

HINCON HOLDINGS LTD

**ANNUAL
REPORT
2020-2021**

HINCON HOLDINGS LTD.

CIN : U67120MH1996PLC102787

BOARD OF DIRECTORS

Ajit Gulabchand, Chairman

Shalaka Gulabchand Dhawan, Vice Chairperson

Chandrabhas Vinod Zaveri

AUDITORS

Mehta & Pai, Chartered Accountants

BANKERS

ICICI Bank Limited

REGISTERED OFFICE

Hincon House, L.B.S. 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 25th Annual General Meeting of Hincan Holdings Ltd. ("the Company") will be held on Wednesday, September 15, 2021 at 11.00 a.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") 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, 2021 including the Audited Balance Sheet as at March 31, 2021 and the Statement of Profit and 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, 2021 including the Audited Consolidated Balance Sheet as at March 31, 2021 and the Consolidated Statement of Profit and Loss for the year ended on that date together with the Report of the Auditors thereon.
2. Appointment of a Director, in place of Mr. Chandras Vinod Zaveri (DIN: 03564067), Non-Executive Director, who is retiring by rotation, in accordance with Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment

By Order of the Board
For **Hincan Holdings Ltd.**

Ajit Gulabchand
Chairman

Place: Mumbai

Date: August 04, 2021

Registered Office:

Hincan House,
L.B.S. Marg,
Vikhroli (West), Mumbai 400 083.

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting can be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

In compliance with the Companies Act, 2013 and the MCA Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and 2/2021 dated January 13, 2021, the 25th Annual General Meeting of the Company (AGM) is being held through VC/OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM.

The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial no. 16) and is also available at the Company's website i.e. www.hincanholdings.com.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM and accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting (Refer para 1 of 'General Guidelines for Shareholders' mentioned under serial no. 16).
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, the Chairperson of Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 09, 2021 to Wednesday, September 15, 2021 (both days inclusive) for the purpose of the AGM of the Company.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection in the electronic form (scanned copy) without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e. Wednesday, September 15, 2021. Members seeking to inspect such documents can send an email to secretarial@hccindia.com.
8. In compliance with the provisions of Section 129(3) of the Act, the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the Members of the Company.
9. Contact details of Link Intime India Pvt. Ltd., Company's Registrar and Share Transfer Agents ("R&T agents") are as under:
Link Intime India Pvt. Ltd.
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West) Mumbai-400 083.
Phone: +91 22 4918 6000
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 Participants and send the application through their respective Depository Participants to Company's R&T agents for dematerialization of the shares held in the Company. The Company's ISIN is INE747Q01014.

11. Members are requested to:

- a) Intimate change in their registered address, if any, to the Company's R&T 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 dematerialized form.
- c) Non-Resident Indian Members are requested to inform Link Intime Pvt. Ltd. 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 Act, 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 Company's R&T agents and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in dematerialized form should file their nomination with their Depository Participant.

12. Green Initiative:

The Ministry of Corporate Affairs ("the MCA") has encouraged paperless communication as a contribution to greener environment.

In terms of Sections 101 and 136 of the Act read together with the Rules made thereunder and in compliance with the MCA Circulars, the copy of the Annual Report for the financial year 2020-21 including Standalone and Consolidated Audited Financial Statements, Board's report etc. and Notice of the AGM of the Company, inter-alia, indicating the process and manner of remote e-Voting is being sent by electronic mode, to all those Members whose e-mail IDs are registered with their respective Depository Participants.

Members holding shares in physical mode are requested to register their e-mail ID's with Company's R&T agents and Members holding shares in dematerialized mode are requested to register their e-mail ID's with their respective Depository Participants, 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 Company's R&T agents in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in dematerialized form.

Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for the financial year 2020-21 of the Company are also available on the Company's website www.hinconholdings.com.

13. Re-appointment of Director:

As per the provisions of Section 152 of the Act, Mr. Chandras Vinod Zaveri, Director of the Company (DIN: 03564067) is retiring by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment as a Director of the Company, liable to retire by rotation.

The relevant details of the Director seeking re-appointment at the AGM in pursuance of the Companies Act, 2013 read with Secretarial Standards-2 on General Meetings, as applicable, are given in Annexure to this Notice.

14. IEPF Disclosures

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ("the IEPF Rules"), the Company was not required to transfer any amount of Unclaimed dividend and corresponding equity shares to IEPF account during the year.

Members are further requested to note that no claims shall lie against the Company with respect to the unclaimed dividend and share(s) transferred, if any, to the IEPF pursuant to the IEPF Rules.

15. Voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, September 08, 2021, 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 forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, September 08, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hinconholdings.com. The AGM Notice is also available on the website of NSDL (agency for providing the e-Voting facility) i.e. www.evoting.nsdl.com.

16. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-Voting period begins on Saturday, September 11, 2021 (9.00 a.m.) and ends on Tuesday, September 14, 2021 (5.00 p.m.). The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 08, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 08, 2021.

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. Wednesday, September 08, 2021, he/she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

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.nsdl.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?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID 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 ForexampleifyourBeneficiary 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 Password details for shareholders other than Individual shareholders 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'?
- 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'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**
- 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.
 - "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Details on step 2 are given below:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.

- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 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.
- 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.
- 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 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this notice:

- In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@hccindia.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@hccindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

17. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.
5. Members who are present in the meeting through video conferencing facility and have not cast their vote on the resolutions through remote e-Voting, shall be allowed to vote through e-Voting system during the meeting.
6. 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.
7. Members can opt for only one mode of voting i.e. either by remote e-Voting or voting at the AGM by electronic voting. 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.

18. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number via email at secretarial@hccindia.com latest by Monday, September 13, 2021 (5:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

19. Mr. B. Narasimhan, Proprietor, B N & Associates, Practicing Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440) 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 willingness to be appointed and shall be available for the same purpose.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-Voting and make, not later than two days of 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.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. Wednesday, September 15, 2021.

20. 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: secretarial@hccindia.com.

By Order of the Board
For **Hincon Holdings Ltd.**

Ajit Gulabchand
Chairman

Place: Mumbai

Date: August 04, 2021

Registered Office:

Hincon House,

L.B.S. Marg,

Vikhroli (West), Mumbai 400 083.

