

# HINCON HOLDINGS LTD

Annual Report  
2017 - 2018

# HINCON HOLDINGS LIMITED

**CIN** : U67120MH1996PLC102787

## **BOARD OF DIRECTORS**

Ajit Gulabchand, *Chairman*

Shalaka Gulabchand Dhawan, *Vice Chairperson*

Ram P. Gandhi (upto March 28, 2018)

Chandrabhas V. Zaveri (from March 28, 2018)

## **AUDITORS**

Mehta & Pai, Chartered Accountants

## **BANKERS**

ICICI Bank Limited

## **REGISTERED OFFICE**

Hincon House, Lal Bahadur Shastri Marg,

Vikhroli (West),

Mumbai 400 083.

Tel.: 022 - 25751000

Fax No. 022-25777568

**website:** [www.hinconholdings.com](http://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 22nd Annual General Meeting of Hincan Holdings Limited will be held on Tuesday, July 10, 2018 at 11.00 a.m. at Hincan House, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083 to transact the following business:

## ORDINARY BUSINESS

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

To receive, consider and adopt

- (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited Consolidated Balance Sheet as at March 31, 2018 and the Consolidated Statement of Profit & Loss for the year ended on that date together with the Reports of the Auditors thereon.

### 2. Appointment of a Director, in place of Ms. Shalaka Gulabchand Dhawan (DIN: 00011094), Non Executive Director, who is retiring by rotation

To appoint a Director in place of Ms. Shalaka Gulabchand Dhawan (DIN:00011094), Non-Executive Director, who retires by rotation, in accordance with Section 152 of the Companies Act, 2013 and being eligible, offers herself for reappointment.

### 3. Appointment of Statutory Auditors

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

**"RESOLVED THAT** pursuant to the provisions of Section 139,142 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, M/s. Mehta & Pai, Chartered Accountants, Mumbai (Firm Registration No.113591W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this 22nd Annual General Meeting (22nd AGM) upto the conclusion of the next Annual General Meeting (i.e. 23rd AGM), on a remuneration as may be fixed by the Board of Directors of the Company."

## SPECIAL BUSINESS

### 4. Appointment of Mr. Chandrahas V. Zaveri (DIN: 03564067) as a Director of the Company, liable to retire by rotation

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

**"RESOLVED THAT** Mr. Chandrahas V. Zaveri (DIN: 03564067) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 28, 2018 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ('the Act') and in respect of whom the Company has received a notice in writing from a Member of the Company under the provisions of Section 160 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### 5. Providing Security in favour of the Lenders of Hindustan Construction Company Limited (or their designated agents/nominees/trustees), in respect of borrowings/loans availed/to be availed by Hindustan Construction Company Limited (HCC):

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

**"RESOLVED THAT** in addition to the Special resolutions passed by the shareholders vide Postal Ballot dated August 26, 2016 (Original Resolutions) in relation to providing of security by creation of charge by way of pledge on 21,60,23,600 equity shares of face value Re.1/- each held by the Company in HCC ('Equity Shares'), to secure the borrowings/loans availed by HCC, and pursuant to provisions of Section 180(1)(a) and Section 186 of the Companies Act, 2013 (the Act) including any statutory modification or re-enactment thereof, for the time being in force, and all other applicable provisions, if any of the Act, consent of the Shareholders be and is hereby accorded to the Board of Directors to pledge the Equity Shares, in addition to the pledge already created by the Company, in order to secure the additional loans and borrowings availed/to be availed by HCC by way of additional facilities aggregating upto ₹ 4550 Crores with such ranking amongst HCC lenders as may be agreed amongst them;

**RESOLVED FURTHER THAT** in clarification to the Original Resolutions, the Shareholders hereby consent, ratify and confirm that any pledge of the Equity Shares pursuant to the Original Resolutions and this resolution can be created with such ranking inter se amongst the lenders of HCC as may be determined by them and that all pledge (including all extensions, amendments and restatements thereof) created by the Company with all inter se ranking priority amongst lenders of HCC (first ranking, second ranking, subservient or otherwise) is hereby ratified and confirmed.

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

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

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

For and on behalf of the Board of Directors

**Ajit Gulabchand**

Chairman

Place : Mumbai  
Date : May 3, 2018

#### **Registered Office:**

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

## NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER.**

**IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING I.E. BY 11.00 A.M. ON SUNDAY, JULY 8, 2018.**

2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of their Board Resolution together with the respective specimen signature of the representative(s) authorised under the said resolution to attend and vote on their behalf at the Meeting.
3. Members, Proxies and Authorised representatives are requested to bring to the Meeting, the Attendance Slip enclosed herewith duly completed and signed for attending the Meeting.
4. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting, if not already voted through remote e-voting.
5. A Route Map showing the directions to reach the venue of the Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting".
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, July 4, 2018 to Tuesday, July 10, 2018 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
7. The Register of Directors and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
8. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
9. Members are hereby informed that Link Intime India Pvt. Ltd are the Company's Registrars and Share Transfer Agents ('R&T agents') whose contact details are as below :

Link Intime India Pvt Ltd

C-101, 247 Park,

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

Phone: +91 22 49186270

Fax: +91 22 49186060

10. Members are informed that as Company participated in the National Securities Depository Limited's (NSDL) system and there by has offered Company's Equity shares in dematerialized mode, interested Members can contact their respective Depository Participant (DP) and send the application through their respective DP to Company's R&T agents for dematerialization of the shares held in our Company. The Company's ISIN in NSDL is INE747Q01014.
11. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, (the Act) the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company and its Associates as defined in the Act for consideration and adoption by the Members of the Company.
- 12. Members are requested to:**
  - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents as mentioned above in respect of their holdings in physical form.
  - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
  - (c) Please note that in accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them. Members desirous of making nominations may procure the prescribed form SH-13 from the Registrar & Share Transfer Agents Darashaw Limited and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in dematerialised mode, should file their nomination with their Depository Participant (DP).
- 13. Green Initiative :**

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

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

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.
14. It has been noted that largely Members have not registered their email address so far and hence physical copies of the Annual Report for 2017-18 alongwith the Notice of the 22nd

Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members in the permitted mode.

Members may also note that the Notice of the 22nd Annual General Meeting forming a part of the Annual Report for 2017-18 will also be available on the Company's website [www.hinconholdings.com](http://www.hinconholdings.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.

#### **15. Appointment/Re-appointment of Directors :**

As per the provisions of Section 152 of the Companies Act, 2013, Ms. Shalaka Gulabchand Dhawan, Director of the Company (DIN:00011094) , retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment as a Director of the Company.

In accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association, the Board of Directors of the Company have appointed Mr. Chandradas V. Zaveri (DIN: 03564067) as an Additional Director, with effect from March 28, 2018, in the category of Non-Executive Director, who is liable to retire by rotation. A brief profile of Mr. Zaveri has been given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

16. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the ensuing Annual General Meeting (AGM) is annexed hereto and forms part of this Notice.
17. a) The Company has transferred to the Investor Education and Protection Fund (IEPF) on the due date, the unclaimed dividend for the financial year ended March 31, 2010. Further pursuant to Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "the IEPF Rules"), shares corresponding to the Dividend for FY 2009-10 which had remained unclaimed for a period of seven consecutive years has also been transferred by the Company to IEPF.
- b) Members wishing to claim dividends, which remain unclaimed are requested to correspond with the Registrar & Share Transfer Agents. Members are requested to note that dividends not claimed within seven years ('Unclaimed Dividend') from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund and the shares corresponding to the Dividend which has not been claimed for seven consecutive years, shall also be transferred by the Company to IEPF as per Section 124 of the Companies Act, 2013.
- c) The Company has uploaded/will be uploading the details of the Unclaimed amounts of Dividend of the Members as on July 10, 2018 (date of Annual General Meeting) as per the Investor Education and Protection

Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, on the website of the Ministry of Corporate Affairs [www.mca.gov.in](http://www.mca.gov.in).

#### **18. Voting :**

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely, July 3, 2018 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or voting by use of poll paper at the General Meeting venue. If a person was a Member as on the date of dispatch of the notice but has ceased to be a Member as on the cut-off date i.e. July 3, 2018, he / she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

#### **General Information :**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facilities to its members in respect of the business to be transacted at the 22nd Annual General Meeting (AGM) of the Company. The Company has engaged the services of National Securities Depository Ltd (NSDL) as authorised agency to provide the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting"). It is clarified that it is not mandatory for a Member to vote using remote e-voting facility.

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

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

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

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

The remote e-voting period will commence on Friday, July 6, 2018 (9:00 am) and will end on Monday, July 9, 2018 (5:00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 3, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion of the paid-up equity share capital of the Company as on the cut-off date i.e. July 3, 2018.

Mr. B. Narasimhan, Proprietor, B. N & Associates, Practising 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 his willingness to be appointed and will be available for the same purpose.

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

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

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.hinconholdings.com](http://www.hinconholdings.com) 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 Annual General Meeting i.e. Tuesday, July 10, 2018.

**Voting through electronic means :**

**Process and manner for remote e-voting:**

Once Member receives physical copy of the Notice of AGM, please note Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

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

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

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

Details on Step 1 is mentioned below:

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

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to

NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

- |  |   |
|--|---|
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is   |
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox.  
Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form.  
The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- 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](http://www.evoting.nsd.com).
  - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open. Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- 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.hinconholdings@gmail.com](mailto:evoting.hinconholdings@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### Additional Information :

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

Members may also send their queries relating to e-voting to Ms. Pallavi Mhatre, Assistant. Manager, NSDL at : E-mail id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in); Toll free No.: 1800-222-990; Tel.No. : 022 2499 4545 Members are requested to update their mobile numbers and e-mail IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the notice and holding shares as of the cut-off date i.e. July 3, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer / RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details / Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.

