	1,100	0.12	0.00	1,100	0.12	0.00	0.00
Total (A+B)	8,86,409	95.66	0.00	8,86,409	95.66	0.00	0.00

iii. Change in Promoters' Shareholding (Please specify, if there is no change)

During the financial year 2018-19, there has been no change in Promoters' Shareholding.

	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
At the beginning of the year	886409	95.66	886409	95.66
Date wise Increase/(Decrease) in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
1. Purchase (+)				
2. Sale/Transfer (-)				
At the end of the year	886409	95.66	886409	95.66

iv. Shareholding Pattern of Top Ten Shareholders (Other than Director, Promoters and Holders of GDRs and ADRs)

Sr No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares	% of total shares of the Company
1	Suprovat Mitter	2000	0.22			2000	0.22
2	Bank of India	1284	0.14			1284	0.14
3	Vidisha A Patel	960	0.10			960	0.10
4	Central Bank of India	720	0.08			720	0.08
5	Custodian of enemy property FOR INDIA	0	0.00			450	0.05
6	Aroonkumar Lalchand Shah	332	0.04			332	0.04
7	Venkatesh Guracharya Raichur	302	0.03			302	0.03
8	Mrunalinidevi Puar	300	0.03			300	0.03
9	Shantaben Chhotabhai	240	0.03			240	0.03
10	Habib Bank Limited	288	0.03			288	0.03

v. Shareholding of Directors and key Managerial Personnel*

For Each of the Director	Name of Director			
	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Ajit Gulabchand	6,51,327	70.29	6,51,327	70.29
At the beginning of the year	651327	70.29	651327	70.29
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	651327	70.29	651327	70.29
Shalaka Gulabchand Dhawan				
At the beginning of the year	11364	1.23	11364	1.23
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	11364	1.23	11364	1.23

* Section 203 of the Companies Act, 2013 regarding Appointment of Key Managerial Personnel is not applicable to the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness ₹ Crores
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: Nil

There is no Managing Director, Whole-time Director or Manager in the Company.

B. Remuneration to other Directors:

1. Independent Directors : Nil

Section 149(4) of the Companies Act, 2013 regarding appointment of Independent Directors is not applicable to the Company.

2. Non Executive Directors

Particulars of Remuneration	Name of the Directors			Total Amount (in ₹)
	Ajit Gulabchand	Shalaka Gulabchand Dhawan	Chandras V. Zaveri	
Fee for attending Board/Committee Meetings	35000	25000	25000	85000
Commission	-	-	-	-
Other, please specify.....	-	-	-	-
Total	35000	25000	25000	85000
Total Managerial Remuneration				
Overall Ceiling as per the Act	As there is no managerial person in the Company, there is no managerial remuneration paid/payable and hence the overall ceiling for managerial remuneration is not applicable.			

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

Section 203 of the Companies Act, 2013 regarding appointment of Key Managerial Personnel is not applicable to the Company.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Property/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishments			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishments			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishments			None		
Compounding					

Independent Auditor's Report

To

**The Members of
Hincon Holdings Limited,**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Hincin Holdings Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2019, and its Profit, its cash flows for the year ended on that date.

Basis for Opinion

3. 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 the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other 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 for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for preparation of other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 on the other information obtained prior to the date of this auditor's

report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Standalone Financial Statements

5. 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), and cash flows of the Company in accordance with the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. 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.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

Independent Auditor's Report

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 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.
10. 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.
11. 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.

Report on Other Legal and Regulatory Requirements

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

13. Further to our comments in Annexure B, 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 purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The standalone financial statements dealt with by this report are in agreement with the books of account.
- d) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- e) 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 B'. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
- f) We report that the Company has not paid any remuneration to its directors during the year to which the provisions and limits laid down under section 197 read with Schedule V to the Act are applicable.
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019.

FOR MEHTA & PAI
Chartered Accountants
Firm registration No.113591W

Place: Mumbai
Date: May 9, 2019

SURESH MEHTA
Partner
Membership No.: 032230

Annexure to the Independent Auditor's Report

ANNEXURE-A TO THE AUDITOR'S REPORT

(Referred to in paragraph 12 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the standalone financial statements for the year ended on March 31, 2019 of **Hincon Holdings Limited**)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the matter relating to the vesting of legal rights in favor of the company is subjudice in the City Civil Court, Mumbai. We are unable, therefore to verify whether the said leasehold right in respect of leasehold land & building are in the name of the company. [Also refer note No 6 (1) of Notes to Accounts].
- (ii) In absence of inventories, clauses (ii) of the Order is not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- (iv) In respect of loans, investments, guarantees and security provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to this Company since it has not granted any loan or made any investment or provided any guarantees or security during the year.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the Companies (Acceptance of Deposit) Rules 2014 or the directives issued by the Reserve Bank of India apply.
- (vi) We have been informed that the Company is not required to maintain cost records under sub section (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) (a) According to the records of the Company, Provident Fund, Employee's State Insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax (GST), Cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2019 for a period of more than six months from the date on which they became payable.
- (b) According to the records of the Company, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty Value Added Tax, Goods and Service Tax (GST) and cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not taken any money from any financial institution, bank or debenture holder, and hence clause 3(viii) is not applicable to the Company.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.
- (xi) In absence of any managerial personnel, no managerial remuneration is paid and therefore the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(xiv) is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) is not applicable to the Company.
- (xvi) According to the information and explanations given to us, at present the company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly holding the COR.

FOR MEHTA & PAI
Chartered Accountants
Firm registration No. 113591W

SURESH MEHTA
Partner
Membership No: 032230

Place: Mumbai
Date: May 9, 2019

Annexure to the Independent Auditor's Report

Annexure-B to Auditor's report

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 **Hincon Holdings Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR MEHTA & PAI
Chartered Accountants
Firm registration No. 113591W

SURESH MEHTA
Partner
Membership No: 032230

Place: Mumbai
Date: May 9, 2019

Balance Sheet as at 31st March, 2019

	Note No.	As At 31st March 2019 ₹	As At 31st March 2018 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	9,266,100	9,266,100
Reserves & Surplus	4	345,824,216	342,651,020
		355,090,316	351,917,120
2 Current Liabilities			
Other current Liabilities	5	987,232	1,556,878
TOTAL		356,077,548	353,473,998
II. ASSETS			
1 Non-current Assets			
Fixed Assets			
Tangible Assets	6	164,563	168,247
Non-current Investments	7	315,117,185	315,189,501
Long Term Loans and advances	8	615,243	509,671
		315,896,991	315,867,419
2 Current Assets			
Inventories	9	21,635,828	20,877,329
Cash and bank balances	10	554,891	1,201,539
Short term loan and advances	11	17,989,836	15,527,711
		40,180,556	37,606,579
Significant Accounting policies	2		
TOTAL		356,077,548	353,473,998

The accompanying Notes including other explanatory information forming integral part of financial statements.

As per our report of even date attached.

For Mehta & Pai
Chartered Accountants
FR No. 113591W

Suresh Mehta
Partner
M. No.032230

Place : Mumbai
Date : 9th May 2019

Ajit Gulabchand Chairman
(DIN : 00010827)

Shalaka Gulabchand Dhawan Vice Chairperson
(DIN : 00011094)

Chandahas Vinod Zaveri Director
(DIN : 03564067)

Statement of Profit and Loss Account for the year ended 31st March, 2019

		March 31, 2019	March 31, 2018
	Note No.	₹	₹
I REVENUE FROM OPERATIONS	12		
Sale of Securities		22,301,590	25,400,000
Other Operating Revenues		997,173	983,476
		<u>23,298,763</u>	<u>26,383,476</u>
II OTHER INCOME	13	<u>4,860,276</u>	<u>3,486,244</u>
III TOTAL REVENUE (I + II)		28,159,039	29,869,720
IV EXPENDITURE			
Cost of Securities sold	14	22,301,675	25,400,000
Employee Benefits Expense	15	1,193,337	1,057,047
Depreciation		3,684	3,684
Other Expenses	16	1,573,918	1,164,977
Finance Charges	17	-	-
TOTAL OPERATING EXPENSES		<u>25,072,614</u>	<u>27,625,708</u>
V Profit Before Exceptional & Extraordinary Items & Tax (III - IV)		3,086,425	2,244,012
VI Exceptional Items		-	-
VII Profit Before Extraordinary Items & Tax (V - VI)		3,086,425	2,244,012
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII - VIII)		<u>3,086,425</u>	<u>2,244,012</u>
X Tax Expense:			
1) Current Tax		812,000	1,043,513
2) Deferred Tax		-	-
3) MAT Credit Entitlement		-	-
4) (Excess)/short Provision of earlier year		(898,770)	1,219,017
XI Profit / (Loss) for the year from Continuing operations (IX - X)		<u>3,173,195</u>	<u>(18,517)</u>
XII Tax Expense from discontinuing operations		-	-
XIII Profit / (Loss) for the year from Discontinuing operations (XII - XIII)		-	-
XIV Profit / (Loss) for the year (XI + XIV)		<u>3,173,195</u>	<u>(18,517)</u>
XV Earnings per equity share:			
Basic & Diluted	18	3.42	(0.02)

The accompanying Notes including other explanatory information forming integral part of financial statements.

As per our report of even date attached.