(ANNEXURE FOR ITEM NUMBER 2)

Details of the Director seeking re-appointment at the 25th Annual General Meeting in pursuance of the Companies Act, 2013 read with Secretarial Standards-2 on General Meetings, as applicable.

Name of the Director	Mr. Chandrahas Vinod Zaveri
DIN	03564067
Date of Birth	November 06, 1986
Date of Appointment	28/03/2018
Qualification, Brief Resume and Expertise in specific functional areas	Mr. Chandrahas Vinod Zaveri graduated from the Rochester Institute of Technology in 2011 with a B.Sc. (Bachelor of Science in Mechanical Engineering Technology). He has vast experience in product design & manufacturing as a mechanical engineer.
Relationship with Directors	None
No. of Board Meetings attended during the year	1
Directorships held in other Companies	Raiganj-Dalkhola Highways Limited Baharampore-Farakka Highways Limited Neo Wires And Allied Products Private Limited
Chairman/Member of the Committee of the Board of Directors in other Companies	Nil
Number of Shares held in the Company	Nil

Board's Report

To,

The Members of

Hincon Holdings Ltd.

1. Report

Your Directors have presented the 25th Annual Report together with the Audited Accounts for the financial year ended 31st March 2021.

2. Financial Highlights

Particulars	Year ended 31st	Year ended 31st
	March 2021	March 2020
	₹ in lacs	₹ in lacs
Total Income	249.11	276.18
Profit before Tax	20.64	20.40
Less: Provision for Current Tax	5.42	2.67
Less: Deferred Tax Asset/ (Liability)	-	-
Less: MAT Credit entitlement	-	-
Less: Excess/(Short) provision/TDS of earlier year written back/(written off)	-	(7.09)
Profit after Tax	15.22	24.82
Add: Balance brought forward from previous year	1370.19	1350.33
Amount available for Appropriations	1385.41	1375.15
Less: Appropriations	-	-
a) Proposed Dividend	-	-
b) Tax on proposed Dividend	-	-
c) General Reserve	-	-
d) Special Reserve under section 45(1C) of the RBI Act, 1934	3.06	4.96
Balance carried to Balance Sheet	1382.35	1370.19

3. Operations

Total Income and profit before tax aggregated to ₹ 249.11 lakhs and ₹ 20.64 lakhs, respectively as compared to total income of ₹ 276.18 lakhs and profit before tax of ₹ 20.40 lakhs during the previous year. Post tax, there is a Profit of ₹ 15.22 lakhs as compared to profit after tax of ₹ 24.82 lakhs during the previous year.

Operations of Associate Companies

(i) Hindustan Construction Company Ltd

Hindustan Construction Company Ltd., (HCC) is a 95-year-old business and among the leading engineering, construction and infrastructure development companies in India. Your Company holds 14.28% of HCC's paid-up equity share capital, in its capacity as Promoter Company.

Income from operations and loss incurred by HCC during the financial year 2020-21 aggregated to ₹ 2589.74 crores and ₹ 566.45 crores respectively as compared to ₹ 3646.63 crores and ₹ 168.72 crores respectively during the previous year.

HCC has undertaken several initiatives in reducing debt and improving cash flows to strengthen its financial position, apart from continuing the focus on enhancing execution capabilities and optimizing resources.

HCC's Board and Shareholders have approved a Debt Resolution Plan on May 27, 2021 and June 29, 2021 respectively. On the implementation of this RP, HCC

will stand substantially deleveraged, which will help address its current asset-liability mismatch which it has suffered on account of delayed realization of its awards and claims from Government Agencies. HCC will be able to focus on the working capital requirements for normalizing its operations and securing new orders for business growth.

(ii) Hincon Finance Ltd

Hincon Finance Limited is 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 Limited 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 Revenue and profit before tax of Hincon Finance Limited aggregated to ₹ 499.53 lakhs and ₹ 152.42 lakhs respectively as compared to ₹ 1140.66 lakhs and ₹ 163.72 lakhs respectively, during the previous year. Profit after tax of Hincon Finance Limited stood at ₹ 127.40 lakhs as compared to ₹ 136.30 lakhs during the previous year.

4. Dividend:

With a view to conserve the financial resources, your Directors do not recommend any dividend for the year under review.

5. Share Capital

During the year under review, your Company's Authorized Share Capital has remained 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.

During the year under review, your 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 below to the following Reserves:

Transfer to General Reserve - ₹ NIL

Transfer to Special Reserve U/s 45 (IC) of the RBI Act 1934 - ₹ 3.06 lakhs.

7. Details of Subsidiary, Joint Ventures and Associate Companies

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 March 31, 2021.

8. Fixed Deposits

Your Company has not accepted any deposit falling under Chapter V of the Companies Act, 2013 during the year under review.

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 the associate companies 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, were appointed as Statutory Auditors of the Company for a term of 5 years i.e., from conclusion of 23rd Annual General Meeting held in the year 2019 till the conclusion of the 28th Annual General Meeting to be held in the year 2024. As required under Section 139 of the Act, the Company has obtained certificate from them to the effect that their continued appointment, would be in accordance with the conditions prescribed under the Act and the rules made thereunder, as may be applicable.

11. Statutory Auditors' Report

With respect to emphasis of matter contained in the Standalone Auditors' Report, necessary explanations have been provided at Note No. 25 of the Standalone Financial Statements of the Company.

12. Annual Return

The Annual Return of the Company is accessible at its website i.e., 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 the Companies (Accounts) Rules, 2014 requiring captioned information are not applicable to your Company.

During the year under review, there was no expenditure or income in foreign currency.

14. Board of Directors

Mr. Chandrahas Vinod Zaveri (DIN: 03564067), Director of the Company, is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

The Company has received FORM DIR-8 from all the Directors of the Company, pursuant to the provisions of Section 164(2) read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

15. Number of Board Meetings

During the year under review, Board met 4 times on August 25, 2020, October 29, 2020, February 04, 2021 and March 30, 2021.

During the year under review, relaxation was provided by MCA with respect to maximum time gap between two Board Meetings, in view of Covid-19 outbreak.