- Members wishing to register for e-communication are requested to inform their respective Depository Participant, in respect of shares held in demat mode or to the Registrars and Share Transfer Agents (RTA) in case of shares held in physical mode, requesting to note the same. The Members registered for e-communication are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the members may also send requests to the Company's investor email id: [investor.hinconholdings@hccindia.com](mailto:investor.hinconholdings@hccindia.com).
- All documents referred to in the accompanying Notice, if any, shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company

For and on behalf of the Board of Directors

**Ajit Gulabchand**  
Chairman

Place : Mumbai  
Date : May 3, 2018

#### Registered Office:

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

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") in respect of Special Business Item No. 4**

In accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association, the Board of Directors of the Company have appointed Mr. Chandrahas V. Zaveri (DIN: 03564067) as an Additional Director with effect from March 28, 2018, in the category of Non-Executive Director, who is liable to retire by rotation. A brief profile of Mr. Zaveri has been given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

The Company has received a Notice under Section 160 of the Companies Act, 2013, from a member of the Company alongwith the deposit of requisite amount, signifying an intention to propose Mr. Chandrahas V. Zaveri as a candidate for the office of Director at the forthcoming Annual General Meeting

Mr. Chandrahas Zaveri graduated from the Rochester Institute of Technology in 2011 with a Bachelor of Science in Mechanical Engineering Technology. Since then he has worked in product design as a mechanical engineer. Currently he is a Mechanical Engineer at Schlumberger, responsible for design of Liner Hanger tools used in Well Completions.

Accordingly, the Board recommends the resolution contained at Item No. 4 of the accompanying notice for approval of the members as an Ordinary Resolution

Except Mr. Zaveri, none of the Directors of the Company and their respective relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of this Notice except to the extent of their respective shareholding in the Company, if any.

**Item No. 5**

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

The Members are informed that pursuant to the provisions of Sections 180(1)(a) and 186 of the Companies Act, 2013, the members had passed special resolutions vide postal ballot dated August 26, 2016, and had accorded their permission and authorized the Board of Directors or any duly constituted

committee thereof, for creating Security Interest in favour of HCC Lenders (or their designated agents/ nominees/ trustees) in order to secure the borrowings/loans availed/ to be availed by HCC, by way of Pledge on the 21,60,23,600 equity shares of face value Re.1/- each of HCC held by the Company ('Equity Shares'), notwithstanding that providing such security by way of creation of pledge may exceed the limits specified under Section 186 of the Act.

The security so provided is in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

In addition to and as a clarification to the aforementioned special resolutions passed by the shareholders of the Company dated August 26, 2016, in relation to creation of charge by way of pledge on the aforementioned equity shares, members are requested to consent, ratify and confirm creation/recreation of pledge, in addition to the pledge already created by the Company to secure the additional loans and borrowings availed/to be availed by HCC by way of additional facilities aggregating up to ₹4550 Crores with such ranking inter se amongst HCC lenders as may be agreed amongst them.

Accordingly, it is proposed to pass a clarificatory special resolution as at Item No. 5 authorizing the Board to create/recreate the necessary Security Interest/Charge by way of Pledge over the above mentioned Equity shares of HCC, held by the Company.

The Board accordingly recommends the shareholders to pass the Special resolution at Item No. 5.

None of the Directors of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the resolution at Item No. 5 except to the extent of their respective shareholding in the Company, if any.

For and on behalf of the Board of Directors

**Ajit Gulabchand**  
Chairman

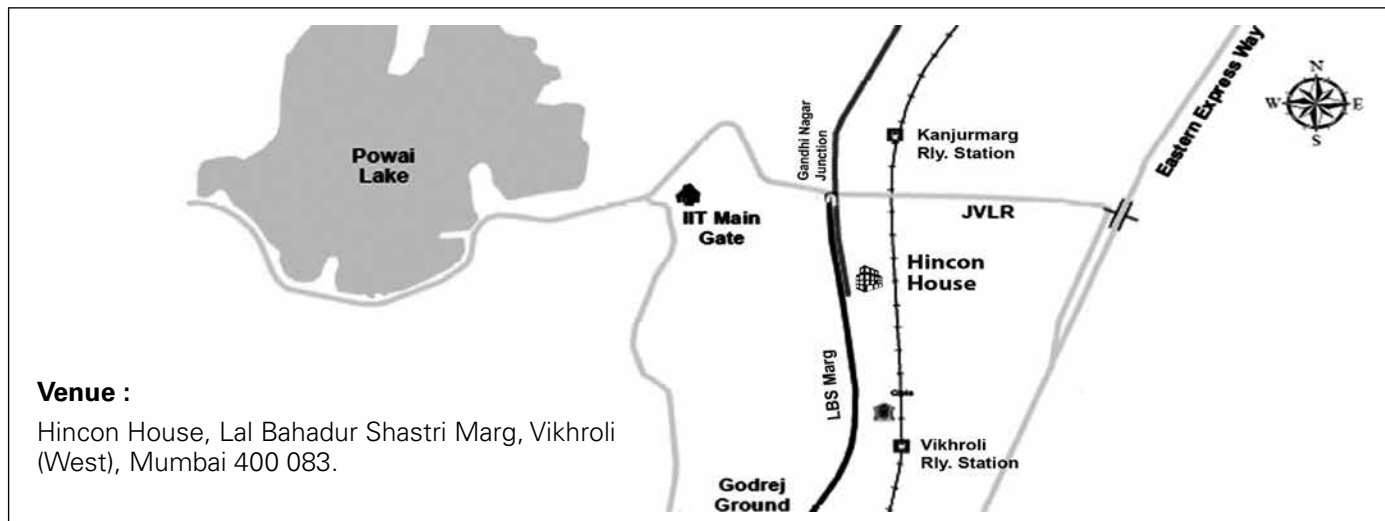
Place : Mumbai  
Date : May 3, 2018

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



## ROUTE MAP TO REACH THE AGM VENUE

Venue of the 22nd Annual General Meeting of the company to be held on  
Tuesday, July 10, 2018 at 11.00 a.m.



# Board's Report

To,  
The Members of  
Hincon Holdings Limited

## 1. Report

Your Directors have presented the 22nd Annual Report together with the Audited Accounts for the financial year ended 31st March 2018.

## 2. Financial Highlights

Particulars	Year ended 31st March 2018 ₹ in lacs	Year ended 31st March 2017 ₹ in lacs
<b>Income</b>	<b>298.70</b>	70.80
Profit before Tax	22.44	31.57
Less: Provision for Tax	10.44	12.70
Less: Deferred Tax Liability / (Asset)	-	-
Less: MAT Credit Entitlement	-	1.99
Less: Excess/(short) Provision of earlier years	12.19	2.78
Profit after Tax	(0.19)	14.08
Add: Balance brought forward from previous year	1325.14	1315.26
Amount available for Appropriations	1324.95	1329.34
Less: Appropriations		
a) Proposed Dividend	-	-
b) Tax on proposed Dividend	-	-
c) General Reserve	-	1.40
d) Special Reserve under section 45(IC) of the RBI Act, 1934	-	2.80
<b>Balance carried to Balance Sheet</b>	<b>1324.95</b>	1325.14

## 3. Dividend

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

## 4. Operations

Total Income and profit before tax aggregated to ₹ 298.70 lakhs and ₹ 22.44 lakhs, respectively as compared to income of ₹ 70.80 lacs and profit before tax of ₹ 31.57 lakhs during the previous year. Post tax, there is a small loss of ₹ (0.19) lakhs as compared to profit after tax of ₹ 14.08 lakhs during the previous year.

### Operations of Associate Companies :

#### (i) Hindustan Construction Company Ltd

Hindustan Construction Company Ltd.,(HCC) is a 90 year old business and among the leading engineering, construction and infrastructure development companies in India wherein your Company, in its capacity as Promoter Company, holds 21.27% of HCC's paid-up equity share capital.

With the entire infrastructure development eco-system under stress in India since 2012, there has been a

considerable slowdown in construction activities. The growth momentum achieved between 2007-08 and 2011-12 has completely subsided. Primarily there are the legacy issues of the past six to seven years that have put individual players under very difficult financial stress. These relate to the adverse effects of the massive build-up of stalled and delayed projects in the country.

This business environment has thrown up several challenges for engineering and construction (E&C) companies in India. As one of the leading players in the Indian construction industry, HCC has been exposed to the vagaries of the external business environment faced.

HCC has continuously recrafted its strategic positioning and calibrated its business objectives in line with the evolving business environment.

In 2017-18, this strategic intent translated into further enhancing focus on the construction business. In effect HCC has had to strike a fine balance between maintaining pace of execution activities, closing completed projects and growing the order book while carefully managing the limited working capital available.

HCC has followed a rigorous process of working on collections where there have been deviations from project terms by clients and/or project delays due to issues on the client's side. For the majority of such cases, the Company's stand has been vindicated by arbitration panels and courts. With concerted efforts, even while focusing on selective orders that meet strict risk return equations, HCC has successfully increased the order book of the construction business to ₹ 19,188 crore as of March 31, 2018.

For FY 2017-18, HCC registered a turnover of ₹ 4,575.08 crore and net profit of ₹ 77.53 crore as compared to a turnover of ₹ 4,195.94 crore and net profit of ₹ 59.41 in the previous year. The profit before tax was ₹ 111.97 crore (including exceptional item) as compared to ₹ 96.96 crore for the previous year.

#### (ii) **Hincon Finance Ltd**

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

The principal business of Hincon Finance Limited is to carry on the activities of an Investment Company and other related activities.

Total Income and Profit before tax for FY2017-18 aggregated to ₹ 288.65 lakhs and ₹ 31.01lakhs respectively as compared to ₹ 232.83 lakhs and ₹ 177.47 lakhs respectively, during the previous year. Profit after tax stood at ₹ 37.44 lakhs as compared to ₹129.26 lakhs for the previous year.

#### **5. Share Capital**

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

#### **6. Transfer to Reserves:**

In view of no profit available for appropriation, no amount is proposed to be transferred to General Reserve and Special Reserve U/s 45 (IC) of the RBI Act 1934.

#### **7. Details of Subsidiary and Joint Ventures:**

The Company has no subsidiaries and Joint Ventures. The details of Associate Companies are as under :

1. Hindustan Construction Company Ltd
2. Hincon Finance Ltd

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

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

#### **8. Fixed Deposits**

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

#### **9. Consolidated Financial Statements**

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

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

#### **10. Statutory Auditors**

M/s. Mehta & Pai, Chartered Accountants, Mumbai, bearing Firm Registration No.113591W, existing Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for appointment as Statutory Auditors for a term of one year, commencing from the conclusion of this 22nd AGM upto the conclusion of the 23rd AGM. M/s. Mehta & Pai, Chartered Accountants, have furnished a certificate to the effect that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Section 139 and Section 141 of the Act read with the provisions of the Companies (Audit and Auditors) Rules, 2014.