For Mehta & Pai
Chartered Accountants
FR No. 113591W

Suresh Mehta
Partner
M. No.032230

Place : Mumbai
Date : 9th May 2019

Ajit Gulabchand
(DIN : 00010827)

Shalaka Gulabchand Dhawan
(DIN : 00011094)

Chandrahass Vinod Zaveri
(DIN : 03564067)

Chairman

Vice Chairperson

Director

Cash Flow Statement for the year ended 31st March, 2019

	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
Cash flow from operating activities		
Profit before tax	3,086,425	2,244,012
Non-cash adjustment to reconcile profit before tax to net cash flows		
Excess Provision written back		
Provision for Loss in Investment	72,316	
Depreciation/ amortization	3,684	3,684
Operating profit before working capital changes	3,162,425	2,247,696
Movements in working capital :		
Increase / (decrease) in other current liabilities	(569,646)	459,620
Decrease / (increase) in Other assets	-	-
Decrease / (increase) in Inventories	(758,499)	1,916,524
Decrease / (increase) in long-term loans and advances	(105,572)	-
Decrease / (increase) in short-term loans and advances	(2,462,125)	(3,993,053)
Cash generated from /(used in) operations	(733,417)	630,787
Direct taxes paid (net of refunds)	86,770	(910,870)
Net cash flow from/ (used in) operating activities (A)	(646,647)	(280,084)
Cash flows from investing activities		
Decrease / (increase) in Investment	-	-
Net cash flow from/ (used in) investing activities (B)	-	-
Cash flows from financing activities		
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(646,647)	(280,084)
Cash and cash equivalents at the beginning of the year	1,201,538	1,481,622
Cash and cash equivalents at the end of the year	554,891	1,201,538
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks	554,891	678,979
- on deposit account	-	522,560
Total cash and cash equivalents (Note 10)	554,891	1,201,539
Significant Accounting Policies and Notes on Financial Statements		

As per our report of even date attached.

For Mehta & Pai
Chartered Accountants
FR No. 113591W

Suresh Mehta
Partner
M. No.032230

Place : Mumbai
Date : 9th May 2019

Ajit Gulabchand Chairman
(DIN : 00010827)

Shalaka Gulabchand Dhawan Vice Chairperson
(DIN : 00011094)

Chandrabhas Vinod Zaveri Director
(DIN : 03564067)

Notes to Accounts

NOTE 1: BACKGROUND

Hincon Holdings Limited('the Company') is registered as a Non-Banking Financial Company('NBFC') as defined under section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending and investing activities.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES:

a METHOD OF ACCOUNTING

The Company maintains its accounts on accrual basis.

b FIXED ASSETS

Fixed Assets are stated at cost of acquisition net off accumulated depreciation.

c DEPRECIATION/AMORTISATION

Depreciation on fixed assets is provided:

- In respect of Computers, depreciation is provided on Straight Line Basis over a period of three years on a pro-rata basis.
- Leasehold rights in Land & Building are amortised over the period of lease.

d INVESTMENTS

Investments are stated at cost and are classified as Long Term(non current) Investments.

e DIVIDEND

Dividend income is accounted for when the right to receive the payment is established.

f STOCK-IN-TRADE

Shares and Securities held as Stock-in-trade are valued at cost (FIFO basis) or net realisable value whichever is lower.

g TAXATION

The tax expense comprises of current tax & deferred tax charged or credited to the profit and loss account for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax expenses or benefit is recognised using the tax rates and tax laws that have been enacted by the balance sheet date. In the event of unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

h. EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by weighted average number of equity shares outstanding

c. Shareholding of more than 5%:

Name of the Shareholder	% held	As at	As at
		31 st March, 2019	31 st March, 2018
		No. of shares	No. of shares
Shri. Ajit Gulabchand	91.89	851,465	851,465

during the period. For the purpose of calculating diluted earning per shares, the net profit or loss for the period attributable to equity shareholders by weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

	As at	As at
	31.03.2019	31.03.2018
	₹	₹
NOTE 3 SHARE CAPITAL		
Authorised Capital		
20,00,000 Equity Shares of ₹ 10 each	20,000,000	20,000,000
10,00,000 Unclassified shares of ₹ 10/- each	10,000,000	10,000,000
TOTAL	<u>30,000,000</u>	<u>30,000,000</u>
Issued, Subscribed & Paid-up Capital		
9,26,610 Equity Shares of ₹ 10/- each fully paid-up	9,266,100	9,266,100
TOTAL	9,266,100	9,266,100

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

Equity Shares :

Number of Shares outstanding at the Beginning of the year:	Qty	926,610	926,610
	Value	9,266,100	9,266,100

Add: Shares issued and allotted during the year

Qty	-
Value	-

Number of Shares outstanding at the End of the year:

Qty	926,610	926,610
Value	9,266,100	9,266,100

b. Terms /rights attached to shares:

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Accounts

	As at 31.03.2019 ₹	As at 31.03.2018 ₹
NOTE 4 RESERVES AND SURPLUS		
a) General Reserves		
Opening Balance	<u>69,365,636</u>	69,225,636
	69,365,636	69,365,636
b) Special Reserve U/s 45 (IC) of the RBI Act, 1934		
Opening Balance	<u>140,790,000</u>	140,510,000
Add: Transferred from Statement of Profit and Loss	<u>634,639</u>	
	141,424,639	140,790,000
c) Surplus as per Statement of Profit and Loss		
Balance brought Forward	<u>132,495,385</u>	132,513,902
Add: Profit/(Loss) for the year	<u>3,173,195</u>	(18,517)
Less: Transferred to General Reserve		
Less: Tax on Proposed Dividend		
Less: Transfer to Special Reserve U/s 45 (IC) of the RBI Act, 1934	<u>634,639</u>	
	135,033,941	132,495,385
TOTAL	<u>345,824,216</u>	<u>342,651,021</u>

NOTE 5 OTHER CURRENT LIABILITIES

a) Other Trade Payable	866,425	932,690
b) Statutory Dues Payable	36,081	18,893
c) Due to Employees	84,726	82,735
d) Unclaimed Dividend	-	522,560
TOTAL	<u>987,232</u>	<u>1,556,878</u>

NOTE 6 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	As at 01.04.2018	For The Year	Deductions	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Tangible Assets (At Cost):										
Lease Hold Rights in Land & Building *	225,700	-	-	225,700	57,453	3,684	-	61,137	164,563	168,247
Total of This Year	225,700	-	-	225,700	57,453	3,684	-	61,137	164,563	168,247
Total of Previous Year	225,700	-	-	225,700	53,769	3,684	-	57,453	168,247	

(*) 1 : The Mumbai High Court wide its order dated 1st July 1999 sanctioned a scheme of arrangement (for demerger) between Walchand Capital Ltd (WC) and the Company & Others. As a result the Company was entitled to leasehold rights in the land/premises which was built on the land leased to WC by the Mumbai Port Trust (MPT) together with undivided 32.19% of the share, right, title and interest in the said leasehold land. However, the matter relating to the vesting of the aforesaid leasehold rights in favour of the Company is subject to the decision in a suit filed by WC against MPT in the City Civil Court, Mumbai.

Note 7 : NON-CURRENT INVESTMENTS

	As at 31 st March, 2019 ₹	As at 31 st March, 2018 ₹
A Other Non-Current Investments (At Cost)		
Investment Properties	36,360,000	36,360,000
Investments in Share Warrants	-	-
Investment in Equity instruments	278,826,701	278,826,701
Investments in Preference shares	2,800	2,800
Total	<u>315,189,501</u>	<u>315,189,501</u>
Less : Provision for diminution in the value of Investments	72,316	-
Total	<u>315,117,185</u>	<u>315,189,501</u>

Notes to Accounts

	As at 31 st March, 2019		As at 31 st March, 2018	
	Cost	Market Value	Cost	Market Value
	₹	₹	₹	₹
Aggregate Of Investments				
i. Quoted	271,257,183	3,242,514,236	271,257,183	4,817,326,280
ii. UnQuoted	7,572,318	-	7,572,318	-
iii. Others	36,360,000	-	36,360,000	-
	315,189,501	3,242,514,236	315,189,501	4,817,326,280

A Details of Other Non-current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
			As at 31 st Mar, 2019	As at 31 st Mar, 2018			As at 31 st Mar, 2019	As at 31 st Mar, 2018	As at 31 st Mar, 2019	As at 31 st Mar, 2018		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investment in Equity Instruments											
	Hindustan Construction Company Ltd	Others	216,023,600	216,023,600	Quoted	Fully paid	21.27%	21.37%	271,257,183	271,257,183	Yes	
	Hincon Finance Limited	Others	390,000	390,000	Unquoted	Fully paid		-	7,500,000	7,500,000	Yes	
	Lavasa Corporation Limited	Others	2,387	2,387	Unquoted	Fully paid			69,518	69,518	Yes	
	Sub Total		216,415,987	216,415,987					278,826,701	278,826,701		
(2)	Investments in Preference Shares											
	Lavasa Corporation Limited		28	28	Unquoted	Fully paid		-	2,800	2,800	Yes	
	Sub Total		28	28					2,800	2,800		
	Total		216,416,015	216,416,015					278,829,501	278,829,501		

Note: Amount equivalent to 34.05% of the sale proceeds (net of tax liability) to be received in future on sale of the immovable properties specified below has not been considered since the amount of sale is not yet quantified.

Description of the property:

- The piece and parcel of land situated at Gamdevi, West of Agra Road, Bhandup, Mumbai admeasuring about 11441 sq.mtrs bearing Survey No. 141 and CTS No. 191 to 199 registered under Deed of Conveyance dated 19.01.1938 in the office of Sub Registrar Bandra under Serial No. 87 of 1938.
- The piece and parcel of land situated at Village Bhopar, Taluka Kalyan, Dist. Thane and the same is in three pieces alongwith railway line between Diva and Dombivali Railway Station and 45 Kms stone admeasuring about 10,243 sq. mtrs bearing Survey No. 168-1, 170 and 171 and registered under the Conveyance Deed dated 19.11.1938 in the office of Sub Registrar, Kalyan under Serial No. 94 of 1938 purchased from M/s. Pathak Walchand and Company Limited.
- The National Company Law Tribunal, Mumbai (NCLT) vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited (LCL) by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. In view of uncertainties associated

with the outcome of CIRP and as a matter of prudence, the Company had made provision for Diminution in value of investment.