16. Stakeholders Relationship Committee

During the year under review, one meeting of Stakeholders Relationship Committee was held on February 04, 2021 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

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

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 the Company on March 29, 2018 for recreation of pledge on its shareholding in HCC which was further amended and restated on July 17, 2020 for recreation of pledge on its shareholding in HCC due to reallocation of Arbitration BG among Lenders, as per particulars given in the Note No. 24 of the Standalone Financial Statements.

18. Particulars of contracts or arrangements with related parties

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

19. Risk management Framework and Internal Control System

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 Companies Act, 2013 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 or commitments which have occurred subsequent to the close of the financial year of the Company to which the Balance sheet relates and the date of this Annual Report.

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

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ("the IEPF Rules'), during the under review, the Company was not required to transfer any amount of Unclaimed dividend and corresponding equity shares to IEPF account.

Members are further requested to note that no claims shall lie against the Company with respect to the unclaimed dividend and share(s) transferred, if any, to the IEPF pursuant to the IEPF Rules.

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(3)(c) read with Section 134(5) 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, 2021 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. the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are generally operated effectively during the year. and
- f. 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. Maintenance of Cost records

As specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, the Company is not required to make and maintain such accounts and records.

28. Sexual Harassment

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The provision with respect to constitution of Internal Complaints Committee under the abovementioned Act are not applicable.

29. 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.

By Order of the Board
For **Hincon Holdings Ltd.**

Ajit Gulabchand
Chairman

Place: Mumbai
Date: August 04, 2021

Registered Office:

Hincon House,
L.B.S. Marg,
Vikhroli (West), Mumbai 400 083.

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 Hincan Holdings Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, 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 2021, 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.

Emphasis of Matter

4. We draw attention to Note 25 of the Standalone Financial Results as regards the management's assessment of the financial impact due to restrictions and conditions related to Covid-19 pandemic situation. Our opinion is not modified in respect of this matter.

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

5. 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

6. 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.
 7. 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.
 8. 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
9. 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.
 10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.
11. 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.
12. 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**
13. 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.
14. 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 2021 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 2021;
 - 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 2021;
 - 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 2021.

For Mehta & Pai

Chartered Accountants
Firm's Registration No. 113591W

Suresh Mehta

PARTNER

Place: Mumbai

Membership No. 032230

Date: August 04, 2021

ICAI UDIN -21032230AAAAAJ4911

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, 2021 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 3(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-clauses (a), (b) and (c) of Clause 3(iii) of the Order 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, 2021 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) of the Order 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) of the Order 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 Certificate of Registration.

For Mehta & Pai

Chartered Accountants
Firm's Registration No. 113591W

Suresh Mehta

PARTNER

Place: Mumbai

Membership No. 032230

Date: August 04, 2021

ICAI UDIN -21032230AAAAAJ4911

Annexure to the Independent Auditor's Report

ANNEXURE-B TO THE 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 2021 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 2021, 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's Registration No. 113591W

Suresh Mehta

PARTNER

Place: Mumbai

Membership No. 032230

Date: August 04, 2021

ICAI UDIN -21032230AAAAAJ4911

Balance Sheet as at 31st March, 2021

Particulars	Note No.	As At	As At
		31st March 2021	31st March 2020
		₹	₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	9,266,100	9,266,100
Reserves & Surplus	4	<u>349,828,409</u>	<u>348,306,479</u>
		359,094,509	35,75,72,579
2 Current Liabilities			
Other current Liabilities	5	1,474,499	843,855
TOTAL		<u>360,569,008</u>	<u>358,416,434</u>
II. ASSETS			
1 Non - current Assets			
Fixed Assets			
Tangible Assets	6	157,195	160,879
Non current Investments	7	315,117,185	315,117,185
Long Term Loans and advances	8	<u>1,729,747</u>	<u>1,524,706</u>
		317,004,127	316,802,770
2 Current Assets			
Inventories	9	41,575,428	40,508,372
Cash and bank balances	10	1,939,704	602,422
Trade Receivables	11	-	4,32,000
Short term loan and advances	12	<u>49,749</u>	<u>70,869</u>
		43,564,881	41,613,664
Significant Accounting policies			
TOTAL		<u>360,569,008</u>	<u>358,416,434</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 : August 04, 2021

Ajit Gulabchand
(DIN : 00010827)

Chairman

Shalaka Gulabchand Dhawan
(DIN : 00011094)

Vice Chairperson

Chandahas Vinod Zaveri
(DIN : 03564067)

Director

Statement of Profit and Loss Account for the year ended 31st March, 2021

	Note No.	31st March 2021 ₹	31st March 2020 ₹
I REVENUE FROM OPERATIONS	13		
Sale of Securities		19,766,338	22,072,619
Other Operating Revenues		625,417	1,029,950
		20,391,755	23,102,569
II OTHER INCOME	14	4,519,552	4,515,190
III TOTAL REVENUE (I+ II)		24,911,307	27,617,759
IV EXPENDITURE			
Cost of Securities sold	15	19,287,158	22,030,028
Employee Benefits Expense	16	1,204,271	1,261,295
Depreciation		3,684	3,684
Other Expenses	17	2,352,264	2,283,174
TOTAL OPERATING EXPENSES		22,847,377	25,578,181
VI Exceptional Items		-	-
VII Profit Before Extraordinary Items & Tax (V - VI)		2,063,930	2,039,578
VIII Extraordinary Items			
IX Profit Before Tax (VII - VIII)		2,063,930	2,039,578
X Tax Expense:			
1) Current Tax		542,000	267,000
2) Deferred Tax			
3) MAT Credit Entitlement			
4) Excess/(short)Provision of earlier years written back		-	(709,686)
XI Profit / (Loss) for the year from Continuing operations (IX - X)		1,521,930	2,482,264
XII Profit / (Loss) for the year from discontinuing operations		-	-
XIII Tax Expense from discontinuing operations		-	-
XIV Profit / (Loss) for the year from Discontinuing operations (XII - XIII)			
XII Profit / (Loss) for the year (XI + XIV)		1,521,930	2,482,264
XIII Earnings per equity share:			
Basic & Diluted	18	1.64	2.68

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 : August 04, 2021

Ajit Gulabchand
(DIN : 00010827)

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(DIN : 03564067)