#### **11. Statutory Auditors' Report :**

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

#### **12. Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed.

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

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 requiring captioned information is not applicable to your Company.

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

#### **14. Board of Directors**

Ms. Shalaka Gulabchand Dhawan, Director of the Company (DIN 00011094) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

In accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association, the Board of Directors of the Company have appointed Mr. Chandras

V. Zaveri (DIN: 03564067) as an Additional Director, w.e.f. March 28, 2018, in the category of Non-Executive Director, who is liable to retire by rotation. A brief profile of Mr. Zaveri has been given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

The Company has received a Notice under Section 160 of the Companies Act, 2013, from a member signifying an intention to propose Mr. Chandras V. Zaveri as a candidate for the office of Director at the forthcoming Annual General Meeting.

Mr. Ram P. Gandhi had resigned as a Non-Executive Director w.e.f. March 28, 2018.

The Board placed on record its appreciation for the contribution made by Mr. Ram P. Gandhi during his tenure as the Non-Executive Director.

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

#### **15. Number of Board Meetings:**

During the financial year, Board met 5 times on May 2, 2017, August 3, 2017, November 2, 2017, January 31, 2018 and March 28, 2018 for review of business and operations. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days.

#### **16. Stakeholders Relationship Committee:**

During the financial year, one meeting of Stakeholders Relationship Committee was held on May 2, 2017 for noting of matters relating to transfer of shares/dematerialization of shares and consideration of any other matters related to shares and shareholders.

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

In accordance with the provisions of Section 186 of the Companies Act, 2013, there are no Loans, Guarantees and Investments made by the Company during the year under review except security provided by way recreation of Pledge on 21,60,23,600 Equity Shares held in HCC (in respect of which Equity Shares pledge was already created in terms of S4A scheme for HCC), towards Working Capital facilities extended by Lenders to HCC for Operations and Arbitration Bank Guarantees, as per particulars given in the Notes to the Standalone financial statements.

#### **18. Particulars of contracts or arrangements with related parties:**

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

#### **19. Risk management Framework:**

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

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

#### **20. Reporting of Frauds :**

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

#### **21. Particulars of Employees and other additional information**

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

#### **22. Material Changes and commitments in the financial Statements:**

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

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

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to IEPF, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to IEPF. Accordingly during the year under review, the Company has transferred the unclaimed dividend for the financial year 2009-10 of ₹ 1,27,500 to IEPF and 11,182 equity Shares of face value ₹ 10/- each for a total face value of ₹ 1,11,820/-, in accordance with the IEPF Rules, to the IEPF account

#### **24. Secretarial Standards**

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

#### **25. Directors' Responsibility Statement**

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

- a. in the preparation of the annual Accounts, the applicable accounting standards have been followed and there has been no material departure.
- b. Appropriate accounting policies have been selected and applied consistently and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date.

- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the annual accounts have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **26. Acknowledgements**

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

For and on behalf of Board of Directors

**Ajit Gulabchand**

Chairman

Place: Mumbai  
Date: May 3, 2018

### **Registered Office:**

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

## Form No. MGT-9

### Extract of Annual Return

For the financial year ended on 31<sup>st</sup> March, 2018  
[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the  
Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

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

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

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Lending and Investing Activities	64,990 ( n.e.c)	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Hindustan Construction Company Ltd	L45200MH1926PLC001228	Associate	21.27	2(6)
2	Hincon Finance Ltd	U67120MH1992PLC066854	Associate	48.75	2(6)

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

##### i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	885309	885309	95.54	-	885309	885309	95.54	0.00
b) Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d) Any Other (Specify) Bodies Corporate	-	1100	1100	0.12	-	1100	1100	0.12	0.00
<b>Sub-Total A(1)</b>	-	886409	886409	95.66	-	886409	886409	95.66	0.00
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	-	<b>886409</b>	<b>886409</b>	<b>95.66</b>	-	<b>886409</b>	<b>886409</b>	<b>95.66</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Fund / UTI	-	-	-	-	-	-	-	-	-
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
f) Financial Institutions / Banks	-	2400	2400	0.26	-	2364	2364	0.26	-0.00
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	-	<b>2400</b>	<b>2400</b>	<b>0.26</b>	-	<b>2364</b>	<b>2364</b>	<b>0.26</b>	<b>-0.00</b>
<b>(2) Central Government/ State Government(s)/ President of India</b>									
Central Government / State Government(s)	-	228	228	0.02	-	228	228	0.02	<b>0.00</b>
<b>Sub-Total (B)(2):</b>	-	<b>228</b>	<b>228</b>	<b>0.02</b>	-	<b>228</b>	<b>228</b>	<b>0.02</b>	<b>0.00</b>
<b>(3) Non-Institutions</b>									
<b>a) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	200	34219	34419	3.71	230	23281	23511	2.54	-1.18
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)	-	-	-	-	-	-	-	-	-
IEPF	-	-	-	-	11182	-	11182	1.21	1.21
Foreign Nationals	162	-	162	0.02	162	-	162	0.02	0.00
Foreign Companies	288	-	288	0.03	288	-	288	0.03	0.00
Non Resident Indians (Non Repat)	-	-	-	-	12	-	12	0.00	0.00
j) Non Resident Indians (Repat)	-	2266	2266	0.24	-	2058	2058	0.22	-0.02
Bodies Corporate	-	438	438	0.05	-	396	396	0.04	-0.01
<b>Sub – Total (B)(3)</b>	<b>650</b>	<b>36923</b>	<b>37573</b>	<b>4.06</b>	<b>11874</b>	<b>25735</b>	<b>37609</b>	<b>4.06</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>650</b>	<b>39551</b>	<b>40201</b>	<b>4.34</b>	<b>11874</b>	<b>28327</b>	<b>40201</b>	<b>4.34</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>650</b>	<b>925960</b>	<b>926610</b>	<b>100.00</b>	<b>11874</b>	<b>914736</b>	<b>926610</b>	<b>100.00</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>C. Non Promoter - Non Public</b>	-	-	-	-	-	-	-	-	-
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
<b>Total (A)+(B)+(C)</b>	<b>650</b>	<b>925960</b>	<b>926610</b>	<b>100.00</b>	<b>11874</b>	<b>914736</b>	<b>926610</b>	<b>100.00</b>	<b>0.00</b>

**ii. Shareholding of Promoters**

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

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

**During the financial year 2017-18, there has been no change in Promoters' Shareholding.**

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

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

Sr No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares	% of total shares of the Company
1	Suprovat Mitter	2000	0.22			2000	0.22
2	Bank Of India	1284	0.14			1284	0.14
3	Vidisha A Patel	960	0.10			960	0.10
4	Central Bank of India	720	0.08			720	0.08
5	Habibn Bank Limited	450	0.05			450	0.05
6	Aroonkumar Lalchand Shah	332	0.04			332	0.04
7	Venkatesh Guracharya Raichur	302	0.03			302	0.03
8	Mrunalinidevi Puar	300	0.03			300	0.03
9	Shantaben Chhotabhai	240	0.03			240	0.03
10	Hari Singh Gour Transfer	600	0.06			0	0
				23 Mar 2018	600	0	0
11	Leela Raghavendra Row Transfer	524	0.06			0	0
				23 Mar 2018	524	0	0
12	Maharaja Shri Lukhdirji Waghji Transfer	360	0.04			0	0
				23 Mar 2018	360	0	0

**v. Shareholding of Directors and Key Managerial Personnel\***

For Each of the Director	Name of Director			
	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Ajit Gulabchand</b>	6,51,327	70.29	6,51,327	70.29
At the beginning of the year	651327	70.29	651327	70.29
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	651327	70.29	651327	70.29
<b>Shalaka Gulabchand Dhawan</b>				
At the beginning of the year	11364	1.23	11364	1.23
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	11364	1.23	11364	1.23
<b>Ram P. Gandhi**</b>				
At the beginning of the year	1	0.00	1	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year**	1	0.00	1	0.00

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

\*\* Non-Executive Director upto March 28, 2018

**V. INDEBTEDNESS**

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

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

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

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

**B. Remuneration to other Directors:**

**1. Independent Directors : Nil**

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

## 2. Non Executive Directors

Particulars of Remuneration	Name of the Directors				Total Amount (in ₹)
	Ajit Gulabchand	Shalaka Gulabchand Dhawan	Ram P. Gandhi **	Chandrabhas V. Zaveri ***	
Fee for attending Board/ Committee Meetings	35,000	30,000	25,000	5,000	95,000
Commission	-	-	-	-	-
Other, please specify.....	-	-	-	-	-
<b>Total</b>	<b>35,000</b>	<b>30,000</b>	<b>25,000</b>	<b>5,000</b>	<b>95,000</b>
Total Managerial Remuneration					Nil
Overall Ceiling as per the Act	As there is no managerial person in the Company, there is no managerial remuneration paid/payable and hence the overall ceiling for managerial remuneration is not applicable.				

\*\* Non-Executive Director upto March 28, 2018

\*\*\* Non-Executive Director from March 28, 2018

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

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

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

# Independent Auditor's Report

To

**The Members of  
Hincon Holdings Limited,  
Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **Hincon Holdings Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2018 the Statements of Profit and Loss, the Cash Flow Statements for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are responsible 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure-A, a statements on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance sheet, the Statement of Profit and Loss, and the Cash Flow statements dealt with by this Report are in agreement with the books of account.
  - d. In our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

# Independent Auditor's Report

---

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in 'Annexure-B' and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 6 and 19 to the financial statements.
  - ii. The Company does not have any long – term contracts having material foreseeable losses. The company does not have any derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

**FOR MEHTA & PAI**  
Chartered Accountants  
ICAI firm registration No.113591W

**SURESH MEHTA**  
Partner  
Membership No: 032230

Place: Mumbai  
Date: May 3, 2018

# Annexure to the Independent Auditor's Report

## ANNEXURE-A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 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, 2018 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 is respect of leasehold land & building are in the name of the company. [Also refer note No 6 (1) of Notes to Accounts].
- (ii) In absence of inventories, clauses (ii) of the Order is not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- (iv) In respect of loans, investments, guarantees and security provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to this Company since it has not granted any loan or made any investment or provided any guarantees or security during the year.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the Companies (Acceptance of Deposit) Rules 2014 or the directives issued by the Reserve Bank of India apply.
- (vi) We have been informed that the Company is not required to maintain cost records under sub section (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) (a) According to the records of the Company, Provident Fund, Employee's State Insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, 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, 2018 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 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 explanation given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(xiv) is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) is not applicable to the Company.
- (xvi) According to the information and explanations given to us, at present the company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly holding the COR.