NOTE 8 LONG TERM LOANS AND ADVANCES

Unsecured, Considered Good

a) Deposits	1,040,256	1,040,256
b) Advance tax (net)	(425,013)	(530,585)
	615,243	509,671

NOTE 9 INVENTORIES

Stock-inTrade	21,635,828	20,877,329
Less : Diminution in value	-	-
	21,635,828	20,877,329

NOTE 10 CASH AND BANK BALANCE

a) Cash & Cash Equivalents

1) Cash on Hand	-	-
b) Cheques on hand		
Current Account	554,891	678,979
c) Other Bank Balances		
Balances with Bank for Unpaid Dividend	-	522,560
	554,891	1,201,539

Notes to Accounts

NOTE 11 SHORT TERM LOAN & ADVANCES

Unsecured, Considered Good

a) Loans and advances to related parties	17,986,097	15,517,922
b) Prepaid Expenses	3,739	9,789
	<u>17,989,836</u>	<u>15,527,711</u>

NOTE 12 REVENUE FROM OPERATIONS

(a) Sale of Securities	22,301,590	25,400,000
(b) Other Operating Revenues		
Dividend from Mutual Fund	997,173	983,476
	<u>23,298,763</u>	<u>26,383,476</u>

NOTE 13 OTHER INCOME

a) Dividend	8	39
b) Other non-operating Income		
Rent	4,444,148	3,486,205
Interest on I.T. Refund	60,200	-
Excess Provision written back	355,920	-
	<u>4,860,276</u>	<u>3,486,244</u>

NOTE 14 COST OF SECURITIES SOLD

Opening Stock	20,877,329	22,793,853
Add: Purchases	23,060,173	23,483,476
	43,937,503	46,277,329
Less: Closing Stock (after diminution in value)	21,635,828	20,877,329
TOTAL	<u>22,301,675</u>	<u>25,400,000</u>

NOTE 15 EMPLOYEE BENEFITS EXPENSE

a) Salaries, Wages, Bonus and Gratuity	1,179,167	1,048,538
b) Staff Welfare Expenses	14,170	8,509
TOTAL	<u>1,193,337</u>	<u>1,057,047</u>

NOTE 16 OTHER EXPENSES

a) Rates & Taxes	2,500	11,457
b) Directors Sitting Fees	85,000	80,000
d) Postage, Printing and Stationery	132,885	148,864
e) Filing fees	31,165	15,140

f) Advertisement Expenses	42,840	56,670
g) Professional Charges	110,800	140,222
h) Demat Charges	826	1,401
i) Bank charges	2,065	-
j) Legal Expenses	170,485	572,424
k) Repairs & Maintenance Charges	79,301	10,800
l) Auditors' Remuneration		
Audit Fees	100,000	104,499
Certification Charges	10,500	23,500
Out of Pocket Expenses		
m) Provision for Diminution in Value of Investment	72,316	
n) Building Security Charges	730,611	
o) Interest on Delayed payment	2,624	127,999
TOTAL	<u>1,573,918</u>	<u>1,164,977</u>

NOTE 17 FINANCE CHARGES

Particulars

a)	-	-
----	---	---

NOTE 18 EARNING PER SHARE

Particulars

a) Net Profit/ Loss available for Equity Shareholders (₹)	3,173,195	(18,517)
b) Number of Shares	926,610	926,610
c) EPS Basic & Diluted (₹)	3.42	(0.02)

NOTE 19: INCOME TAX

The Income-tax Assessments of the Company have been completed upto the Accounting year ended 31st March 2016.

NOTE 20: CONTINGENT LIABILITIES

Claims not acknowledged as debt by the Company : ₹71,05,651 (Previous Year ₹65,30,371)

21 Related Party Disclosures

(A) Names of the Related Parties & Nature of Relationship

- (a) Associate Company
 - 1) Hindustan Construction Company Limited
 - 2) Hincon Finance Limited
- (b) Key Management Personnel & Relative of Key Management Personnel
 - 1) Ajit Gulabchand - Chairman
 - 2) Shalaka Gulabchand Dhawan

Notes to Accounts

₹

Nature of Transactions		31st March 2019	31st March 2018
1)	Renting of Property during the year	4,800,000	4,800,000
2)	Outstanding balance included in Investments	278,757,183	278,757,183
3)	Outstanding balance included in Current Assets	17,916,097	15,435,921

NOTE 22: Additional information pursuant to paragraph 9BB of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1988. (Refer Annexure - I)

NOTE 23: In terms of the obligations for the Promoters of Hindustan Construction Company Ltd (HCC), as per CDRLOA dated 29th June, 2012 and in the Master Restructuring Agreement dated 29th June 2012 executed by HCC with CDR Lenders, updated status is as under :

Pursuant to the CDR package approved for Hindustan Construction Company Ltd ('HCC'), the Promoters were required to provide Promoter Contribution to the extent of ₹ 64,00,00,000, in two tranches of ₹ 32,00,00,000 each by way of unsecured and subordinated debt or by way of contribution to equity or preference share capital of HCC or any other instruments, convertible into equity shares. Accordingly the entire Promoter Contribution of ₹ 64,00,00,000 has been contributed by the Company (Hincon Holdings Ltd.) and Hincon Finance Ltd ('Promoter Companies').

"On 27th June, 2013, HCC has allotted 3,92,15,686 Warrants, in aggregate, convertible into 3,92,15,686 Equity Shares of Re 1/- each at a conversion price of ₹16.32 per Equity Share to the Promoter Companies, which are convertible within a period of 18 months from the date of allotment of the Warrants. Out of the above, 1,53,20,000 Warrants were allotted to Hincon Holdings Ltd and the balance Warrants were allotted to Hincon Finance Ltd by HCC. Pursuant to the said allotment of Warrants, a sum of ₹4.08 per Warrant towards 25% of the issue price of the Warrant aggregating to a sum of ₹6,25,05,600, has been appropriated from the Promoter Contribution paid by the Company, and the balance Promoter Contribution from the Company has been shown as unsecured Interest free loan to HCC." On 2nd May 2014, Company subscribed to the aforementioned conversion of the Warrants and thereupon Hindustan Construction Company Ltd has allotted 1,53,20,000 Equity Shares of face value Re.1/- each, to Company, at a conversion price of ₹16.32 per Equity Share and the allotment proceeds have been appropriated from balance Promoter Contribution infused earlier, in terms of the requirements of the CDR package for HCC."

The Company had executed an undertaking in favour of CDR Lenders to meet shortfall in the cash flows; debt servicing obligation etc of HCC relation to any CDR Lender.

NOTE 24: Pledge of Shares :

During FY 2012-13, in accordance with the approval of the CDR Package for Hindustan Construction Company Ltd (HCC), the Company (Promoter Company of HCC/Pledgor) , had pledged 20,07,03,600 equity shares of Re.1/ each held in HCC in favour of Universal Trusteeship Services Ltd (formerly '3i Infotech Trusteeship Services Ltd') , the Security Trustee for the CDR Lenders (Pledgee). During FY 2016-17, in accordance with the RBI Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme") which was implemented for HCC, as per the terms agreed therein, interalia the pledge on the aforesaid shares i.e. 20,07,03,600 equity shares of Re.1/- each held by our Company in HCC, was recreated in favour of the same Pledgee, ie. Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and on behalf of the Debenture Trustee for OCD Lenders. Further in terms of the said pledge requirements, on the additional 1,53,20,000 equity shares of Re.1/- each allotted by HCC on 2nd May 2014 to the Company, towards allotment of shares for Promoter Contribution, fresh pledge was created during the year, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and held by them on behalf of the Debenture Trustee for OCD Lenders , and hence, the entire 21,60,23,600 equity shares of the Company held in HCC, stood pledged with Universal Trusteeship Services Ltd. During FY 2017-18, HCC has entered into facility agreements for availment of additional working capital facilities from the Lenders for Operations and towards Arbitration Bank Guarantees respectively, and as per the terms agreed therein, Master Pledge Agreement was executed on March 29, 2018, interalia, by the Company for recreation of pledge on the aforementioned entire 21,60,23,600 equity shares held in HCC on the terms and conditions contained therein, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and held by them on behalf of the Debenture Trustee for OCD Lenders.

Further to the facilities availed by HCC under S4A Scheme as per the Master S4A Framework Agreement executed with the Lenders , in respect of additional working capital facilities availed by HCC from the Lenders for Operations and towards Arbitration Bank Guarantees respectively, and as per the terms agreed therein, last Master Pledge Agreement was executed by Hincon Holdings Ltd during the FY 2018-19 for recreation of pledge on its shareholding in HCC."

NOTE 25 : Previous Year figures have been regrouped and recast wherever necessary.

As per our report of even date attached.

For Mehta & Pai
Chartered Accountants
FR No. 113591W

Suresh Mehta
Partner
M. No.032230

Place : Mumbai
Date : 9th May 2019

Ajit Gulabchand
(DIN : 00010827) Chairman

Shalaka Gulabchand Dhawan
(DIN : 00011094) Vice Chairperson

Chandahas Vinod Zaveri
(DIN : 03564067) Director

Notes to Accounts

ANNEXURE I

Schedule to the Balance Sheet of a Non-Banking Financial Company [as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998].