Chairman

Vice Chairperson

Director

Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
Cash flow from operating activities		
Profit before tax	2,063,930	2,039,578
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for Loss in Investment	-	-
Depreciation/ amortization	3,684	3,684
Interest expense		
Operating profit before working capital changes	2,067,614	2,043,262
Movements in working capital :		
Increase / (decrease) in other current liabilities	630,645	(143,378)
Decrease / (increase) in Trade receivable	432,000	17,484,097
Decrease / (increase) in Inventories	(1,067,056)	(18,872,544)
Decrease / (increase) in long-term loans and advances	(205,041)	(909,463)
Decrease / (increase) in short-term loans and advances	21,120	2,870
Cash generated from /(used in) operations	1,879,283	(395,155)
Direct taxes paid/ Provision (net of refunds)	(542,000)	442,686
Net cash flow from/ (used in) operating activities (A)	1,337,283	47,531
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)	13,37,283	47,531
Cash and cash equivalents at the beginning of the year	6,02,422	554,891
Cash and cash equivalents at the end of the year	19,39,704	602,422
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks	1,939,704	602,422
Total cash and cash equivalents (Note 10)	1,939,704	602,422
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 : August 04, 2021

Ajit Gulabchand
(DIN : 00010827) Chairman

Shalaka Gulabchand Dhawan
(DIN : 00011094) Vice Chairperson

Chandahas Vinod Zaveri
(DIN : 03564067) Director

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:

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 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.

Particulars	As At	As At
	31st March 2021	31st March 2020
	₹	₹

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	30,000,000	30,000,000

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

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.

c Shareholding of more than 5%:

Name of the Shareholder	% held	As at	As at
		31st March, 2021	31st March, 2020
		No. of shares	No. of shares
Shri. Ajit Gulabchand	91.89	851,465.00	851,465.00

Notes to Accounts

As at
31st March, 2021
₹

As at
31st March, 2020
₹

NOTE 4 : RESERVES AND SURPLUS

a) General Reserves		
Opening Balance	69,365,636	69,365,636
Add: Transferred from Statement of Profit and Loss	-	
	<u>69,365,636</u>	<u>69,365,636</u>
b) Special Reserve U/s 45 (IC) of the RBI Act, 1934		
Opening Balance	141,921,092	141,424,639
Add: Transferred from Statement of Profit and Loss	306,386	496,453
	<u>142,227,478</u>	<u>141,921,092</u>
c) Surplus as per Statement of Profit and Loss		
Balance brought Forward	137,019,751	135,033,940
Add: Profit/(Loss) for the year	1,521,930	2,482,264
Less: Transferred to General Reserve	-	-
Less: Tax on Proposed Dividend	-	-
Less: Transfer to Special Reserve U/s 45 (IC) of the RBI Act, 1934	306,386	496,453
	<u>138,235,295</u>	<u>137,019,751</u>
TOTAL	<u>349,828,409</u>	<u>348,306,479</u>

NOTE 5 : OTHER CURRENT LIABILITIES

a) Other Trade Payable		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	792,636	644,222
b) Statutory Dues Payable	34,205	107,938
c) Due to Employees	91,569	91,695
d) Director's Commission Payable	-	-
e) Other Provisions	556,090	-
TOTAL	<u>1,474,499</u>	<u>843,855</u>

NOTE 6 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.2020	Additions	Deductions	As At 31.03.2021	As At 01.04.2020	For The Year	eductions Year	Upto 31.03.2021	As At 31.03.2021	As At 31.03.2020
Tangible Assets (At Cost):										
Lease Hold Rights in Land & Building*	225,700	-	-	225,700	64,821	3,684	-	68,505	157,195	160,879
Total of This Year	225,700	-	-	225,700	64,821	3,684	-	68,505	157,195	160,879
Total of Previous Year	225,700	-	-	225,700	61,137	3,684	-	64,821	160,879	

(*) 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

Particulars	As at 31 March 2021 ₹	As at 31 March, 2020 ₹
A Other Non Current Investments (At Cost)		
Investment Properties	36,360,000	36,360,000
Investments in Share Warrants	-	-
Investment in Equity instruments	278,757,184	278,757,184
Investments in Preference shares	1	1
Total	<u>315,117,185</u>	<u>315,117,185</u>
Less : Provision for diminution in the value of Investments	-	-
Total	<u>315,117,185</u>	<u>315,117,185</u>

Notes to Accounts

	As at 31st March 2021		As at 31st March, 2020	
	Cost	Market Value	Cost	Market Value
	₹	₹	₹	₹
Aggregate Of Investments				
i. Quoted	271,257,183	1,743,310,452	271,257,183	861,934,164
ii. UnQuoted	7,500,002	-	7,500,002	-
iii. Others	36,360,000	-	36,360,000	-
	315,117,185	1,743,310,452	315,117,185	861,934,164

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, 2021	As at 31 st Mar, 2020			As at 31 st Mar, 2021	As at 31 st Mar, 2020	As at 31 st Mar, 2021	As at 31 st Mar, 2020		
(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	14.28%	14.28%	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			1	1	Yes	
	Sub Total		216,415,987	216,415,987					278,757,184	278,757,184		
(2)	Investments in Preference Shares											
	Lavasa Corporation Limited		28	28	Unquoted	Fully paid		-	1	1	Yes	
	Sub Total		28	28					1	1		
	Total		216,416,015	216,416,015					278,757,185	278,757,185		

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)	689,491	484,450
	1,729,747	1,524,706

NOTE 9 : INVENTORIES

Stock-inTrade	41,575,428	40,508,372
Less : Diminution in value		
	41,575,428	40,508,372

NOTE 10 : CASH AND BANK BALANCE

a) Cash & Cash Equivalents

Cash on Hand	-	500,000
b) With Scheduled Banks:		
Current Account	1,939,704	102,422
	1,939,704	602,422

Notes to Accounts

NOTE 11 : TRADE RECEIVABLES

(a) Trade Receivables considered good – Secured;	-	-
(b) Trade Receivables considered good – Unsecured;	-	432,000
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables – credit impaired	-	-
	<u>-</u>	<u>432,000</u>