**FOR MEHTA & PAI**  
Chartered Accountants  
ICAI firm registration No.113591W

**SURESH MEHTA**  
Partner  
Membership No: 032230

Place: Mumbai  
Date: May 3, 2018

# Annexure to the Independent Auditor's Report

## Annexure-B to Auditor's report

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

We have audited the internal financial controls over financial reporting of **Hincon Holdings Limited** ("the Company") as of 31 March 2018 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 2018, 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  
ICAI firm registration No.113591W

**SURESH MEHTA**  
Partner  
Membership No: 032230

Place: Mumbai  
Date: May 3, 2018



# Balance Sheet as at 31<sup>st</sup> March, 2018

	Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	3	9,266,100	9,266,100
Reserves & Surplus	4	342,651,020	342,669,538
		<b>351,917,120</b>	351,935,638
<b>2 Current Liabilities</b>			
Other current Liabilities	5	1,556,878	1,097,258
<b>TOTAL</b>		<b>353,473,998</b>	<b>353,032,896</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
Fixed Assets	6		
Tangible Assets		168,247	171,931
Non-current Investments	7	315,189,501	315,189,501
Long Term Loans and advances	8	509,671	1,861,331
		<b>315,867,419</b>	317,222,763
<b>2 Current Assets</b>			
Inventories	9	20,877,329	22,793,853
Cash and bank balances	10	1,201,539	1,481,622
Short term loan and advances	11	15,527,711	11,534,658
		<b>37,606,579</b>	35,810,133
Significant Accounting policies	2		
<b>TOTAL</b>		<b>353,473,998</b>	<b>353,032,896</b>

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 : May 3, 2018

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Chandahas Vinod Zaveri**

(DIN : 03564067)

Chairman

Vice Chairperson

Director

# Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2018

	Note No.	Year ended 31.03.2018 ₹	Year ended 31.03.2017 ₹
<b>I REVENUE FROM OPERATIONS</b>	<b>12</b>		
Sale of Securities		25,400,000	2,200,488
Other Operating Revenues		983,476	1,192,219
		<b>26,383,476</b>	<b>3,392,707</b>
<b>II OTHER INCOME</b>	<b>13</b>	<b>3,486,244</b>	<b>3,687,437</b>
<b>III TOTAL REVENUE (I + II)</b>		<b>29,869,720</b>	<b>7,080,144</b>
<b>IV EXPENDITURE</b>			
Cost of Securities sold	14	25,400,000	2,200,488
Employee Benefits Expense	15	1,057,047	1,067,100
Depreciation	6	3,684	3,684
Other Expenses	16	1,164,977	652,312
<b>TOTAL OPERATING EXPENSES</b>		<b>27,625,708</b>	<b>3,923,584</b>
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III - IV)</b>		<b>2,244,012</b>	<b>3,156,560</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Extraordinary Items &amp; Tax (V - VI)</b>		<b>2,244,012</b>	<b>3,156,560</b>
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit Before Tax (VII - VIII)</b>		<b>2,244,012</b>	<b>3,156,560</b>
<b>X Tax Expense:</b>			
1) Current Tax		1,043,513	1,270,422
2) Deferred Tax		-	-
3) MAT Credit Entitlement		-	199,281
4) (Excess)/short Provision of earlier year		1,219,017	278,487
<b>XI Profit / (Loss) for the year from Continuing operations (IX - X)</b>		<b>(18,517)</b>	<b>1,408,370</b>
<b>XII Tax Expense from discontinuing operations</b>		-	-
<b>XIII Profit / (Loss) for the year from Discontinuing operations (XII - XIII)</b>		-	-
<b>XIV Profit / (Loss) for the year (XI + XIV)</b>		<b>(18,517)</b>	<b>1,408,370</b>
<b>XV Earnings per equity share:</b>			
Basic & Diluted	17	(0.02)	1.52

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 : May 3, 2018

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Chandahas Vinod Zaveri**

(DIN : 03564067)

Chairman

Vice Chairperson

Director

# Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

	Year ended 31.03.2018 ₹	Year ended 31.03.2017 ₹
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>2,244,012</b>	3,156,560
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	<u>3,684</u>	<u>3,684</u>
<b>Operating profit before working capital changes</b>	<b>2,247,696</b>	3,160,244
Movements in working capital :		
Increase / (decrease) in other current liabilities	<b>459,620</b>	(252,894)
Decrease / (increase) in Other assets	-	-
Decrease / (increase) in Inventories	<b>1,916,524</b>	(22,791,731)
Decrease / (increase) in long-term loans and advances	-	-
Decrease / (increase) in short-term loans and advances	<u>(3,993,053)</u>	<u>(4,132,972)</u>
Cash generated from /(used in) operations	<b>630,787</b>	(24,017,353)
Direct taxes paid (net of refunds)	<b>(910,870)</b>	(335,500)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(280,084)</b>	(24,352,853)
<b>Cash flows from investing activities</b>		
Decrease / (increase) in Investment	-	-
<b>Net cash flow from/ (used in) investing activities (B)</b>	-	-
<b>Cash flows from financing activities</b>		
<b>Net cash flow from/ (used in) in financing activities (C)</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(280,083)</b>	(24,352,853)
Cash and cash equivalents at the beginning of the year	<b>1,481,622</b>	25,834,475
Cash and cash equivalents at the end of the year	<b>1,201,539</b>	1,481,622
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks	<b>678,979</b>	828,282
- on deposit account	<b>522,560</b>	653,340
<b>Total cash and cash equivalents (Note 10)</b>	<b>1,201,539</b>	1,481,622

## 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 : May 3, 2018

### Ajit Gulabchand

(DIN : 00010827)

### Shalaka Gulabchand Dhawan

(DIN : 00011094)

### Chandrasahas Vinod Zaveri

(DIN : 03564067)

Chairman

Vice Chairperson

Director

# Notes to Accounts

## NOTE 1: BACKGROUND

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

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES:

### a. METHOD OF ACCOUNTING

The Company maintains its accounts on accrual basis.

### b. FIXED ASSETS

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

### c. DEPRECIATION/AMORTISATION

Depreciation on fixed assets is provided:

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

### d. INVESTMENTS

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

### e. DIVIDEND

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

### f. STOCK-IN-TRADE

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

### g. TAXATION

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

### h. EARNING PER SHARE

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

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

	As at 31.03.2018	As at 31.03.2017
	₹	₹
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
20,00,000 Equity Shares of ₹ 10 each	<b>20,000,000</b>	20,000,000
10,00,000 Unclassified shares of ₹ 10/- each	<b>10,000,000</b>	10,000,000
<b>TOTAL</b>	<b><u>30,000,000</u></b>	<b><u>30,000,000</u></b>
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
9,26,610 Equity Shares of ₹ 10/- each fully paid-up	<b>9,266,100</b>	9,266,100
<b>TOTAL</b>	<b>9,266,100</b>	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	<b>926,610</b>	926,610
	Value	<b>9,266,100</b>	9,266,100

Add: Shares issued and allotted during the year	Qty	-	-
	Value	-	-

Number of Shares outstanding at the End of the year:	Qty	<b>926,610</b>	926,610
	Value	<b>9,266,100</b>	9,266,100

### b. Terms /rights attached to shares:

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

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

# Notes to Accounts

## c. Shareholding of more than 5%:

Name of the Shareholder	% held	As at	As at
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
		No. of shares	No. of shares
Shri. Ajit Gulabchand	91.89	851,465	851,465

## NOTE 4 RESERVES AND SURPLUS

### a) General Reserves

Opening Balance	<b>69,365,636</b>	69,225,636
Add: Transferred from Statement of Profit and Loss	-	140,000
	<b>69,365,636</b>	69,365,636

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

Opening Balance	<b>140,790,000</b>	140,510,000
Add: Transferred from Statement of Profit and Loss	-	280,000
	<b>140,790,000</b>	140,790,000

### c) Surplus as per Statement of Profit and Loss

Balance brought Forward	<b>132,513,902</b>	131,525,532
Add: Profit/(Loss) for the year	<b>(18,517)</b>	1,408,370
Less: Transferred to General Reserve	-	140,000
Less: Transfer to Special Reserve U/s 45 (IC) of the RBI Act, 1934	-	280,000
	<b>132,495,384</b>	132,513,902
<b>TOTAL</b>	<b>342,651,020</b>	342,669,538

<b>As at</b>	As at
<b>31.03.2018</b>	31.03.2017
₹	₹

## NOTE 5 OTHER CURRENT LIABILITIES

a) Other Trade Payable	<b>932,690</b>	295,965
b) Statutory Dues Payable	<b>18,893</b>	70,995
c) Due to Employees	<b>82,735</b>	76,958
d) Unclaimed Dividend	<b>522,560</b>	653,340
<b>TOTAL</b>	<b>1,556,878</b>	1,097,258

## NOTE 6 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For The Year	Deductions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2018
<b>Tangible Assets (At Cost):</b>										
Lease Hold Rights in Land & Building(*)	225,700	-	-	225,700	53,769	3,684	-	57,453	<b>168,247</b>	171,931
<b>Total of This Year</b>	<b>225,700</b>	-	-	<b>225,700</b>	<b>53,769</b>	<b>3,684</b>	-	<b>57,453</b>	<b>168,247</b>	<b>171,931</b>
Total of Previous Year	225,700	-	-	225,700	50,085	3,684	-	53,769	171,931	

(\*) 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.