(₹)

Particulars	Amount Outstanding	Amount Overdue
Liability Side:		
1 Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid		
a Debentures: Secured	NIL	NIL
Unsecured (Other than falling within the meaning of public deposits *)	NIL	NIL
b Deferred Credits	NIL	NIL
c Term Loans	NIL	NIL
d Inter-corporate loans and borrowings	NIL	NIL
e Commercial Paper	NIL	NIL
f Public Deposits *	NIL	NIL
g Other Loans (specify nature)	NIL	NIL
* Please see Note 1 below		
2 Break up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :-		
a In the form of Unsecured debentures	NIL	NIL
b In the form of party secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
c Other public deposits	NIL	NIL
* Please see Note 1 below		
Assets Side:		
	Amount Outstanding (₹)	
3 Break up of Loans & advances including bills receivables (other than those included in (4) below)		
a Secured	NIL	
b Unsecured	615,243	

	Amount Outstanding (₹)
4 Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	
i Lease assets including lease rentals under sundry debtors:	
a Financial lease	NIL
b Operating lease	NIL
ii Stock on hire including hire charges under sundry debtors:	
a Assets on hire	NIL
b Repossessed Assets	NIL
iii Hypothecation loans counting towards EL/HP Activities	
a Loans where assets have been repossessed	NIL
b Loans other than (a) above :	NIL
5 Break up of investments:	
Current Investments:	(₹)
1 Quoted:	
i Shares:	
a Equity	NIL
b Preference	NIL
ii Debentures and Bonds	NIL
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Others (please specify)	NIL
2 Unquoted:	
i Shares:	
a Equity	NIL
b Preference	NIL
ii Debentures and Bonds	NIL
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Others (please specify)	NIL
Long Term Investments	
1 Quoted:	
Quoted Shares:	
i Shares:	
a Equity	271,257,183
b Preference	NIL
ii Debentures and Bonds	NIL

Notes to Accounts

	Amount Outstanding (₹)
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Others (please specify)	NIL
2 Unquoted:	
i Shares:	
a Equity Note 1	7,500,000
b Preference Note 2	1
ii Debentures and Bonds	NIL
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Share Warrants	NIL
vi Land	363,60,000

6 Borrower group wise classification of all leased assets stock on hire and loans and advances Please see Note 2 Below

Category	Amount Net of Provisions		
	Secured ₹	Unsecured ₹	Total ₹
1 Related Parties**			
a Subsidiaries	NIL	NIL	NIL
b Companies under same group	NIL	NIL	NIL
c Other related parties	NIL	NIL	NIL
2 Other than related parties	NIL	NIL	NIL
Total	NIL	NIL	NIL

Note 1 : In view of Lavasa Corporation being transferred to NCLT, provision has been made against the investemnet held in equity and preference shares of Lavasa Corporation.

7 Investor group wise classification of all investments (current and long term in shares and securities (both quoted and unquoted)): Please see note 3 below

Category	Market Value/ Break up or fair value or NAV ₹ (In Lacs)	Book Value (Net of Provisions) ₹ (In Lacs)
1 Related Parties**		
a Subsidiaries	NIL	NIL
b Companies under same group	75	75
c Other related parties	32,425.14	2,712.57
2 Other than related parties	NIL	NIL
Total	32,500.14	2,787.57

8 Other information

Particulars	₹
i Gross Non-Performing Assets	
a Related parties	NIL
b Other than related parties	NIL
ii Net Non-Performing Assets	
a Related parties	NIL
b Other than related parties	NIL
iii Assets acquired in satisfaction of debt	NIL

Notes:

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

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

Independent Auditor's Report

TO THE MEMBERS OF HINCON HOLDINGS LIMITED

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of HINCON HOLDINGS LIMITED as required under section 129(3) of the Companies Act, 2013 wherein Company's investment in two of its Associates namely Hindustan Construction Company Limited and Hincon Finance Limited have been accounted as per Accounting Standard 23 i.e "Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the associates, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated Profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. We invite attention to Note 7(iv) to the consolidated financial statements, in case of Hincon Finance Limited (HFL), which has become an associate of the company from 1st July, 1999, as the accounts of the associate are not available with the company from 1999 to 2015 the same has not been considered for the purpose of consolidation. Impact of the non-inclusion on cost of investment in the associate for these years could not be ascertained.
2. We invite attention to Note 7 (vi) to the consolidated financial statements, where in Hindustan Construction Company Limited ("HCC"), an Associate company whose accounts prepared as per IND AS and not as per Indian GAAP as required for the purpose of consolidation, has been considered for consolidation with the Company which is a Non Banking Financial Company and whose accounts are required to be prepared only under Indian GAAP as per the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. However, as per Accounting Standard 23, since

the company has reported its investment in the associate at nil value under equity method, the share of further losses will not have any impact on the value of the said investment

3. The Independent Auditors of Hindustan Construction Company Limited ("HCC"), an Associate company have qualified their audit report on the financial statements for the year ended 31 March 2019 reproduced by us as under :

As stated in Note 42 to the consolidated financial statements, Lavasa Corporation Limited (LCL), a subsidiary of HCC Real Estate Limited (HREL) which is a wholly owned subsidiary of the Holding Company, was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) on 30 August 2018 and a Resolution Professional was appointed. The Board of Directors of LCL were suspended with effect from 30 August 2018, and the Holding Company and HREL therefore, did not exercise either control or significant influence over LCL from this date onwards. Owing to unavailability of financial statements and/or financial information of LCL and its subsidiaries, associates and jointly controlled entity ('LCL Group') for the period 1 April 2018 to 30 August 2018 ('cut-off period'), the financial statements of LCL Group for the cut-off period have not been included in the consolidated financial statements of the HCC, Holding Company and the assets and liabilities of LCL Group have been derecognized at their respective carrying values as at 31 March 2018 instead of 30 August 2018. The said accounting treatment by the Group is not in compliance with Ind AS 110 - Consolidated Financial Statements. In the absence of sufficient audit evidence, we are unable to comment upon the compliance of Ind AS 110 -Consolidated Financial Statements and its consequential impact on the consolidated financial statements for the year ended 31 March 2019.

4. 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 the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other 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 for our qualified opinion.

Emphasis of Matters :

5. We draw attention to the following emphasis of matters included by the independent Auditors of Hindustan Construction Company Limited, an associate company, issued vide their report dated 9th May, 2019 on matters which are relevant to our opinion on the consolidated financial results of the Group, as reproduced by us as under :

Independent Auditor's Report

i. Note 29.1 to the consolidated financial statements, regarding excess managerial remuneration accrued / paid to the Chairman and Managing Director (CMD) aggregating 1740 crore for the financial years ended 31 March 2015 and 31 March 2016, in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and the Act, for which Company had filed applications seeking approval of the Central Government, as required by the relevant provisions of the Act and rules there under. Further, as discussed in the aforementioned note, pursuant to the notification of the effective date of Section 67 of the Companies (Amendment) Act, 2017 amending Section 197, Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits, of the Act, the aforesaid applications pending with the Central Government stand abated and the Holding Company is in the process of seeking requisite approvals required in accordance with the provisions of section 197 of the Act. Our opinion is not modified in respect of this matter.

ii. Note 39 of the consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Badarpur Faridabad Tollway Limited (BFTL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

"Attention is drawn to Notes 18 and 31 to the financial statements, Canara Bank has vide letter dated 31 October 2018 has recalled entire amount of financial assistance extended to the Company. As per the cited letter, Bank has mentioned an amount of 902.96 crore as total dues outstanding as on 31 October 2018. Whereas per books of accounts of the Company, total outstanding dues to lenders as at 31 March 2019 are 617.04 crore. Pending reconciliation of outstanding dues to the lenders, difference amount has been disclosed as contingent liability. Our opinion is not modified in respect of this matter."

iii. Note 40 of the consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Baharampore Farakka Highways Limited (BFHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under :

"Note 33 of notes to accounts, National Highways Authority of India had served "Intention to Issue Termination Notice" vide letter dated 24 August 2017 and the Company refuted all the alleged defaults. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 5 February 2019. Our opinion is not modified in respect of this matter."

iv. Note 41 of the consolidated financial statements on following emphasis of matter included in the audit report

on the financial statements of Raiganj Dalkhola Highways Limited (RDHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

"Note 7 to the notes to accounts, National Highways Authority of India (NHAI) has served notice of termination of contract to the Company vide letter dated 31 March 2017 due to delay in re-start of work at project. For the reasons mentioned in the note, as the Company is confident of full recovery of its claims of 368 crore made before the arbitration for wrong full termination of the project. In view of this the cost incurred by the Company till 31 March, 2017 appearing under Receivable from NHAI amounting to 177.42 crore is considered fully recoverable by the management. Our opinion is not modified in respect of this matter."

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for preparation of other information. Other information comprises the information included in the Annual Report but does not include the Consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management for the Consolidated Financial Statements

7. The Holding 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 state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance), and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the company included in the group and its associate company covered under the act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets

Independent Auditor's Report

of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements :

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 Group, its associate (covered under the act) have 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 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
 13. 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.