NOTE 12 : SHORT TERM LOAN & ADVANCES

Unsecured, Considered Good

a) Loans and advances to related parties	49,000	70,000
b) Prepaid Expenses	749	869
	<u>49,749</u>	<u>70,869</u>

Particulars	31st March 2021	31st March 2020
	₹	₹

NOTE 13 : REVENUE FROM OPERATIONS

(a) Sale of Securities	19,766,338	22,072,619
(b) Other Operating Revenues		
Dividend from Mutual Fund	625,417	1,029,950
	<u>20,391,754</u>	<u>23,102,569</u>

NOTE 14 : OTHER INCOME

a) Other non-operating Income		
Rent	4,519,552	4,436,775
Interest on I.T. Refund	-	18,067
Liabilities no longer required, written back	-	60,348
	<u>4,519,552</u>	<u>4,515,190</u>

NOTE 15 : COST OF SECURITIES SOLD

Opening Stock	40,508,372	21,635,828
Add: Purchases	20,354,213	40,902,572
	60,862,586	62,538,400
Less: Closing Stock (after diminution in value)	41,575,428	40,508,372
TOTAL	<u>19,287,158</u>	<u>22,030,028</u>

NOTE 16 : EMPLOYEE BENEFITS EXPENSE

a) Salaries, Wages, Bonus and Gratuity	1,204,271	1,248,703
b) Staff Welfare Expenses	-	12,592
TOTAL	<u>1,204,271</u>	<u>1,261,295</u>

NOTE 17 : OTHER EXPENSES

a) Rates & Taxes	3,828	849,937
b) Directors Sitting Fees	55,000	90,000
c) Postage, Printing and Stationery	2,067	58,350
d) Filing fees	10,800	2,700
e) Advertisement Expenses	54,000	30,660
f) Professional Charges	609,631	140,681
g) Demat Charges	1,416	1,416
h) Bank charges	-	590
i) Legal Expenses	580,547	258,624
j) Repairs & Maintenance Charges	163,032	-
k) Auditors' Remuneration	-	-
Audit Fees	110,750	110,000
Certification Charges	-	5,000
l) Building Security Charges	709,057	735,216
m) Interest on Delayed payment	33,281	-
n) General charges	18,856	-
	<u>2,352,264</u>	<u>2,283,174</u>

NOTE 18 : EARNING PER SHARE

a) Net Profit/ Loss available for Equity Shareholders (₹)	1,521,930	2,482,264
b) Number of Shares	926,610	926,610
c) EPS Basic & Diluted (₹)	1.64	2.68

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 : ₹ 8,326,165/- (Previous Year ₹ 7,703,942)

Notes to Accounts

NOTE 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

Nature of Transactions		Party	31st March 2021	31st March 2020
1)	Outstanding balance included in Investments	Associate	278,757,185	278,757,185
2)	Director Fees	Directors	55,000	90,000

₹

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 Rs. 64,00,00,000, in two tranches of Rs. 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 Rs. 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, inter alia the pledge on the aforesaid shares i.e. 20,07,03,600 equity shares of Re.1/- each held by 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 avilment 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 Hincon Holdings Ltd on 29th March 2018 for recreation of pledge on its shareholding in HCC which was further Amended and Restated on 17th July 2020 for recreation of pledge on its shareholding in HCC due to reallocation of Arbitration BG among Lenders.

Notes to Accounts

NOTE 25 : Estimation of uncertainties relating to the global health pandemic COVID-19

The company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates. The Company expects to recover the carrying amount of trade receivables including investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval

of these financial statements. The Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

NOTE 26 : 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 : August 04, 2021

Ajit Gulabchand Chairman
(DIN : 00010827)

Shalaka Gulabchand Dhawan Vice Chairperson
(DIN : 00011094)

Chandahas Vinod Zaveri Director
(DIN : 03564067)

Notes to Accounts

Note 9 Closing Stock 31-3-2021

	Opening Stock			Purchases			Sales			Closing						Stock	
	Quantity	Rate	Cost	Quantity	Rate	Total	Quantity	Rate	Total	Quantity	Rate	Cost	Mkt Rate	Mkt Value	Rate to be used	Total	
1	21,145	1,003.61	21,221,217	585.76	1,003.61	587,876	-	-	-	-	21,730.74	1,004	1,004	21,809,090	1,003.61	21,809,090	
2	19,098	1,010	19,287,155	-	-	-	19,098	1,035	19,766,338	-	-	-	-	-	-	-	
3	-	-	-	7,109.03	2,780.45	19,766,338	-	-	-	-	7,109.03	2,780	2,796	19,875,169	2,780	19,766,338	
Total	40,243		40,508,372	7,695		20,354,213	19,098		19,766,338		28,840			41,684,259		41,575,428	

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
1 Liability Side:		
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	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	1,089,256

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
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	
Quoted:	
i Shares:	
a Equity	271,257,183
b Preference	NIL
ii Debentures and Bonds	NIL

Notes to Accounts

iii Units of mutual funds		NIL
iv Government Securities		NIL
v Others (please specify)		NIL
2 Unquoted:		
i Shares:		
a Equity	Note 1	7,500,001
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		36,360,000

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	-	-
2 Other than related parties	17,433	2,713
Total	17,508	2,788
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 its Associate namely 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, 2021, 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 2021, 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 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 Matter

We draw attention to Note 24 which describes the uncertainties and the possible effects of Covid-19 on the operations of the company pandemic will Impact the operations and financial result is dependent on future developments which are highly uncertain. Our opinion is not modified in respect of this matter.

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

3. 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

4. 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 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

Independent Auditor's Report

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.

5. 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.
6. 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 :

7. 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.
8. 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.
9. 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.
 10. 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 Rs.62,10,583 for the year ended 31 March 2021, in respect of associate namely, Hincon Finance Limited. The audited financial statements of Hincon Finance Limited have 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 company and its associate company Hincon Finance Limited has not paid remuneration to its directors during the year.

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.

Independent Auditor's Report

- (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.
- (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) On the basis of the written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its associate company incorporated in India, none of the directors of the Company are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 Associate of the company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its Associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) 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) The Holding Company and its other associate Hincon Finance Limited does not have any pending litigations which would impact its financial position as on 31st March, 2021;
 - (ii) The Company and an associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (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.
 - (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 Associate.