# Notes to Accounts

## Note 7 : NON-CURRENT INVESTMENTS

	As at 31 <sup>st</sup> March, 2018 ₹	As at 31 <sup>st</sup> March, 2017 ₹
<b>A Other Non-Current Investments (At Cost)</b>		
Investment Properties	36,360,000	36,360,000
Investments in Share Warrants	-	-
Investment in Equity instruments	278,826,701	278,826,701
Investments in Preference shares	2,800	2,800
<b>Total</b>	<b>315,189,501</b>	<b>315,189,501</b>
Less : Provision for dimunition in the value of Investments	-	-
<b>Total</b>	<b>315,189,501</b>	<b>315,189,501</b>

	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
<b>Aggregate Of Investments</b>				
i. Quoted	271,257,183	4,817,326,280	271,257,183	8,532,932,200
ii. UnQuoted	7,572,318	-	7,572,318	-
iii. Others	36,360,000	-	36,360,000	-
	<b>315,189,501</b>	<b>4,817,326,280</b>	<b>315,189,501</b>	<b>8,532,932,200</b>

### 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 <sup>st</sup> Mar, 2018	As at 31 <sup>st</sup> Mar, 2017			As at 31 <sup>st</sup> Mar, 2018	As at 31 <sup>st</sup> Mar, 2017	As at 31 <sup>st</sup> Mar, 2018	As at 31 <sup>st</sup> Mar, 2017		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	<b>Investment in Equity Instruments</b>											
	Hindustan Construction Company Ltd	Others	216,023,600	216,023,600	Quoted	Fully paid	21.27%	21.37%	271,257,183	271,257,183	Yes	
	Hincon Finance Limited	Others	390,000	390,000	Unquoted	Fully paid		-	7,500,000	7,500,000	Yes	
	Lavasa Corporation Limited	Others	2,387	2,387	Unquoted	Fully paid			69,518	69,518	Yes	
	<b>Sub Total</b>		<b>216,415,987</b>	<b>216,415,987</b>					<b>278,826,701</b>	<b>278,826,701</b>		
(2)	<b>Investments in Preference Shares</b>											
	Lavasa Corporation Limited		28	28	Unquoted	Fully paid		-	2,800	2,800	Yes	
	<b>Sub Total</b>		<b>28</b>	<b>28</b>					<b>2,800</b>	<b>2,800</b>		
	<b>Total</b>		<b>216,416,015</b>	<b>216,416,015</b>					<b>278,829,501</b>	<b>278,829,501</b>		

**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.

### NOTE 8 LONG TERM LOANS AND ADVANCES

#### Unsecured, Considered Good

a) Deposits	1,040,256	1,040,256
b) Advance tax (net)	(530,585)	821,075
	<b>509,671</b>	<b>1,861,331</b>

### NOTE 9 INVENTORIES

Stock-inTrade	20,877,329	22,793,853
Less : Dimunition in value	-	-
	<b>20,877,329</b>	<b>22,793,853</b>

# Notes to Accounts

## NOTE 10 CASH AND BANK BALANCE

### a) Cash & Cash Equivalents

1) Cash on Hand	-	-
b) Cheques on hand	-	-
1) Cheques on hand	-	-
2) With Scheduled Banks:		
Current Account	<b>678,979</b>	828,282

### c) Other Bank Balances

Balances with Bank for Unpaid Dividend	<b>522,560</b>	653,340
	<b><u>1,201,539</u></b>	<u>1,481,622</u>

## NOTE 11 SHORT TERM LOAN & ADVANCES

### Unsecured, Considered Good

a) Loans and advances to related parties	<b>15,517,922</b>	11,524,868
b) Prepaid Expenses	<b>9,789</b>	9,790
	<b><u>15,527,711</u></b>	<u>11,534,658</u>

## NOTE 12 REVENUE FROM OPERATIONS

(a) Sale of Securities	<b>25,400,000</b>	2,200,488
(b) Other Operating Revenues		
Dividend from Mutual Fund	<b>983,476</b>	1,192,219
	<b><u>26,383,476</u></b>	<u>3,392,707</u>

## NOTE 13 OTHER INCOME

a) Dividend	<b>39</b>	45
b) Other non-operating Income		
Rent	<b>3,486,205</b>	3,660,612
Interest on I.T. Refund	-	26,780
	<b><u>3,486,244</u></b>	<u>3,687,437</u>

## NOTE 14 COST OF SECURITIES SOLD

Opening Stock	<b>22,793,853</b>	2,123
Add: Purchases	<b>23,483,476</b>	24,992,218
	<b>46,277,329</b>	24,994,341
Less: Closing Stock (after diminution in value)	<b>20,877,329</b>	22,793,853
<b>TOTAL</b>	<b><u>25,400,000.00</u></b>	<u>2,200,488</u>

## NOTE 15 EMPLOYEE BENEFITS EXPENSE

a) Salaries, Wages, Bonus and Gratuity	<b>1,048,538</b>	1,062,971
b) Staff Welfare Expenses	<b>8,509</b>	4,129
<b>TOTAL</b>	<b><u>1,057,047</u></b>	<u>1,067,100</u>

## NOTE 16 OTHER EXPENSES

a) Rates & Taxes	<b>11,457</b>	30,813
b) Directors Sitting Fees	<b>80,000</b>	85,000
c) General Expenses	-	-
d) Postage, Printing and Stationery	<b>148,864</b>	136,641
e) Filing fees	<b>15,140</b>	60,856
f) Advertisement Expenses	<b>56,670</b>	25,200
g) Professional Charges	<b>140,222</b>	115,222
h) Demat Charges	<b>1,401</b>	-
i) Bank charges	-	2,955
j) Legal Expenses	<b>572,424</b>	-
k) Software Maintenance Charges	<b>10,800</b>	-
l) Auditors' Remuneration		
Audit Fees	<b>104,499</b>	190,625
Certification Charges	<b>23,500</b>	5,000
	<b>127,999</b>	
<b>TOTAL</b>	<b><u>1,164,977</u></b>	<u>652,312</u>

## NOTE 17 EARNING PER SHARE

### Particulars

Net Profit / Loss available for Equity Shareholders (₹)	(18,517)	1,408,370
Number of Shares	926,610	926,610
EPS Basic & Diluted (₹)	(0.02)	1.52

## 18 INCOME TAX

The Income-tax Assessments of the Company have been completed upto the Accounting year ended 31st March 2015.

## 19 CONTINGENT LIABILITIES

Claims not acknowledged as debt by the Company : ₹ 65,30,371 (Previous Year ₹ 59,77,217)

# Notes to Accounts

## 20 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
- (B) Transactions with Related Parties, Associate Company as referred to in item (A) above

₹

Nature of Transactions		31st March 2018	31st March 2017
1)	Renting of Property during the year	4,800,000	4,800,000
2)	Outstanding balance included in Investments	271,257,183	271,257,183
3)	Outstanding balance included in Current Assets	15,435,921	11,428,867

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

**22** 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.

## 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 ₹ 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 ₹ 1/- each held by our Company in HCC, was recreated in favour of the same Pledgee, ie. Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and on behalf of the Debenture Trustee for OCD Lenders. Further in terms of the said pledge requirements, on the additional 1,53,20,000 equity shares of ₹ 1/- each allotted by HCC on 2nd May 2014 to the Company, towards allotment of shares for Promoter Contribution, fresh pledge was created during the year, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and held by them on behalf of the Debenture Trustee for OCD Lenders, and hence, the entire 21,60,23,600 equity shares of the Company held in HCC, stood pledged with Universal Trusteeship Services Ltd. During FY 2017-18, HCC has entered into facility agreements for availment of additional working capital facilities from the Lenders for Operations and towards Arbitration Bank Guarantees respectively, and as per the terms agreed therein, Master Pledge Agreement was executed on March 29, 2018, inter alia, by the Company for recreation of pledge on the aforementioned entire 21,60,23,600 equity shares held in HCC, representing 21.27% of the equity share capital of 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.

**24** 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 : May 3, 2018

### Ajit Gulabchand

(DIN : 00010827)

### Shalaka Gulabchand Dhawan

(DIN : 00011094)

### Chandrabhas Vinod Zaveri

(DIN : 03564067)

Chairman

Vice Chairperson

Director



**ADDITIONAL INFORMATION PURSUANT TO THE COMPANIES ACT**

Mutual Funds	Opening Stock			Purchases			Sales			Closing				Stock			
	Quantity	Rate	₹	Quantity	Rate	₹	Quantity	Rate	₹	Quantity	Rate	Value	Mkt Rate	Mkt Value	Rate	₹	
Canara Robeco Liquid Fund Institutional DDR	56.00	10.16	569.13	-	-	-	-	-	-	-	-	569.13	10.45	585.03	10.16	569.13	
SBI Premier Liquid Fund-DP-DD	3,504.32	1,003.25	3,515,703.95	3,583.31	1,003.25	3,594,945.19	6,379.27	1,003.25	6,400,000.00	708.35	1,003.24	710,649.14	1,003.25	710,656.15	1,003.25	710,649.14	
SBI ULTRA STDF- Regular Plan-DD	0.49	-	-	-	-	-	0.49	-	-	8,095.94	-	-	-	-	-	-	-
UTI Liquid Fund Cash Plan	0.89	1,204.10	1,065.63	0.10	-	38.77	-	-	-	0.99	1,121.22	1,104.40	1,138.66	1,121.58	1,138.66	1,104.40	
Kotak Floter Long Term -DDR	1,912,389.72	10.08	19,276,514.65	1,972,965.87	10.08	19,888,492.09	1,884,827.15	10.08	19,000,000.00	2,000,528.44	10.08	20,165,006.74	10.08	20,166,326.98	10.08	20,165,006.74	
<b>Total</b>	<b>1,915,951.41</b>		<b>22,793,853.36</b>	<b>1,976,549.28</b>		<b>23,483,476.05</b>	<b>1,891,206.90</b>		<b>25,400,000.00</b>	<b>2,009,389.72</b>		<b>20,877,329.41</b>		<b>20,878,689.74</b>		<b>20,877,329.41</b>	

	Cost as on 31.03.2018 ₹	Value as on 31.03.2018 ₹
Mutual Funds	20,877,329.41	20,878,689.74
Less: Diminution in value	-	-
<b>Total</b>	<b>20,877,329.41</b>	<b>20,878,689.74</b>

### 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
<b>Liability Side:</b>		
<b>1 Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid</b>		
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		
<b>2 Break up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :-</b>		
a In the form of Unsecured debentures	NIL	NIL
b In the form of party secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
c Other public deposits	NIL	NIL
* Please see Note 1 below		
<b>Assets Side:</b>		
	Amount Outstanding (₹)	
<b>3 Break up of Loans &amp; advances including bills receivables (other than those included in (4) below)</b>		
a Secured	NIL	
b Unsecured	509,671	