Other Matters

The consolidated financial statements include the Group's share of net profit of ₹5,54,661 for the year ended 31 March 2019, in respect of two associates namely, Hincon Finance Limited and Hindustan Construction Company Limited. The consolidated financial statements of Hindustan Construction Company Limited have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements and our report in terms of sub-section (3) of Section 143 of the Act and other legal and regulatory requirements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other auditor. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 197(16) of the Act, based on our audit we report that the holding company and its associate company

Independent Auditor's Report

Hincon Finance Limited has not paid remuneration to its directors during the year . Further, we report that based on consideration of the reports of the other auditor, on separate financial statements of the associate namely Hindustan Construction Company Limited , covered under the Act paid remuneration to its directors in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the associates we report, to the extent applicable, that :

- (a) We have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matter described in paragraph 3 of the Basis for qualified opinion paragraph with respect to the financial statements of the Associate company Hindustan Construction Company Limited (HCC).
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matters described under the Basis for Qualified Opinion and Emphasis of Matters paragraphs, in our opinion, may have an adverse effect on the functioning of the HCC, Associate Company.
- (f) On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its associate companies incorporated in India, none of the directors of the Company are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion paragraph with respect to HCC, Associate of the company and it's subsidiaries ;
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the associates:
 - (i) Except for the possible effect of the matter described in paragraph 3 of the Basis for qualified opinion paragraph, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group, its associate as detailed in notes 19(i) to 19(vi), 22 to 24, 27, 28, 29. The Holding Company and it's other associate Hindcon Finance Limited does not have any pending litigations which would impact its financial position as on 31st March, 2019;
 - (ii) The Company and an associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. In case of other associate as referred in the other Auditors report provision has been made, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts as detailed in note 20 to the Consolidated financial statements of "HCC" ; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, and its Associates.
 - (iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Mehta & Pai

Chartered Accountants
Firm's Registration No. 113591W

Suresh Mehta

PARTNER

Membership No. 032230

Place: Mumbai

Date: May 9, 2019

Annexure to the Independent Auditor's Report

ANNEXURE A

Re: Hincon Holdings Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in Para (g) on Report on Other Legal and Regulatory Requirements in our report.

In conjunction with our audit of the consolidated financial statements of the Hincon Holdings Limited as of and for the year ended 31st March, 2019, We have audited the internal financial controls over financial reporting of Hincon Holdings Limited (hereinafter referred to as "the Company") and in respect of its Associates companies wherein such audit of the internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Company and its associate companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's 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") issued by the ICAI 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 issued by the Institute of Chartered Accountants of India. 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 includes 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

Basis for Qualified Opinion

We draw attention to the following material weakness included in the report on IFCoFR issued by the independent Auditors of Hindustan Construction Company Limited, an Associate of the, dated 3 May, 2019 on its consolidated financial statements, and reproduced by us as under :

" The Holding Company's internal financial control in respect of supervisory and review control over preparation of Consolidated Financial Statements in compliance with the Ind-AS 110 "

Annexure to the Independent Auditor's Report

Consolidated Financial Statements" and other accounting principles generally accepted in India were not operating effectively, which has resulted in a material misstatement of the consolidated financial statements, as explained in Note 42 to the accompanying Consolidated Financial Statements". (Refer Note 30 of the Consolidated financial statements of the company.)

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the two associate companies, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Holding Company, its two Associate companies, which are companies covered under the Act, have, in all material respects, adequate IFCoFR and such controls were operating effectively as at 31 March 2019, based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weaknesses identified and reported above by the Independent Auditors of an associate company, in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company and its associate companies, which

are companies covered under the Act as at and for the year ended 31 March 2019, and the material weakness reported by the independent Auditors of Hindustan Construction Company Limited, an associate company, has affected our opinion on the consolidated financial statements of the Company and its associate companies, which are companies covered under the Act and we have issued a qualified opinion on the consolidated financial statements.

Other Matters

We did not audit the IFCOFR in so far as it relates to two associates, which are companies incorporated in India, in respect of which, the Company's share of net profit is ₹ 18,24,980 for the year. Our report on the adequacy and operating effectiveness of the IFCOFR for the Company and associates, which are companies incorporated in India, under Section 143(3)(i) of the Act in so far as it relates to the aforesaid associates, is solely based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For Mehta & Pai

Chartered Accountants
Firm's Registration No. 113591W

Suresh Mehta

Partner
Membership No. 032230

Place: Mumbai
Date: May 9, 2019

Consolidated Balance Sheet as at 31st March 2019

	Note No.	As At 31 March 2019 ₹	As At 31 March 2018 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	9,266,100	9,266,100
Reserves & Surplus	4	<u>88,652,507</u>	<u>84,924,649</u>
		97,918,607	94,190,749
2 Current Liabilities			
Other current Liabilities	5	<u>987,232</u>	1,556,878
TOTAL		<u>98,905,839</u>	<u>95,747,627</u>
II. ASSETS			
1 Non - current Assets			
Fixed Assets	6		
Tangible Assets		164,563	168,247
Non current Investments	7	<u>57,945,477</u>	57,463,130
Long Term Loans and advances	8	<u>615,243</u>	<u>509,671</u>
		58,725,283	58,141,048
2 Current Assets			
Inventories	9	<u>21,635,828</u>	20,877,329
Cash and bank balances	10	<u>554,891</u>	1,201,539
Short term loan and advances	11	<u>17,989,836</u>	<u>15,527,711</u>
		40,180,556	37,606,579
Significant Accounting policies	2		
TOTAL		<u>98,905,839</u>	<u>95,747,627</u>

The accompanying Notes including other explanatory information forming integral part of financial statements.

As per our report of even date attached.

For Mehta & Pai
Chartered Accountants
FR No. 113591W

Suresh Mehta
Partner
M. No.032230

Place : Mumbai
Date : 9th May 2019

Ajit Gulabchand Chairman
(DIN : 00010827)

Shalaka Gulabchand Dhawan Vice Chairperson
(DIN : 00011094)

Chandahas Vinod Zaveri Director
(DIN : 03564067)

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2019

	Note No.	Year ended March 31,2019 ₹	Year ended March 31,2018 ₹
I REVENUE FROM OPERATIONS	12		
Sale of Securities		22,301,590	25,400,000
Other Operating Revenues		997,173	983,476
		23,298,763	26,383,476
II OTHER INCOME	13	4,860,276	3,486,244
III TOTAL REVENUE (I+ II)		28,159,039	29,869,720
IV EXPENDITURE			
Cost of Securities sold	14	22,301,674	25,400,000
Employee Benefits Expense	15	1,193,337	1,057,047
Depreciation	6	3,684	3,684
Other Expenses	16	1,573,918	1,164,977
TOTAL OPERATING EXPENSES		25,072,614	27,625,708
V Profit Before Exceptional & Extraordinary Items & Tax (III - IV)		3,086,427	2,244,012
VI Exceptional Items		-	-
VII Profit Before Extraordinary Items & Tax (V - VI)		3,086,427	2,244,012
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII - VIII)		3,086,427	2,244,012
X Tax Expense:			
1) Current Tax		812,000	1,043,513
2) Deferred Tax		-	-
3) MAT Credit Entitlement		-	-
4) Excess/(short)Provision of earlier years written back		(898,770)	1,219,017
XI Profit / (Loss) for the year from Continuing operations (IX - X)		3,173,197	(18,517)
XII Share of profit of associates		554,661	1,824,980
XIII Profit / (Loss) for the year (XI + XII)		3,727,857	1,806,463
XIV Earnings per equity share:			
Basic & Diluted	17	4.02	1.95

The accompanying Notes including other explanatory information forming integral part of financial statements.

As per our report of even date attached.

For Mehta & Pai
Chartered Accountants
FR No. 113591W

Suresh Mehta
Partner
M. No.032230

Place : Mumbai
Date : 9th May 2019

Ajit Gulabchand Chairman
(DIN : 00010827)

Shalaka Gulabchand Dhawan Vice Chairperson
(DIN : 00011094)

Chandahas Vinod Zaveri Director
(DIN : 03564067)

Consolidated Cash Flow Statement for the year ended 31st March, 2019

	Year ended 31.03.2018	Year ended 31.03.2017
	₹	₹
Cash flow from operating activities		
Profit before tax	3,086,427	2,244,012
Non-cash adjustment to reconcile profit before tax to net cash flows	72,316	
Adjustment of equity accounting of associate		-
Share of profit of associates	554,661	1,824,980
Depreciation/ amortization	3,684	3,684
Operating profit before working capital changes	3,717,087	4,072,677
Movements in working capital :		
Increase / (decrease) in other current liabilities	(569,646)	459,621
Decrease / (increase) in Inventories	(758,499)	1,916,524
Decrease / (increase) in long-term loans and advances	(105,572)	-
Decrease / (increase) in short-term loans and advances	(2,462,125)	(3,993,054)
Cash generated from /(used in) operations	(178,756)	2,455,768
Direct taxes paid (net of refunds)	86,773	(910,870)
Net cash flow from/ (used in) operating activities (A)	(91,983)	1,544,897
Cash flows from investing activities		
Decrease / (increase) in Investment	(554,665)	(1,824,981)
Net cash flow from/ (used in) investing activities (B)	(554,665)	(1,824,981)
Cash flows from financing activities		
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(646,648)	(280,083)
Cash and cash equivalents at the beginning of the year	1,201,539	1,481,622
Cash and cash equivalents at the end of the year	554,891	1,201,539
Components of cash and cash equivalents		
Cash on hand		-
Balances with banks	554,891	678,979
- on deposit account		522,560
Total cash and cash equivalents (Note 17)	554,891	1,201,539
Significant Accounting Policies and Notes on Financial Statements	2	

As per our report of even date attached.

For Mehta & Pai
Chartered Accountants
FR No. 113591W

Suresh Mehta
Partner
M. No.032230

Place : Mumbai
Date : 9th May 2019

Ajit Gulabchand Chairman
(DIN : 00010827)

Shalaka Gulabchand Dhawan Vice Chairperson
(DIN : 00011094)

Chandahas Vinod Zaveri Director
(DIN : 03564067)

Notes to Accounts

NOTE 1: BACKGROUND

Hincon Holdings Limited('the Company') is registered as a Non-Banking Financial Company('NBFC') as defined under section45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending and investing activities.

NOTE 2 : Significant Accounting Policies forming part of Consolidated Accounts as at March 31, 2019

1. Basis of preparation and Principles of Consolidated Basis of preparation and Principles of Consolidation

I. Basis of preparation of the consolidated financial statements:

The consolidated financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the act, and the accounting principles generally accepted in India and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

II. Principles of consolidation

The consolidated financial statements are prepared by :

Consolidating its accounts with financial statements of its associates by equity method of accounting.