For Mehta & Pai

Chartered Accountants
Firm's Registration No. 113591W

Suresh Mehta

PARTNER

Place: Mumbai

Membership No. 032230

Date: August 04, 2021

ICAI UDIN-21032230AAAAAK2594

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, 2021, 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 Associate company 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 Company and its associate company 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.

Qualified Opinion

In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the associate company, which is company covered under the Act have in all material respects, adequate IFCoFR and such controls were operating effectively as at 31 March 2021, based on internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report on the adequacy and operating effectiveness of the IFCOFR for the Company and associate, 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 auditor of such company.

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 auditor.

For Mehta & Pai
Chartered Accountants
Firm's Registration No. 113591W

Suresh Mehta
PARTNER

Place: Mumbai

Date: August 04, 2021

Membership No. 032230

ICAI UDIN-21032230AAAAAK2594

Consolidated Balance Sheet as at 31st March 2021

		As At 31st March 2021 ₹	As At 31st March 2020 ₹
	Note No.		
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	9,266,100	9,266,100
Reserves & Surplus	4	<u>105,512,128</u>	<u>97,779,615</u>
		114,778,228	107,045,715
2 Current Liabilities			
Other current Liabilities	5	1,474,500	843,855
TOTAL		<u>116,252,728</u>	<u>107,889,570</u>
II. ASSETS			
1 Non - current Assets			
Fixed Assets			
Tangible Assets	6	157,195	160,879
Non current Investments	7	70,800,905	64,590,321
Long Term Loans and advances	8	<u>1,729,747</u>	<u>1,524,706</u>
		72,687,847	66,275,906
2 Current Assets			
Inventories	9	41,575,428	40,508,372
Cash and bank balances	10	1,939,704	602,422
Trade Receivables	11	-	432,000
Short term loan and advances	12	<u>49,749</u>	<u>70,870</u>
		43,564,881	41,613,664
Significant Accounting policies	2		
TOTAL		<u>116,252,728</u>	<u>107,889,570</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 : August 04, 2021

Ajit Gulabchand
(DIN : 00010827)

Chairman

Shalaka Gulabchand Dhawan
(DIN : 00011094)

Vice Chairperson

Chandahas Vinod Zaveri
(DIN : 03564067)

Director

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2021

	Note No.	31st March 2021 ₹	31st March 2020 ₹
I REVENUE FROM OPERATIONS	13		
Sale of Securities		19,766,338	22,072,619
Other Operating Revenues		625,417	1,029,950
		20,391,755	23,102,569
II OTHER INCOME	14	4,519,552	4,515,190
III TOTAL REVENUE (I+ II)		24,911,307	27,617,759
IV EXPENDITURE			
Cost of Securities sold	15	19,287,158	22,030,028
Employee Benefits Expense	16	1,204,271	1,261,295
Depreciation		3,684	3,684
Other Expenses	17	2,352,264	2,283,174
TOTAL OPERATING EXPENSES		22,847,377	25,578,181
VI Exceptional Items		-	-
VII Profit Before Extraordinary Items & Tax (V - VI)		2,063,930	2,039,578
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII - VIII)		2,063,930	2,039,578
X Tax Expense:			
1) Current Tax		542,000	267,000
2) Deferred Tax		-	-
3) MAT Credit Entitlement		-	-
4) Excess/(short)Provision of earlier years written back		-	(709,686)
XI Profit / (Loss) for the year from Continuing operations (IX - X)		1,521,930	2,482,264
XII Profit / (Loss) for the year from discontinuing operations		-	-
XIII Tax Expense from discontinuing operations		-	-
XIV Profit / (Loss) for the year from Discontinuing operations (XII - XIII)			
XII Share of profit of associates		6,210,583	6,644,841
XIII Profit / (Loss) for the year (XI + XIV)		7,732,513	9,127,106
XIV Earnings per equity share:			
Basic & Diluted	18	8.34	9.85

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 : August 04, 2021

Ajit Gulabchand
(DIN : 00010827)

Chairman

Shalaka Gulabchand Dhawan
(DIN : 00011094)

Vice Chairperson

Chandahas Vinod Zaveri
(DIN : 03564067)

Director

Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year ended 31st March 2021 ₹	Year ended 31st March 2020 ₹
Cash flow from operating activities		
Profit before tax	20,63,930	20,39,578
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for Profit in Investment	62,10,583	66,44,842
Depreciation/ amortization	3,684	3,684
Interest expense		
Operating profit before working capital changes	82,78,197	86,88,105
Movements in working capital :		
Increase / (decrease) in other current liabilities	6,30,646	(1,43,378)
Decrease / (increase) in Trade receivable	4,32,000	1,74,84,097
Decrease / (increase) in Inventories	(10,67,056)	(1,88,72,544)
Decrease / (increase) in long-term loans and advances	(2,05,041)	(9,09,463)
Decrease / (increase) in short-term loans and advances	21,120	2,870
Cash generated from /(used in) operations	80,89,866	62,49,687
Direct taxes paid/ Provision (net of refunds)	(5,42,000)	4,42,686
Net cash flow from/ (used in) operating activities (A)	75,47,866	66,92,373
Cash flows from investing activities		
Decrease / (increase) in Investment	(6,210,584)	(6,644,844)
Net cash flow from/ (used in) investing activities (B)	(6,210,584)	(6,644,844)
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)	1,337,284	47,530
Cash and cash equivalents at the beginning of the year	602,421	554,891
Cash and cash equivalents at the end of the year	1,939,704	602,421
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks	1,939,704	602,422
Total cash and cash equivalents (Note 10)	1,939,704	602,422
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 : August 04, 2021

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 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 FORMING PART OF CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2021.

1. 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.

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. Associate

The Hincon Finance Limited, an associate of the company, in which the company is having 48.75% of share holding at the end of this financial year.

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.

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.

Notes to Accounts

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.