	Amount Outstanding (₹)
<b>4 Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>	
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
<b>5 Break up of investments:</b>	
Current Investments:	(₹)
1 Quoted:	
i Shares:	
a Equity	NIL
b Preference	NIL
ii Debentures and Bonds	NIL
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Others (please specify)	NIL
2 Unquoted:	
i Shares:	
a Equity	NIL
b Preference	NIL
ii Debentures and Bonds	NIL
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Others (please specify)	NIL
Long Term Investments	
1 Quoted:	
i Shares:	
a Equity	271,257,183
b Preference	NIL
ii Debentures and Bonds	NIL

	Amount Outstanding (₹)
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Others (please specify)	NIL
<b>2 Unquoted:</b>	
i Shares:	
a Equity	75,69,518
b Preference	2,800
ii Debentures and Bonds	NIL
iii Units of mutual funds	NIL
iv Government Securities	NIL
v Share Warrants	NIL
vi Land	363,60,000

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

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

**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	75.72	75.72
c Other related parties	48,173.26	2,712.57
2 Other than related parties	NIL	NIL
<b>Total</b>	<b>48,248.98</b>	<b>2,788.29</b>
<b>8 Other information</b>		
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**

We have audited the accompanying consolidated financial statements of HINCON HOLDINGS LIMITED as required under section 129(3) of the Companies Act, 2013 wherein Company's investment in two of its Associates namely Hindustan Construction Company Limited and Hincon Finance Limited have been accounted as per Accounting Standard 23 i.e. 'Accounting for Investments in Associates in Consolidated Financial Statements' specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 comprising of the Consolidated Balance Sheet as at 31st March, 2018, 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").

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

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance including its Associates and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

## **Basis for Qualified Opinion**

1. We invite attention to Note 7(iv) to the consolidated financial statements, in case of Hincon Finance Limited (HFL), which has become an associate of the company from 1st July, 1999, as the accounts of the associate are not available with the company from 1999 to 2015 the same has not been considered for the purpose of consolidation. Impact of the non-inclusion on cost of investment in the associate for these years could not be ascertained.
2. We invite attention to Note 7 (vi) to the consolidated financial statements. where in Hindustan Construction Company Limited ("HCC"), an Associate company whose accounts prepared as per IND AS and not as per Indian GAAP as required for the purpose of consolidation, has been considered for consolidation with the Company which is a Non Banking Financial Company and whose accounts are required to be prepared only under Indian GAAP as per the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. However, as per Accounting Standard 23, since the company has reported its investment in the associate at nil value under equity method, the share of further losses will not have any impact on the value of the said investment
3. The Independent Auditors of Hindustan Construction Company Limited ("HCC"), an Associate company have qualified their audit report on the financial statements for the year ended 31 March 2018 reproduced by us as under,
  - a) As stated in Note 22 to the consolidated financial statements, HCC group's carrying value of net assets (capital employed) aggregating ₹ 3,244.18 crore, (including capital work-in-progress amounting to ₹ 1,196.80 crore

# Independent Auditor's Report

stated in Note 23), goodwill on consolidation amounting to ₹ 95.04 crore and non-controlling interest amounting to ₹ 482.99 crore as at 31 March 2018 in Lavasa Corporation Limited (LCL), subsidiary of HCC, being considered good and recoverable by the management. However, LCL has accumulated operational losses and its consolidated net worth is fully eroded as at 31 March 2018. Further, this subsidiary is facing liquidity constraints due to which it may not be able to realize projections made as per its business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these assets and the consequential impairment losses, if any, on the accompanying consolidated financial statements. The previous Independent Auditor's opinion on the consolidated financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.

4. We draw attention to the following qualifications to the Audit opinion by the independent Auditors of Hindustan Construction Company Limited, an associate company, on the consolidated financial statements of HCC Real Estate Limited (HREL), a subsidiary of Hindustan Construction Company Limited, issued vide their report dated 3rd May, 2018 on matters which are relevant to our opinion on the consolidated financial results of the Group, as reproduced by us as under :

- a) As stated in Note 24 to the consolidated financial statements, regarding LCL, a subsidiary company of HCC, 'non-current borrowings' and 'other current financial liabilities' include balances amounting to ₹ 537.16 crore and ₹ 2,530.41 crore, respectively as at 31 March 2018 in respect of which direct confirmations from the respective lenders have not been received, although alternated procedures have been performed with respect to these balances. In the absence of such confirmations from the lenders, the independent Auditors of HCC have expressed their inability to comment on the adjustments that would be required to the carrying value of these balances on account of changes, if any, in the terms and conditions of the transactions, and the consequential impact, on the accompanying consolidated financial statements.
- b) As stated in Note 25 to the consolidated financial statements, regarding a subsidiary company of LCL, Warasgaon Assets Maintenance Limited's (WAML), 'other current financial liabilities' which include balances amounting to ₹ 1,030.34 crore respectively as at 31 March 2018 pertaining to borrowings from lenders which have been classified as non-performing assets and in respect of which direct confirmations from the respective lenders have not been received. In the absence of such confirmations from the lenders, the independent Auditors of HCC have expressed their inability to comment on the adjustments that would be required to the carrying value of these balances on account of changes, if any, in the terms and conditions of the transactions, and the consequential impact, on

the accompanying consolidated financial statements.

- c) As stated in Note 26 to the consolidated financial statements, regarding Dasve Retail Limited's (DRL), a subsidiary of LCL, 'other current financial liabilities' include balances amounting to ₹ 19.83 crore as at 31 March 2018 pertaining to a borrowing from a bank which has been classified as non-performing asset and in respect of which direct confirmation from the bank has not been received. In the absence of such confirmations from the lenders, the independent Auditors of HCC have expressed their inability to comment on the adjustments that would be required to the carrying value of these balances on account of changes, if any, in the terms and conditions of the transactions, and the consequential impact, on the accompanying consolidated financial statements.
- d) As stated in Note 27 to the consolidated financial statements, relating to HREL Group's carrying value of net assets (capital employed) aggregating ₹ 85.26 crore as at 31 March 2018 in Charosa Wineries Limited (CWL), a subsidiary company of HREL, being considered good and recoverable by the management. However, this subsidiary has accumulated losses and the net worth has been fully eroded as at 31 March 2018 and its borrowings payable to bank and other payables exceeds the market value of its assets as on that date. Management has assessed that no adjustments are required to the carrying value of the net assets which is not in accordance with the requirement of Ind AS 36, Impairment of Assets. In the absence of sufficient appropriate audit evidence to support management contention, the independent Auditors of HCC have expressed their inability to comment on the adjustment, if any, that would be required to the carrying value of these net assets and the consequential impact, on the accompanying consolidated financial statements.

## Qualified Opinion

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 the financial statements of the associates as noted below, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs (Consolidated financial position) of the Company as at 31 March, 2018 and consolidated profit (consolidated financial performance) their consolidated cash flows for the year ended on that date.

## Emphasis of Matters

We draw attention to the following emphasis of matters included by the independent Auditors of Hindustan Construction Company Limited, an associate company issued vide their report dated 3rd May, 2018 on matters which are relevant to our opinion on the

# Independent Auditor's Report

consolidated financial results of the Group, and reproduced by us as under

- a) Note 28 to the consolidated financial statements regarding uncertainties relating to recoverability of unbilled work-in-progress (other current financial assets), non-current trade receivable and current trade receivables aggregating ₹ 686.24 crore, ₹ 123.39 crore and ₹ 214.38 crore, respectively, as at 31 March 2018, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations/ discussion/ arbitration/ litigations. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not modified in respect of these matters.
- b) Note 29 to the consolidated financial statements, regarding Group's non-current investment in HCC Concessions Limited (HCL), a joint venture company of HCC Infrastructure India Limited (HICL), aggregating ₹ 292.81 crore as at 31 March 2018. The consolidated net-worth of the aforesaid joint venture has been fully eroded; however, based on certain estimates and other factors, including joint venture's future business plans, growth prospects and valuation report from an independent valuer, as described in the said note, management believes that the realizable amount is higher than the carrying value of the investments due to which these are considered as good and recoverable. Our opinion is not modified in respect of these matters.
- c) Note 30 to the consolidated financial statements, regarding remuneration of ₹ 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director (CMD), which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review / an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not modified in respect of these matters.

We further draw attention to the following emphasis of matters and material uncertainty related to going concern included by the independent Auditors of Hindustan Construction Company Limited, an associate company, on the consolidated financial statements of the subsidiary companies of Hindustan Construction Company Limited, issued vide their report dated 3rd May, 2018 on matters which are relevant to our opinion on the consolidated financial results of the Group, and reproduced by us as under :

- a) Note 31 to the consolidated financial statements, which describe the uncertainty related to the outcome of appeal filed by LCL with National Green Tribunal against the Order of the Ministry of Environment and Forests dated 9 November 2011 according environment clearances which are subject to compliance of certain terms and conditions by LCL. Pending the final outcome, which is presently unascertainable, no

adjustments have been made in the consolidated financial statements as the management is of the view that they have sufficient grounds to believe that no additional costs will be incurred to comply with the conditions imposed. Our opinion is not modified in respect of these matters.