Applying the equity method of accounting for its associate companies from initial holding in which it holds between 20 & 50 percent of the equity share capital.

Notes to these consolidated financial statements are intended to serve as means of informative disclosure and guide to better understanding. Recognising this purpose, the company has disclosed only such Notes from the Individual Financial Statements, which fairly present the needed disclosures.

III. Method of Consolidation

The consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 23- Accounting for Investments in Associates in Consolidated Financial Statements"- issued by the Institute of Chartered Accountants of India.

IV. List of Associates

Name of Associates	% of Holding (as on 31.03.2018)
Hincon Finance Ltd	48.75%
Hindustan Construction Co. Ltd.	14.28%

2. Method of Accounting

The Company maintains its accounts on accrual basis.

3. Fixed Assets

Fixed Assets are stated at cost of acquisition net off accumulated depreciation.

4. Depreciation/Amortisation

Depreciation on fixed assets is provided:

- In respect of Computers, depreciation is provided on Straight Line Basis over a period of three years on a pro-rata basis.
- Leasehold rights in Land & Building are amortised over the period of lease.

5. Investments

Investments are stated at cost and are classified as Long Term (non current) Investments.

6. Dividend

Dividend income is accounted for when the right to receive the payment is established.

7. Stock In Trade

Shares and Securities held as Stock-in-trade are valued at cost (FIFO basis) or net realisable value whichever is lower.

Notes to Accounts

8. Taxation

The tax expense comprises of current tax & deferred tax charged or credited to the profit and loss account for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax expenses or benefit is recognised using the tax rates and tax laws that have been enacted by the balance sheet date. In the event of unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

9. Earnings per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per shares, the net profit or loss for the period attributable to equity shareholders by weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

As At 31	As At 31
March 2019	March 2018
₹	₹

NOTE 3: SHARE CAPITAL

Authorised Capital

20,00,000 Equity Shares of ₹ 10 each	20,000,000	20,000,000
10,00,000 Unclassified shares of ₹ 10 each	10,000,000	10,000,000
TOTAL	<u>30,000,000</u>	<u>30,000,000</u>

Issued, Subscribed & Paid-up Capital

9,26,610 Equity Shares of ₹ 10 each fully paid-up	9,266,100	9,266,100
TOTAL	<u>9,266,100</u>	<u>9,266,100</u>

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

As At 31	As At 31
March 2019	March 2018
₹	₹

Equity Shares :

Number of Shares outstanding at the Beginning of the year:	Qty	926,610	926,610
	Value	9,266,100	9,266,100
Add: Shares issued and allotted during the year	Qty	-	-
	Value	-	-
Number of Shares outstanding at the End of the year:	Qty	926,610	926,610
	Value	9,266,100	9,266,100

b. Terms/rights attached to shares:

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Accounts

c. Shareholding of more than 5%:

Name of the Shareholder	As At	As At	As At	As At
	31 March 2019 % held	31 March 2019 No. of shares	31 March 2018 % held	31 March 2018 No. of shares
Shri. Ajit Gulabchand	91.89	851,465	91.89	851,465

	As At 31 March 2019 ₹	As At 31 March 2018 ₹
--	-----------------------------	-----------------------------

NOTE 4: RESERVES AND SURPLUS

a) General Reserves

Opening Balance	70,715,636	70,535,636
Add: Transferred from Statement of Profit and Loss	<u>370,000</u>	<u>180,000</u>
	71,085,636	70,715,636

b) Special Reserve U/s 45 (IC) of the RBI Act, 1934

Opening Balance	143,490,000	143,130,000
Add: Transferred from Statement of Profit and Loss	<u>750,000</u>	<u>360,000</u>
	144,240,000	143,490,000

c) Surplus as per Statement of Profit and Loss

Balance brought Forward	(129,280,987)	(130,547,449)
Add: Profit /(Loss) for the year	3,727,857	1,806,463
Less: Transferred to General Reserve	<u>370,000</u>	<u>180,000</u>
Less: Tax on Proposed Dividend		
Less: Adjustment of equity accounting of associate	-	-
Less: Transfer to Special Reserve U/s 45 (IC) of the RBI Act, 1934	750,000	360,000
RBI Act, 1934	(126,673,129)	(129,280,987)
TOTAL	<u><u>88,652,507</u></u>	<u><u>84,924,649</u></u>

	As At 31 March 2019 ₹	As At 31 March 2018 ₹
--	-----------------------------	-----------------------------

NOTE 5: OTHER CURRENT LIABILITIES

a) Other Trade Payable	866,425	932,690
b) Statutory Dues Payable	36,081	18,893
c) Due to Employees	84,726	82,735
d) Unclaimed Dividend	-	522,560
TOTAL	<u><u>987,232</u></u>	<u><u>1,556,878</u></u>

Notes to Accounts

NOTE 6 : FIXED ASSETS

₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	As at 01.04.2018	For The period	Deductions	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Tangible Assets (At Cost):										
Lease Hold Rights in Land & Building (*)	225,700	-	-	225,700	57,453	3,684	-	61,137	164,563	168,247
Total of This Year	225,700	-	-	225,700	57,453	3,684	-	61,137	164,563	168,247

(*) 1 : The Mumbai High Court wide its order dated 1st July 1999 sanctioned a scheme of arrangement (for demerger) between Walchand Capital Ltd (WC) and the Company & Others. As a result the Company was entitled to leasehold rights in the land/premises which was built on the land leased to WC by the Mumbai Port Trust (MPT) together with undivided 32.19% of the share, right, title and interest in the said leasehold land. However, the matter relating to the vesting of the aforesaid leasehold rights in favour of the Company is subject to the decision in a suit filed by WC against MPT in the City Civil Court, Mumbai.

	As at 31 st March, 2019 ₹	As at 31 st March, 2018 ₹
NOTE 7 NON CURRENT INVESTMENTS (At Cost)		
a) Investment Properties	36,360,000	36,360,000
b) Investment in Equity instruments		
Hindustan Construction Company Ltd	-	-
Hincon Finance Limited	21,585,477	21,030,812
Lavasa Corporation Limited	69,518	69,518
Less : Provision for Diminution in the Value of Investment	(69,518)	-
Total	21,585,477	21,100,330
c) Investments in Preference shares		
Lavasa Corporation Limited	2,800	2,800
Less : Provision for Diminution in value of Investment	(2,800)	-
Total	57,945,477	57,463,130

	As at 31 st March, 2019		As at 31 st March, 2018	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
(i) Aggregate of Investments				
i. Quoted	-	3,24,25,14,236	-	4,81,73,26,280
ii. UnQuoted	2,15,85,477	-	2,11,03,130	-
iii. Others	3,63,60,000	-	3,63,60,000	-
	5,79,45,477	3,24,25,14,236	5,74,63,130	4,81,73,26,280

Notes to Accounts

	As at 31st March, 2019	As at 31 st March, 2018
(ii) Equity accounted associates		
Cost of investment	278,757,183	278,757,183
[including ₹ 17,48,46,365 of goodwill (net of capital reserve) arising on consolidation]		
Add: Share of profits/(losses)	(257,171,706)	(257,726,371)
	<u>21,585,477</u>	<u>21,030,812</u>

(iii) Name of the Company	Original Cost of investment	Goodwill/ Capital reserve	Accumulated Profit/(loss) as at 31.03.2018	Carrying amount of investment as at 31.03.2018
Hindustan Construction Company Ltd	271,257,183	174,846,365	(271,257,183)	-
Hincon Finance Limited (Refer point (iv))	7,500,000	-	14,085,477	21,585,477
Total	278,757,183	174,846,365	(257,171,706)	21,585,477

- (iv) In case of Hincan Finance Limited (HFL), which has become an associate of the company from 1st July, 1999, as the accounts of the associate are not available with the company from 1999 to 2015, impact for those years is not taken for the purpose of consolidation.
- (v) The company has prepared consolidated accounts taking into account standalone audited accounts of an associate till the year 2002 and consolidated accounts thereafter in terms of AS 21.
- (vi) Hindustan Construction Company Limited ("HCC"), an Associate company whose accounts are prepared as per IND AS and not as per Indian GAAP as required, has been considered for consolidation with the Company which is a Non Banking Financial Company and whose accounts are required to be prepared only under Indian GAAP as per the companies (Indian Accounting Standards) (Amendment) Rules, 2016. However, as per Accounting Standard 23, since the company has reported its investment in the associate at nil value under equity method, the share of further losses will not have any impact on the value of the said investment.

Notes to Accounts

Working for Note 7 : Non Current Investments

A Details of Other Non-current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/Controlled Entity/Others	No. of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
			As at 31st March, 2019	As at 31st March, 2018			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investment in Equity Instruments											
	Hindustan Construction Company Ltd	Others	216,023,600	216,023,600	Quoted	Fully paid	21.27%	21.37%	-	-	Yes	
	Hincon Finance Limited	Others	390,000	390,000	Unquoted	Fully paid		-	21,585,477	21,030,812	Yes	
	Lavasa Corporation Limited	Others	2,387	2,387	Unquoted	Fully paid			69,518	69,518	Yes	
	Sub Total		216,415,987	216,415,987					21,654,995	21,100,330		
(2)	Investments in Preference Shares											
	Lavasa Corporation Limited		28	28	Unquoted	Fully paid			2,800	2,800	Yes	
	Sub Total		28	28					2,800	2,800		
	Less : Diminution in Value of Investment			(2,415)						(72,318)		
	Total		216,413,600	216,416,015					21,585,477	21,103,130		

Note: Amount equivalent to 34.05% of the sale proceeds (net of tax liability) to be received in future on sale of the immovable properties specified below has not been considered since the amount of sale is not yet quantified.