Particulars	As At 31st March 2021 ₹	As At 31st March 2020 ₹
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

Particulars		As At 31st March 2021	As At 31st March 2020
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

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.

c Shareholding of more than 5%:

Name of the Shareholder	As At 31st March 2021		As At 31st March 2020	
	% held	No. of shares	% held	No. of shares
Shri. Ajit Gulabchand	91.89	851,465	91.89	851,465.00

Notes to Accounts

Particulars	As At 31st March 2021 ₹	As At 31st March 2020 ₹
NOTE 4 : RESERVES AND SURPLUS		
a) General Reserves		
Opening Balance	71,085,636	71,085,636
Add: Transferred from Statement of Profit and Loss	-	-
	71,085,636	71,085,636
b) Special Reserve U/s 45 (IC) of the RBI Act, 1934		
Opening Balance	144,736,453	144,240,000
Add: Transferred from Statement of Profit and Loss	3,06,386	496,453
	145,042,839	144,736,453
c) Surplus as per Statement of Profit and Loss		
Balance brought Forward	(118,042,474)	(126,673,127)
Add: Profit /(Loss) for the year	7,732,513	9,127,106
Less: Transferred to General Reserve	-	-
Less: Proposed Dividend	-	-
Less: Tax on Proposed Dividend	-	-
Less: Transfer to Special Reserve U/s 45 (IC) of the RBI Act, 1934	306,386	496,453
	(110,616,347)	(118,042,474)
TOTAL	105,512,128	97,779,615
Particulars		
	As At 31st March 2021 ₹	As At 31st March 2020 ₹
NOTE 5 : OTHER CURRENT LIABILITIES		
a) Other Trade Payable		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	792,636	644,222
b) Statutory Dues Payable	34,205	107,938
c) Due to Employees	91,570	91,695
d) Director's Commission Payable	-	-
e) Other Provisions	556,090	-
TOTAL	1,474,500	843,855

Notes to Accounts

NOTE 6 : FIXED ASSETS

₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions	Deductions	As at 31.03.2021	As at 01.04.2020	For The Year	Deductions	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Tangible Assets (At Cost):										
Lease Hold Rights in Land & Building (*)	225,700	-	-	225,700	64,821	3,684	-	68,505	157,195	1,60,879
Total of This Year	225,700	-	-	225,700	64,821	3,684	-	68,505	157,195	160,879
Total of Previous Year	225,700	-	-	225,700	61,137	3,684	-	64,821	160,879	

(*) 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.

Particulars

**As At 31
March 2021** As At 31
March 2020
(₹) (₹)

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	34,440,903	28,230,319
Lavasa Corporation Limited	1	1
Less : Provision for Diminution in the Value of Investment	-	-
	34,440,904	<u>28,230,320</u>
c) Investments in Preference shares		
Lavasa Corporation Limited	1	1
Less : Provision for Diminution in the Value of Investment	-	-
	1	<u>1</u>
Total	70,800,905	<u>64,590,321</u>

As At 31 March 2021

**Cost (₹) Market Value
(₹)**

As At 31 March 2020

**Cost (₹) Market Value
(₹)**

(i) Aggregate Of Investments				
i. Quoted		1,743,310,452		861,934,164
ii. UnQuoted	34,440,905	-	28,230,321	-
iii. Others	36,360,000	-	36,360,000	-
	70,800,905	1,743,310,452	<u>64,590,321</u>	<u>861,934,164</u>

**As At 31
March 2021**

As At 31
March 2020

(ii) Equity accounted associates				
Cost of investment		278,757,183		278,757,183
Add: Share of profits/(losses)		(244,316,280)		(250,526,863)
		34,440,903		<u>28,230,320</u>

Notes to Accounts

(iii)

₹

Name of the Company	Original Cost of investment	Goodwill/Capital reserve	Accumulated Profit/(loss) as at 31.03.2021	Carrying amount of investment as at 31.03.2021
Hindustan Construction Company Ltd	271,257,183	-	(271,257,183)	-
Hincon Finance Limited (Refer point (iv))	7,500,000	-	26,940,903	34,440,903
	278,757,183	-	(244,316,280)	34,440,903

(iv) 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, 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.

Working for Note No. 7

Particulars	As at 31 March 2020		As at 31 March 2020	
	₹	₹	₹	₹
A Other Non Current Investments (At Cost)				
Investment Properties	36,360,000		36,360,000	
Investments in Share Warrents	-		-	
Investment in Equity instruments	34,440,904		28,230,320	
Investments in Preference shares	1		1	
Total	70,800,905		64,590,321	
Less : Provision for dimunition in the value of Investments	-		-	
Total	70,800,905		64,590,321	
	As at 31 March 2021		As at 31 March 2020	
	Cost	Market Value	Cost	Market Value
	₹	₹	₹	₹
Aggregate Of Investments				
i. Quoted	-	1,743,310,452	-	861,934,164
ii. UnQuoted	34,440,905	-	28,230,321	-
iii. Others	36,360,000	-	36,360,000	-
	70,800,905	1,743,310,452	64,590,321	861,934,164

Notes to Accounts

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 Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
			As at 31st March, 2021	As at 31st March, 2020			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020		
(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	14.28%	14.28%	-	-	Yes	
	Hincon Finance Limited	Others	390,000	390,000	Unquoted	Fully paid			34,440,903	28,230,319	Yes	
	Lavasa Corporation Limited	Others	2,387	2,387	Unquoted	Fully paid			1	1	Yes	
	Sub Total		216,415,987	216,415,987					34,440,904	28,230,320		
(2)	Investments in Preference Shares											
	Lavasa Corporation Limited		28	28	Unquoted	Fully paid			1	1	Yes	
	Sub Total		28	28					1	1		
	Total		216,416,015	216,416,015					34,440,905	28,230,321		

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 Waichand 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