- b) Note 32 to the consolidated financial statements, which describe that interest and principal in respect of non-convertible debenture holders (secured against land asset of LCL), listed on BSE, are overdue as at 31 March 2018. The management of LCL is in the process of restructuring such debentures and has intimated the stock exchange regarding the same. Consequently, the management of LCL believes that such overdue will not have any implications on the consolidated financial statements. Our opinion is not modified in respect of these matters.
- c) Note 33 to the consolidated financial statements, which describe the restatement of the comparative financial statements of LCL for the year ended 31 March 2017, to correct an error in the deferred tax liabilities recorded as at 31 March 2017 in accordance with the requirements of Ind AS 8 - Accounting policies, changes in accounting estimates and errors. Further, as described in the said note this restatement does not have an impact on the opening balance sheet of the preceding period. Our opinion is not modified in respect of these matters.
- d) Note 34 to the consolidated financial statements, regarding a subsidiary company, HREL's, 'non-current investments' in its joint ventures and associates, and non-current loans and current trade receivables which include dues from such joint ventures and associates aggregating ₹ 51.66 crore, ₹ 56.34 crore and ₹ 19.48 crore, respectively. The net worth of the aforesaid joint ventures and associates as at 31 March 2018 has been either fully or significantly eroded and most of the entities have incurred losses or do not have any operations during the year ended 31 March 2018. The operations of these joint ventures and associates are dependent on the project undertaken by the respective companies as a group. Based on this and other factors stated in aforementioned note, management of HREL has considered these balances as fully recoverable. Our opinion is not modified in respect of these matters.
- e) Note 35 to the consolidated financial statements, which indicates that HREL Group has incurred net loss of ₹ 961.30 crore during the year ended 31 March 2018 and as of that date has accumulated losses amounting to ₹ 2,223.59 crore which has resulted in complete erosion of its net-worth and its current liabilities exceeded its current assets by ₹ 3,883.31 crore. The operations of the HREL Group are dependent on the effectiveness of the project undertaken by LCL and its components. LCL and its two subsidiaries have defaulted in repayment of borrowings from the lenders and is in the process of submitting a resolution plan to the consortium of lenders for revival of its business and restructuring the repayment of borrowings. LCL has also defaulted in repayment of dues to non-convertible debentures and is in the process of restructuring

# Independent Auditor's Report

the terms of repayment with them. The above factors indicate a material uncertainty, which may cast significant doubt about the HREL Group's ability to continue as a going concern. Basis the factors mentioned in the aforesaid note, management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of these matters.

- f) Note 36 to the consolidated financial statements, in respect of Raiganj-Dalkhola Highways Limited (RDHL) a joint venture company of HCC Infrastructure Company Limited (HICL), where National Highway Authority of India (NHAI) has served notice of termination of contract to RDHL due to delay in re-start of work at project. For the reasons mentioned in the note, as per terms of the contract, RDHL is confident to full recovery of its claims of ₹ 368.00 crore made before the Arbitration for wrongful termination of the project. In view of this cost incurred by RDHL appearing under intangible assets under development amounting to ₹ 177.42 crore is considered fully recoverable by the management of RDHL. Hence no provision for such loss is considered necessary. Our opinion is not modified in respect of these matters.
- g) Note 36 to the consolidated financial statements. RDHL has filed a claim before arbitration for wrongful termination of the project by NHAI. Also, it has filed another claim for cost incurred on the project till date of termination for which the Constitution of Arbitral Tribunal to adjudicate this claim is awaited. Management of RDHL is confident of full recovery of its claims. Also, the net-worth of RDHL is positive and hence management views the entity as a going concern. However, these conditions along with other matters as set forth in above note, indicate the existence of a material uncertainty that may cast significant doubt about RDHL's ability to continue as a going concern. The appropriateness of assumption of going concern is critically dependent upon RDHL's ability to succeed in its claim of wrongful termination before the arbitration. Our opinion is not modified in respect of these matters.
- h) Note 37 to the consolidated financial statements, regarding, a joint venture company of HICL, Badarpur Faridabad Tollways Limited (BFTL)'s, whose net-worth is negative as at 31 March 2018 as the accumulated losses have exceeded the paid up share capital of BFTL. Consequent to the intention to issue termination notice issued by BFTL vide letter dated 31 March 2017, BFTL issued the termination notice to NHAI on 1 September 2017, terminating the Concession Agreement (CA) of the project entered into by BFTL with NHAI dated 4 September 2008 due to various reasons/authority defaults mentioned therein and demanded termination payment of ₹ 775.00 crore. NHAI refuted the termination initiated by BFTL. NHAI, in turn, issued suspension notice dated 28 August 2017 and took over the project. Subsequent to its suspension notice, NHAI terminated the CA, vide letter dated 23 February 2018. BFTL refuted NHAI's termination stating that NHAI's termination is invalid, as BFTL had already terminated CA, vide termination notice dated 1 September 2017. BFTL has referred termination dispute for

resolution as per Dispute Resolution Procedure (Arbitration) provided in the CA. Based on the legal advice obtained in this respect, BFTL has represented that it is confident of recovering the amount from NHAI and therefore has accounted the same under current financial assets in its standalone financial statements. Despite negative net-worth, the management of BFTL views the entity as going concern. These conditions indicate existence of material uncertainty that may cast significant doubt about BFTL's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

- i) Note 38 to the consolidated financial statements, in respect of HICL group's accumulated losses exceeding its equity by ₹ 1,557.65 crore. HICL group has incurred loss of ₹ 200.60 crore during the year ended 31 March 2018. Despite negative net worth of the HICL's group, the consolidated financial statements of HICL group have been prepared on a going concern basis for the reasons mentioned in the aforesaid note. The appropriateness of the basis is inter alia dependent upon HICL group's ability to generate higher fair market value by HICL, of its investment in joint venture, namely HCL and ongoing incubation of other infrastructure businesses which will create further value for the HICL group. These conditions, along with other matters as set forth in aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about HICL group's ability to continue as going concern. Our opinion is not modified in respect of this matter

## Other Matters

The consolidated financial statements include the Group's share of net profit of ₹ 18,24,980 for the year ended 31 March 2018, in respect of two associates namely, Hicon Finance Limited and Hindustan Construction Company Limited. The consolidated financial statements of Hindustan Construction Company Limited have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements and our report in terms of sub-section (3) of Section 143 of the Act, 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 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) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper

# Independent Auditor's Report

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) The matters described under the Basis for Qualified Opinion and Emphasis of Matters paragraphs, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its associate companies incorporated in India, none of the directors of the Company are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A."
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion

and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the associates:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associates – Refer Note 19, 31, 36, 37, 30, 39 to the consolidated financial statements.
- (ii) The Company and an associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. In case of other associate provision has been made, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, and its Associates.
- (iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

**For MEHTA & PAI**  
Chartered Accountants  
ICAI firm registration No.113591W

Place: Mumbai  
Date: May 3, 2018

**SURESH MEHTA**  
Partner  
Membership No: 032230



# 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, 2018, We have audited the internal financial controls over financial reporting of Hincon Holdings Limited (hereinafter referred to as "the Company") and in respect of its Associates companies wherein such audit of the internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of that date.

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

The respective Board of Directors of the of the Company and its associate companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Basis for Qualified Opinion**

We draw attention to the following material weakness included in the report on IFCoFR issued by

the independent Auditors of Hindustan Construction Company Limited, an Associate company of Hincon Holdings Limited, dated 3 May, 2018 on its consolidated financial statements, and reproduced by us as under :

The Associate Company's internal financial controls in respect of supervisory and review controls over process of determining of the carrying value of its subsidiary's net assets (capital employed), goodwill on consolidation and non-controlling interest were not operating effectively. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of aforesaid assets and consequently, also impact the loss (financial performance including other comprehensive loss) after tax.

Charosa Wineries Limited's, a subsidiary company of Hindustan Construction Company Limited, internal financial controls in respect of supervisory and review controls over process of determining of the carrying value of net assets (capital employed) were not operating effectively. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of aforesaid assets and consequently, also impact the loss (financial performance including other comprehensive loss) after tax.

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

### **Qualified Opinion**

In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the two associate companies, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Holding Company, its two Associate companies, which are companies covered under the Act, have, in all material respects,

adequate IFCoFR and such controls were operating effectively as at 31 March 2018, based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weaknesses identified and reported above by the Independent Auditors of an associate company, in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company and its associate companies, which are companies covered under the Act as at and for the year ended 31 March 2018, and the material weakness reported by the independent Auditors of Hindustan Construction Company Limited, an associate company, has affected our opinion on the consolidated financial statements of the Company and its associate companies, which are companies covered under the Act and we have issued a qualified opinion on the consolidated financial statements.

### **Other Matters**

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

**For MEHTA & PAI**

Chartered Accountants  
ICAI firm registration No.113591W

**SURESH MEHTA**

Partner

Membership No: 032230

Place: Mumbai  
Date: May 3, 2018

# Consolidated Balance Sheet as at 31<sup>st</sup> March 2018

	Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	3	9,266,100	9,266,100
Reserves & Surplus	4	<u>84,924,649</u>	<u>83,118,187</u>
		<b>94,190,749</b>	92,384,287
<b>2 Current Liabilities</b>			
Other current Liabilities	5	<u>1,556,878</u>	1,097,258
<b>TOTAL</b>		<u><b>95,747,627</b></u>	<u>93,481,545</u>
<b>II. ASSETS</b>			
<b>1 Non - current Assets</b>			
Fixed Assets	6		
Tangible Assets		168,247	171,931
Non current Investments	7	57,463,130	55,638,149
Long Term Loans and advances	8	<u>509,671</u>	<u>1,861,332</u>
		<b>58,141,048</b>	57,671,412
<b>2 Current Assets</b>			
Inventories	9	20,877,329	22,793,853
Cash and bank balances	10	1,201,539	1,481,622
Short term loan and advances	11	<u>15,527,711</u>	<u>11,534,658</u>
		<b>37,606,579</b>	35,810,133
Significant Accounting policies	2		
<b>TOTAL</b>		<u><b>95,747,627</b></u>	<u>93,481,545</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 : May 3, 2018

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Chandahas Vinod Zaveri**

(DIN : 03564067)

Chairman

Vice Chairperson

Director

# Consolidated Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2018

	Note No.	Year ended 31.03.2018 ₹	Year ended 31.03.2017 ₹
<b>I REVENUE FROM OPERATIONS</b>	<b>12</b>		
Sale of Securities		25,400,000	2,200,488
Other Operating Revenues		983,476	1,192,219
		<b>26,383,476</b>	3,392,707
<b>II OTHER INCOME</b>	<b>13</b>	<b>3,486,244</b>	3,687,437
<b>III TOTAL REVENUE (I+ II)</b>		<b>29,869,720</b>	7,080,144
<b>IV EXPENDITURE</b>			
Cost of Securities sold	14	25,400,000	2,200,488
Employee Benefits Expense	15	1,057,047	1,067,100
Depreciation	6	3,684	3,684
Other Expenses	16	1,164,977	652,312
<b>TOTAL OPERATING EXPENSES</b>		<b>27,625,708</b>	3,923,584
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III - IV)</b>		<b>2,244,012</b>	3,156,560
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Extraordinary Items &amp; Tax (V - VI)</b>		<b>2,244,012</b>	3,156,560
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit Before Tax (VII - VIII)</b>		<b>2,244,012</b>	3,156,560
<b>X Tax Expense:</b>			
1) Current Tax		1,043,513	1,270,422
2) Deferred Tax		-	-
3) MAT Credit Entitlement		-	199,281
4) Excess/(short)Provision of earlier years written back		1,219,017	278,487
<b>XI Profit / (Loss) for the year from Continuing operations (IX - X)</b>		<b>(18,517)</b>	1,408,370
<b>XII Share of profit of associates</b>		<b>1,824,980</b>	6,301,236
<b>XIII Profit / (Loss) for the year (XI + XII)</b>		<b>1,806,463</b>	7,709,606
<b>XIV Earnings per equity share:</b>			
Basic & Diluted	17	1.95	8.32