Description of the property:

- The piece and parcel of land situated at Gamdevi, West of Agra Road, Bhandup, Mumbai admeasuring about 11441 sq.mtrs bearing Survey No. 141 and CTS No. 191 to 199 registered under Deed of Conveyance dated 19.01.1938 in the office of Sub Registrar Bandra under Serial No. 87 of 1938.
- The piece and parcel of land situated at Village Bhopar, Taluka Kalyan, Dist. Thane and the same is in three pieces alongwith railway line between Diva and Dombivli Railway Station and 45 Kms stone admeasuring about 10,243 sq. mtrs bearing Survey No. 168-1, 170 and 171 and registered under the Conveyance Deed dated 19.11.1938 in the office of Sub Registrar, Kalyan under Serial No. 94 of 1938 purchased from M/s. Pathak Walchand and Company Limited.
- The National Company Law Tribunal, Mumbai (NCLT) vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited (LCL) by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. In view of uncertainties associated with the outcome of CIRP and as a matter of prudence, the Company had made provision for Diminution in value of investment.

Notes to Accounts

	As At 31.03.2019 ₹	As At 31.03.2018 ₹
NOTE 8 LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
a) Deposits	1,040,256	1,040,256
b) Advance tax (net)	(425,013)	(530,585)
TOTAL	615,243	509,671
NOTE 9 INVENTORIES		
Stock-in-Trade	21,635,828	20,877,329
	21,635,828	20,877,329
NOTE 10 CASH AND BANK BALANCE		
a) Cash & Cash Equivalents		
1) Cash on Hand		
2) With Scheduled Banks:		
Current Account	554,891	678,979
b) Other Bank Balances		
Balances with Bank for Unpaid Dividend	-	522,560
TOTAL	554,891	1,201,539
NOTE 11 SHORT TERM LOAN & ADVANCES		
Unsecured, Considered Good		
a) Loans and advances to related parties	17,986,097	15,517,922
b) Prepaid Expenses	3,739	9,789
	17,989,836	15,527,711
NOTE 12 REVENUE FROM OPERATIONS		
(a) Sale of Securities	22,301,590	25,400,000
(b) Other Operating Revenues		
Dividend from Mutual Fund	997,173	983,476
TOTAL	23,298,763	26,383,476
NOTE 13 OTHER INCOME		
a) Dividend	8	39
b) Other non-operating Income		
Rent	4,444,148	3,486,205
Interest on I.T. Refund	60,200	-
Excess Provision written back	355,920	-
TOTAL	4,860,276	3,486,244

Notes to Accounts

	As At 31.03.2019 ₹	As At 31.03.2018 ₹
NOTE 14 COST OF SECURITIES SOLD		
Opening Stock	20,877,329	22,793,853
Add: Purchases	23,060,173	23,483,476
	<u>43,937,502</u>	<u>46,277,329</u>
Less: Closing Stock (after diminution in value)	21,635,828	20,877,329
TOTAL	<u><u>22,301,674</u></u>	<u><u>25,400,000</u></u>

NOTE 15 EMPLOYEE BENEFITS EXPENSE

a) Salaries, Wages, Bonus and Gratuity	1,179,167	1,048,538
b) Staff Welfare Expenses	14,170	8,509
TOTAL	<u><u>1,193,337</u></u>	<u><u>1,057,047</u></u>

NOTE 16 OTHER EXPENSES

a) Rates & Taxes	2,500	11,457
b) Directors Sitting Fees	85,000	80,000
d) Postage, Printing and Stationery	132,885	148,864
e) Filing fees	31,165	15,140
f) Advertisement Expenses	42,840	56,670
g) Professional Charges	110,800	140,222
h) Demat Charges	826	1,401
i) Bank charges	2,065	-
j) Legal Expenses	170,485	572,424
k) Repairs & Maintenance Charges	79,301	10,800
l) Auditors' Remuneration		
Audit Fees	100,000	104,499
Certification Charges	10,500	23,500
Out of Pocket Expenses		
m) Provision for Diminution in Value of Investment	72,316	-
n) Building Security Charges	730,611	-
o) Interest on Delayed payment	2,624	127,999
TOTAL	<u><u>1,573,918</u></u>	<u><u>1,164,977</u></u>

NOTE 17 EARNING PER SHARE

a) Net Profit/ Loss available for Equity Shareholders (₹)	3,727,857	1,806,463
b) Number of Shares	926,610	926,610
c) EPS (Weighted Average) Basic & Diluted (₹) (not annualised)	4.02	1.95

18 INCOME TAX

The Income-tax Assessments of the Company have been completed upto the Accounting year ended 31st March 2016.

Notes to Accounts

19 CONTINGENT LIABILITIES

Claims not acknowledged as debt by the Company : ₹ 71,05,651 (Previous Year ₹ 65,30,371)

Contingent Liabilities in HCC Ltd (Hindustan Construction Company Limited) recorded below mentioned details :

Sr. No.	Particulars	As at 31 Mar 2019 (₹ In crores)	As at 31 Mar 2018 (₹ In crores)
(i)	Claims filed against group not acknowledged as debts	188.53	321.63
(ii)	Sales Tax/Works contract tax liability/Service tax/ Custom Liability that may arise in respect of matters in appeal	211.29	200.75
(iii)	Income tax liability that may arise in respect of appeals	46.85	55.25
(iv)	Corporate Guarantee	3,868.69	3.06
(v)	Counter Indemnities given to banks in respect of contracts executed by subsidiaries and Joint ventures	2,345.84	1,895.59

(vi) Provident Fund:

Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Group with respect to timing and the components of its compensation structure. In absence of further clarification, the Group has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any."

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in (iv) above. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

(vi) Others

During earlier year, IFCI had filed winding up petition against LCL and the Company and invoked Corporate Guarantee given by the company for the loan availed by LCL amounting to ₹30 crore. Based on the assignment agreement dated 28 March 2018, entered between IFCI and Asset Care and Reconstruction Enterprise Limited (ACRE), all the rights, title and beneficial interest including guarantee were transferred by IFCI to ACRE. Further, pursuant to the agreement dated 6 December 2018, agreed between ACRE and the holding company, the liability of the Company towards these obligations has been transferred to the HCC company.

A subsidiary of the HCC Infrastructure Company Limited (HICL) has entered into a novation agreement with Charosa Wineries Limited (CWL) and Yes Bank Limited pursuant to the Resolution Plan of Charosa Wineries Limited whereby the existing shares of Charosa Wineries Limited will be acquired by the Quintela Assets Limited and Loan from Yes Bank Ltd. including interest amounting to ₹38.28 crore borrowed by Charosa Wineries Limited alongwith its rights and Liabilities under the Loan Agreement will be transferred to Dhule Palesner Operations & Maintenance Limited. The receivable from Charosa Wineries Limited arising on transfer of Yes Bank Loan amounting to ₹ 37.73 crore to the HCC is not realisable and has been written off by the HCC during the year.

20 Related Party Disclosures

(A) Names of the Related Parties & Nature of Relationship

(a) Associate Company

- 1) Hindustan Construction Company Limited (HCC)
- 2) Hincon Finance Limited (HFL)

(b) Key Management Personnel & Relative of Key Management Personnel

- 1) Ajit Gulabchand - Chairman
- 2) Shalaka Gulabchand Dhawan

Notes to Accounts

(B) Transactions with Related Parties

(₹)

Sr. No.	Nature of Transactions	Name of Party	(₹)	31st March 2018
1)	Renting of Property during the year	HCC	4,800,000	4,800,000
2)	Outstanding balance included in Investments	HFL	7,500,000	7,500,000
	Less: share of Profit/(loss)		14,085,477	13,530,812
			21,585,477	21,030,812
3)	Outstanding balance included in Current Assets	HCC	17,916,097	15,435,921

21 Pledge of Equity Shares

During FY 2012-13, in accordance with the approval of the CDR Package for Hindustan Construction Company Ltd (HCC), the Company (Promoter Company of HCC/Pledgor), had pledged 20,07,03,600 equity shares of Re.1/ each held in HCC in favour of Universal Trusteeship Services Ltd (formerly '3i Infotech Trusteeship Services Ltd'), the Security Trustee for the CDR Lenders (Pledgee). During FY 2016-17, in accordance with the RBI Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme") which was implemented for HCC, as per the terms agreed therein, inter alia the pledge on the aforesaid shares i.e. 20,07,03,600 equity shares of Re.1/- each held by our Company in HCC, was recreated in favour of the same Pledgee, i.e. Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and on behalf of the Debenture Trustee for OCD Lenders. Further in terms of the said pledge requirements, on the additional 1,53,20,000 equity shares of Re.1/- each allotted by HCC on 2nd May 2014 to the Company, towards allotment of shares for Promoter Contribution, fresh pledge was created during the year, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and held by them on behalf of the Debenture Trustee for OCD Lenders, and hence, the entire 21,60,23,600 equity shares of the Company held in HCC, stood pledged with Universal Trusteeship Services Ltd. During FY 2017-18, HCC has entered into facility agreements for availment of additional working capital facilities from the Lenders for Operations and towards Arbitration Bank Guarantees respectively, and as per the terms agreed therein, Master Pledge Agreement was executed on March 29, 2018, inter alia, by the Company for recreation of pledge on the aforementioned entire 21,60,23,600 equity shares held in HCC on the terms and conditions contained therein, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and held by them on behalf of the Debenture Trustee for OCD Lenders."

Further to the facilities availed by HCC under S4A Scheme as per the Master S4A Framework Agreement executed with the Lenders, in respect of additional working capital facilities availed by HCC from the Lenders for Operations and towards Arbitration Bank Guarantees respectively, and as per the terms agreed therein, last Master Pledge Agreement was executed by Hincan Holdings Ltd during the FY 2018-19 for recreation of pledge on its shareholding in HCC.