Particulars	As At 31st March 2021 ₹	As At 31st March 2020 ₹
NOTE 8 : LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
a) Deposits	1,040,256	1,040,256
b) Advance tax (net)	689,491	484,450
	<u>1,729,747</u>	<u>1,524,706</u>
NOTE 9 : INVENTORIES		
Stock-inTrade	41,575,428	40,508,372
Less : Diminution in value		
	<u>41,575,428</u>	<u>40,508,372</u>
NOTE 10 : CASH AND BANK BALANCE		
a) Cash & Cash Equivalent		
Cash on Hand	-	500,000
b) With Scheduled Banks:		
Current Account	1,939,704	102,422
	<u>1,939,704</u>	<u>602,422</u>
NOTE 11 : TRADE RECEIVABLES		
a) Trade Receivables considered good – Secured;	-	-
b) Trade Receivables considered good – Unsecured;	-	432,000
c) Trade Receivables which have significant increase in Credit Risk; and	-	-
d) Trade Receivables – credit impaired	-	-
	<u>-</u>	<u>432,000</u>
NOTE 12 : SHORT TERM LOAN & ADVANCES		
Unsecured, Considered Good		
a) Loans and advances to related parties	49,000	70,000
b) Prepaid Expenses	749	869
	<u>49,749</u>	<u>70,869</u>
NOTE 13 : REVENUE FROM OPERATIONS		
a) Sale of Securities	19,766,338	22,072,619
b) Other Operating Revenues		
Dividend from Mutual Fund	625,417	1,029,950
	<u>20,391,754</u>	<u>23,102,569</u>
NOTE 14 : OTHER INCOME		
a) Other non-operating Income		
Rent	4,519,552	4,436,775
Interest on I.T. Refund	-	18,067
Liabilities no longer required, written back	-	60,348
	<u>4,519,552</u>	<u>4,515,190</u>

Notes to Accounts

Particulars	As At 31st March 2021 ₹	As At 31st March 2020 ₹
NOTE 15 : COST OF SECURITIES SOLD		
Opening Stock	40,508,372	21,635,828
Add: Purchases	<u>2,0354,213</u>	<u>40,902,572</u>
	60,862,586	62,538,400
Less: Closing Stock (after diminution in value)	<u>41,575,428</u>	<u>40,508,372</u>
TOTAL	<u>19,287,158</u>	<u>22,030,028</u>
NOTE 16 : EMPLOYEE BENEFITS EXPENSE		
a) Salaries,Wages,Bonus and Gratuity	1,204,271	1,248,703
b) Staff Welfare Expenses	-	12,592
Total	<u>1,204,271</u>	<u>1,261,295</u>
NOTE 17 : OTHER EXPENSES		
a) Rates & Taxes	3,828	849,937
b) Directors Sitting Fees	55,000	90,000
c) Postage, Printing and Stationery	2,067	58,350
d) Filing fees	10,800	2,700
e) Advertisement Expenses	54,000	30,660
f) Professional Charges	609,631	140,681
g) Demat Charges	1,416	1,416
h) Bank charges	-	590
i) Legal Expenses	580,547	258,624
j) Repairs & Maintenance Charges	163,032	-
k) Auditors' Remuneration	-	-
Audit Fees	110,750	110,000
Certification Charges	-	5,000
l) Building Security Charges	709,057	735,216
m) Interest on Delayed payment	33,281	-
n) General charges	18,856	-
TOTAL	<u>2,352,264</u>	<u>2,283,174</u>
NOTE 18 : EARNING PER SHARE		
a) Net Profit/ Loss available for Equity Shareholders (₹)	7,732,513	9,127,106
b) Number of Shares	926,610	926,610
c) EPS Basic & Diluted (₹)	8.34	9.85

NOTE 19 : INCOMETAX

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 : ₹ 83,26,165/- (Previous Year ₹ 77,03,942)

NOTE 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

Sr. No.	Nature of Transactions	Name of Party	31st March 2021 ₹	31st March 2020 ₹
1)	Director's Sitting Fees		55,000	90,000
2)	Outstanding balance included in Investments	HFL	7,500,000	7,500,000
	Add: Share of Profit/(loss)		26,940,903	20,730,319
			<u>34,440,903</u>	<u>28,230,319</u>

NOTE 22 : 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 23 : 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, interalia the pledge on the aforesaid shares i.e. 20,07,03,600 equity shares of Re.1/- each held by 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 on 29th March 2018 for recreation of pledge on its shareholding in HCC which was further Amended and Restated on 17th July 2020 for recreation of pledge on its shareholding in HCC due to reallocation of Arbitration BG among Lenders.

Notes to Accounts

NOTE 24 : ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC COVID-19

The company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates. The Company expects to recover the carrying amount of trade receivables including investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

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 : August 04, 2021

Ajit Gulabchand Chairman
(DIN : 00010827)

Shalaka Gulabchand Dhawan Vice Chairperson
(DIN : 00011094)

Chandahas Vinod Zaveri Director
(DIN : 03564067)

Notes to Accounts

Note 9 Closing Stock 31-3-2021

₹

Mutual Funds	Opening Stock			Purchases			Sales			Closing						Stock	
	Quantity	Rate	Cost	Quantity	Rate	Total	Quantity	Rate	Total	Quantity	Rate	Cost	Mkt Rate	Mkt Value	Rate to be used	Total	
1 Kotak Overnight Fund -DDR	21,145	1,003.61	2,12,21,217	585,76100	1,003.61	5,87,876	-	-	-	21,730.74	1,004	2,18,09,090	1,004	2,18,09,090	1,004	2,18,09,090	
2 SBI Overnight Fund-DP-DD	19,098	1,010	1,92,87,155	-	-	-	19,098	1,035	1,97,66,338	-	-	-	-	-	-	-	
3 SBI Magnum LDF DG	-	-	-	7,109.03	2,780.46	1,97,66,338	-	-	-	7,109.03	2,780	1,97,66,338	2,796	1,98,75,169	2,780	1,97,66,338	
Total	40,243		4,05,08,372	7,695		2,03,54,213	19,098		1,97,66,338	28,840		4,15,75,428		4,16,84,259		4,15,75,428	

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	Hincon Finance Limited	Hindustan Construction Company Limited
1	Latest Audited Balance Sheet	31-March-2021	31-March-2021
2	Shares of the Associates held by the Company		
	Number of Equity Shares	390,000	216,023,600
	Amount of Investment in Associates	₹ 75 Lacs	₹ 2713 Lacs
	Extent of Holding	48.75%	14.28%
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	12,739,657	-
	ii. Not Considered in consolidation	-	(5,664,500,000)

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 of profit or loss	
		As % of consolidated Profit or Loss	Amount (₹ In lacs)
1	Hincon Finance Limited	48.75%	62.11

Hincon Holdings Ltd.
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Lal Bahadur Shastri Marg,
Vikhroli (West),
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India.

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