- 22** HCC Group, as at 31 March 2019, has a non-current investment amounting to ₹137.23 crore (31 March 2018: ₹ 292.81 crore) in HCC Concessions Limited ('HCL'), a joint venture company of HCC Infrastructure Company Limited ('HICL') (85.45% holding), a wholly owned subsidiary, having various Build, Operate and Transfer (BOT) SPVs under its fold. While HICL has incurred losses and consolidated net-worth as at 31 March 2019 has been substantially eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments / assets, based on valuation report of an independent valuer, is higher. Further BOT SPV's have several claims including favorable arbitration awards against its customers mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with clients or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/ litigations and legal advice, the management believes that the realizable amount of HCL is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.
- 23** HCC Real Estate Limited ('HREL'), a subsidiary company, had provided corporate guarantee and put options aggregating ₹3,868.69 crore to the lenders of its erstwhile subsidiaries, Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries. LCL and WAML were admitted under the Corporate Insolvency Resolution Process ('CIRP') in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 17 December 2018, respectively and Resolution Professionals ('RP') have been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with RP which is presently under the IBC process and during the current year have also invoked the corporate

Notes to Accounts

guarantee / put options issued by HREL. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of the HREL shall be determined once the debts due to these lenders are settled by RP upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been considered necessary in the consolidated financial statements by the management, as impact, if any is currently unascertainable.

- 24** Unbilled work-in-progress, 'Non-current trade receivables' and 'current receivables' include ₹416.49 crore (31 March 2018: ₹686.24 crore), ₹54.14 crore (31 March 2018: ₹123.39 crore) and ₹320.94 crore (31 March 2018: ₹214.38 crore), respectively, outstanding as at 31 March 2019 which represent various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed / suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation / discussion with the clients or under arbitration / litigation. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigations and as legally advised, the management is confident of recovery of these receivables.
- 25** "Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the application for approval in respect of excess amounts accrued / paid in respect of financials years 2014-15 and 2015-16, made by HCC Ltd to the Ministry of Corporate Affairs ('the Ministry') for approval of managerial remuneration of Chairman and Managing Director (CMD) which were paid/accrued in excess of the prescribed limit for these financial years stand abated. HCC Ltd is in the process of seeking approvals from the shareholders and lenders, as may be required under the Act, for the payment in respect of the year ended 31 March 2015 and for the waiver of recovery for excess remuneration paid in respect of year ended 31 March 2016. Necessary adjustments, if required, will be made based on the outcome of such approvals. HCC Limited had paid / accrued remuneration for the aforesaid years based on the approval by shareholders and the applications filed with the Ministry as detailed below:"

Financial Year	Remuneration Accrued	Remuneration Paid	Remuneration as per the prescribed limit	Excess remuneration paid held in trust
2014-15	10.66	Not Paid	1.95	-
2015-16	10.66	10.66	1.97	8.69

- 26** Further, HCC Ltd had paid managerial remuneration to the CMD aggregating ₹10.66 crores during the financial year 2013-14, out of which ₹8.74 crores was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. In absence of response from the Ministry for HCC Ltd's application for reconsideration of the excess amount paid, HCC Ltd has proposed to recover the excess amount held in trust by the CMD and the same has been included under Other Income. Such sum is refundable to HCC Ltd within two years or such lesser period as allowed by HCC Ltd in terms of Section 197(9) of the Act and until such sum is refunded, the same will be continued to be disclosed as recoverable from the CMD.
- 27** Badarpur Faridabad Tollway Limited ('BFTL') has received a recall notice from Lenders letter dated 31 October 2018 demanding repayment of entire loan outstanding amounting to ₹710 crore. BFTL has reverted to the notice and has requested the lenders to reconsider its action of issuing Recall Notice and withdraw it immediately, pending the arbitration proceedings with NHAI for termination dues. Subsequently BFTL has received Letter dated 10 April 2019 demanding outstanding dues along with revised interest amounting to ₹902.96 crore as on 31 October 2018 (computed after reversal of waivers). As per BFTL books of accounts, the total outstanding dues to lenders as at 31 March 2019 stands at ₹617.04 crore. Pending reconciliation of outstanding dues to the lenders, difference has been disclosed as contingent liability.
- 28** On 24 August 2017, NHAI had issued an 'Intention to Issue Termination Notice' to Baharampore Farakka Highways Limited (BFHL), a joint venture of the HCL. BFHL has refuted all the alleged defaults and refuted NHAI's intention to terminate as invalid. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 5 February 2019. Based on the legal advice obtained in this respect, management of BFHL is confident of settling this matter with NHAI without any loss.
- 29** Raiganj Dalkhola Highways Limited ('RDHL'), a subsidiary of HCL, has received a notice from NHAI for termination of the road construction project being carried out under this entity. RDHL has not accepted the contention of NHAI as the requisite land to carry out the desired work was not made available by NHAI. RDHL has preferred a claim of ₹368 crore before arbitration tribunal for wrongful termination of the project by NHAI and based on legal advise it is confident of recovering entire cost incurred on the project. Further, RDHL has also filed claims amounting to ₹802 crore towards losses suffered by it till 31 March 2017 on account of delay in providing land and consequent delay in completion of the project which are presently referred to arbitration for which constitution of Arbitral Tribunal to adjudicate this dispute is awaited. Further the net worth of RDHL, at this juncture, is also positive. Based on the legal advice obtained in this respect, Management is confident of recovering the outstanding receivables of ₹177.42 crore from NHAI and exposure in RDHL is considered to be fully recoverable.

Notes to Accounts

- 30** “The National Company Law Tribunal, Mumbai (‘NCLT’) vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited (‘LCL’) by an operational creditor and initiated the Corporate insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 (‘IBC’). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional (‘RP’) appointed under the provisions of IBC. HCC Real Estate Limited (‘HREL’), a wholly owned subsidiary of the Holding Company, is presently holding 68.70% equity stake in LCL. HCC Group made all the required efforts to obtain requisite standalone and consolidated financial results/ financial information of LCL and its subsidiaries, associates and joint ventures (‘LCL group’) for the period 1 April 2018 to 30 August 2018 (date up to which the company had control) through appointed RP, for which no response was received from RP. In the absence of the required financial results/ financial information of LCL group, it was practically beyond the control of Holding Company’s management to consolidate LCL group up to the date of loss of control i.e. 30 August 2018, in consolidated financial statements of the Holding Company for the year ended 31 March 2019. In view of this, financial statements/ financial information of LCL group for the aforesaid period have not been considered in the consolidated financial statements of the HCC Group for the year ended 31 March 2019. Further, de-recognition of assets and liabilities of LCL group, consequent to aforesaid loss of control, has been carried out based on the latest available financial results of LCL group, i.e. year ended 31 March 2018, in these consolidated financial statements.”
- 31** During the year, HCC has signed a definitive term sheet with a consortium of investors, whereby it has agreed to assign beneficial interest/ rights in a portfolio of identified arbitration awards and claims (specified assets) of the Company for an aggregate consideration of ₹ 1,750 crores, which is presently subject to obtaining requisite approvals, compliance of conditions precedent and documentation as specified in the term sheet. The specified assets will be assigned in favour of a Separate Company (SC), controlled by the investors. SC will raise funds from the investors through issue of Non-Convertible Debentures (NCD’s) and the proceeds there from would be paid to HCC towards consideration of specified assets assigned. Of the consideration of ₹1,750 crore, ₹1,250 crore is proposed to be utilized by HCC towards repayment of term loans/OCDs and the balance towards working capital, general corporate expenses and transaction costs. HCC will also issue a corporate guarantee (CG) of ₹625 crore in favour of the NCD Holders to provide comfort on the expected cash flow arising from the Specified Assets. The CG will reduce progressively on repayment of the NCDs as and when the Specified Assets are realized.
- 32** Previous Year figures have been regrouped and recast wherever necessary.

As per our report of even date attached.

For Mehta & Pai

Chartered Accountants

FR No. 113591W

Suresh Mehta

Partner

M. No.032230

Place : Mumbai

Date : 9th May 2019

Ajit Gulabchand

(DIN : 00010827)

Shalaka Gulabchand Dhawan

(DIN : 00011094)

Chandahas Vinod Zaveri

(DIN : 03564067)

Chairman

Vice Chairperson

Director

FORM AOC-I

Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statements of Associates :

Sr. No.	Name of Associates	Hindustan Construction Company Limited	Hincon Finance Limited
1	Latest Audited Balance Sheet	31-March-2019	31-March-2019
2	Shares of the Associates held by the Company		
	Number of Equity Shares	216,023,600	390,000
	Amount of Investment in Associates	₹ 2713 Lacs	₹ 75 Lacs
	Extent of Holding	14.28%	48.75%
3	Description of how there is significant influence	Significant influence over Share Capital	Significant influence over Share Capital
4	Reason why the associate is not consolidated	Consolidated	Consolidated
5	Total Profit/Loss for the year		
	i. Considered in consolidation	(34,114)	1,137,766
	ii. Not Considered in consolidation	-	-

Disclosure as per Schedule III by way of additional information as per general instruction 2 :

The share of associate in the consolidated profit & loss account is as follows :

Sr. No.	Name of Entity	Share in profit or loss	
		As % of consolidated Profit or Loss	Amount (₹ In lacs)
1	Hindustan Construction Company Limited	14.28%	Nil
2	Hincon Finance Limited	48.75%	5.55

Hincon Holdings Ltd.
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083,
India.

Tel: +91-22-2575 1000

Fax: +91-22-2577 5950

www.hinconholdings.com

CIN: U67120MH1996PLC102787