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 : May 3, 2018

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Chandahas Vinod Zaveri**

(DIN : 03564067)

Chairman

Vice Chairperson

Director

# Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

	Year ended 31.03.2018	Year ended 31.03.2017
	₹	₹
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>2,244,012</b>	3,156,560
Non-cash adjustment to reconcile profit before tax to net cash flows		
Adjustment of equity accounting of associate	-	-
Share of profit of associates	<b>1,824,980</b>	6,301,235
Depreciation/ amortization	<b>3,684</b>	3,684
<b>Operating profit before working capital changes</b>	<b>4,072,677</b>	9,461,480
Movements in working capital :		
Increase / (decrease) in other current liabilities	<b>459,621</b>	(252,894)
Decrease / (increase) in Other assets	-	-
Decrease / (increase) in Inventories	<b>1,916,524</b>	(22,791,731)
Decrease / (increase) in long-term loans and advances	-	-
Decrease / (increase) in short-term loans and advances	<b>(3,993,054)</b>	(4,132,972)
Cash generated from /(used in) operations	<b>2,455,768</b>	(17,716,117)
Direct taxes paid (net of refunds)	<b>(910,870)</b>	(335,500)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>1,544,897</b>	(18,051,617)
<b>Cash flows from investing activities</b>		
Decrease / (increase) in Investment	<b>(1,824,981)</b>	(6,301,235)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(1,824,981)</b>	(6,301,235)
<b>Cash flows from financing activities</b>		
<b>Net cash flow from/ (used in) in financing activities (C)</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(280,083)</b>	(24,352,853)
Cash and cash equivalents at the beginning of the year	<b>1,481,622</b>	25,834,475
Cash and cash equivalents at the end of the year	<b>1,201,539</b>	1,481,622
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks	<b>678,979</b>	828,282
- on deposit account	<b>522,560</b>	653,340
<b>Total cash and cash equivalents (Note 17)</b>	<b>1,201,539</b>	1,481,622
<b>Significant Accounting Policies and Notes on Financial Statements</b>	<b>2</b>	

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 : May 3, 2018

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Chandahas Vinod Zaveri**

(DIN : 03564067)

Chairman

Vice Chairperson

Director

# 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

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

#### I. Basis of preparation of the consolidated financial statements:

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

#### II. Principles of consolidation

- The consolidated financial statements are prepared by:
- Consolidating its accounts with financial statements of its associates by equity method of accounting.
- Applying the equity method of accounting for its associate companies from initial holding in which it holds between 20 & 50 percent of the equity share capital.
- Notes to these consolidated financial statements are intended to serve as means of informative disclosure and guide to better understanding. Recognising this purpose, the company has disclosed only such Notes from the Individual Financial Statements, which fairly present the needed disclosures.

#### III. Method of Consolidation

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

#### IV. List of Associates

Name of Associates	% of Holding (as on 31.03.2018)
Hincon Finance Ltd	48.75%
Hindustan Construction Co. Ltd.	21.27%

### 2. Method of Accounting

The Company maintains its accounts on accrual basis.

### 3. Fixed Assets

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

### 4. Depreciation/Amortisation

Depreciation on fixed assets is provided:

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

### 5. Investments

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

### 6. Dividend

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

### 7. Stock In Trade

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

# Notes to Accounts

## 8. Taxation

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

## 9. Earnings per Share

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

<b>As at</b>	As at
<b>31.03.2018</b>	31.03.2017
₹	₹

### NOTE 3: SHARE CAPITAL

#### Authorised Capital

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

#### Issued, Subscribed & Paid-up Capital

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

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

<b>As at</b>	As at
<b>31.03.2018</b>	31.03.2017

#### Equity Shares :

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

#### b. Terms/rights attached to shares:

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

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

# Notes to Accounts

## c. Shareholding of more than 5%:

Name of the Shareholder	As at 31.03.2018 % held	As at 31.03.2018 No. of shares	As at 31.03.2017 % held	As at 31.03.2017 No. of shares
Shri. Ajit Gulabchand	91.89	851,465	91.89	851,465

## NOTE 4: RESERVES AND SURPLUS

### a) General Reserves

Opening Balance	<b>70,535,636</b>	69,765,636
Add: Transferred from Statement of Profit and Loss	<b>180,000</b>	770,000
	<b>70,715,636</b>	70,535,636

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

Opening Balance	<b>143,130,000</b>	141,590,000
Add: Transferred from Statement of Profit and Loss	<b>360,000</b>	1,540,000
	<b>143,490,000</b>	143,130,000

### c) Surplus as per Statement of Profit and Loss

Balance brought Forward	<b>(130,547,449)</b>	(135,947,055)
Add: Profit /(Loss) for the year	<b>1,806,463</b>	7,709,606
Less: Transferred to General Reserve	<b>180,000</b>	770,000
Less: Tax on Proposed Dividend		
Less: Adjustment of equity accounting of associate	-	-
Less: Transfer to Special Reserve U/s 45 (IC) of the RBI Act, 1934	<b>360,000</b>	1,540,000
	<b>(129,280,987)</b>	(130,547,449)
<b>TOTAL</b>	<b>84,924,649</b>	83,118,187

<b>As at</b>	<b>As at</b>
<b>31.03.2018</b>	<b>31.03.2017</b>
₹	₹

## NOTE 5: OTHER CURRENT LIABILITIES

a) Other Trade Payable	<b>932,690</b>	295,965
b) Statutory Dues Payable	<b>18,893</b>	70,995
c) Due to Employees	<b>82,735</b>	76,958
d) Unclaimed Dividend	<b>522,560</b>	653,340
<b>TOTAL</b>	<b>1,556,878</b>	1,097,258



# Notes to Accounts

## NOTE 6 : FIXED ASSETS

₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For The period	Deductions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b>Tangible Assets (At Cost):</b>										
Lease Hold Rights in Land & Building (* )	225,700	-	-	225,700	53,769	3,684	-	57,453	<b>168,247</b>	171,931
<b>Total of This Year</b>	<b>225,700</b>	-	-	<b>225,700</b>	<b>53,769</b>	<b>3,684</b>	-	<b>57,453</b>	<b>168,247</b>	<b>171,931</b>

(\* ) 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 (At Cost)

a) Investment Properties	<b>36,360,000</b>	36,360,000
b) <b>Investment in Equity instruments</b>		
Hindustan Construction Company Ltd	-	-
Hincon Finance Limited	<b>21,030,812</b>	19,205,831
Lavasa Corporation Limited	<b>69,518</b>	69,518
<b>Total</b>	<b>21,100,330</b>	19,275,349
c) <b>Investments in Preference shares</b>		
Lavasa Corporation Limited	<b>2,800</b>	2,800
<b>Total</b>	<b>57,463,130</b>	55,638,149

	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
(i) Aggregate of Investments				
i. Quoted	-	<b>4,817,326,280</b>	-	8,532,932,200
ii. UnQuoted	<b>21,103,130</b>	-	19,278,149	-
iii. Others	<b>36,360,000</b>	-	36,360,000	-
<b>Total</b>	<b>57,463,130</b>	<b>4,817,326,280</b>	55,638,149	8,532,932,200
(ii) Equity accounted associates				
Cost of investment			278,757,183	278,757,183
[including ₹ 17,48,46,365 of goodwill (net of capital reserve) arising on consolidation]				
Add: Share of profits/(losses)			(257,726,371)	(259,551,352)
			<b>21,030,812</b>	<b>19,205,831</b>

# Notes to Accounts

(iii)	Name of the Company	Original Cost of investment	Goodwill/ Capital reserve	Accumulated Profit/(loss) as at 31.03.2018	Carrying amount of investment as at 31.03.2018
	Hindustan Construction Company Ltd	271,257,183	174,846,365	(271,257,183)	-
	Hincon Finance Limited (Refer point (iv))	7,500,000	-	13,530,812	21,030,812
	<b>Total</b>	<b>278,757,183</b>	<b>174,846,365</b>	<b>(257,726,371)</b>	<b>21,030,812</b>

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

	As at 31 <sup>st</sup> March, 2018 ₹	As at 31 <sup>st</sup> March, 2017 ₹
--	---	---

## NOTE 8 LONG TERM LOANS AND ADVANCES

### Unsecured, Considered Good

a) Deposits	<b>1,040,256</b>	1,040,257
b) Advance tax (net)	<b>(530,585)</b>	821,075
<b>TOTAL</b>	<b>509,671</b>	1,861,332

## NOTE 9 INVENTORIES

Stock-inTrade	<b>20,877,329</b>	22,793,853
	<b>20,877,329</b>	22,793,853

## NOTE 10 CASH AND BANK BALANCE

### a) Cash & Cash Equivalent

1) Cash on Hand		
2) With Scheduled Banks:		
Current Account	<b>678,979</b>	828,282
b) Other Bank Balances		
Balances with Bank for Unpaid Dividend	<b>522,560</b>	653,340
<b>TOTAL</b>	<b>1,201,539</b>	1,481,622

## NOTE 11 SHORT TERM LOAN & ADVANCES

### Unsecured, Considered Good

a) Loans and advances to related parties	<b>15,517,922</b>	11,524,868
b) Prepaid Expenses	<b>9,789</b>	9,790
	<b>15,527,711</b>	11,534,658

# Notes to Accounts

	<b>As at 31<sup>st</sup> March, 2018</b>	As at 31 <sup>st</sup> March, 2017
<b>NOTE 12 REVENUE FROM OPERATIONS</b>		
(a) Sale of Securities	25,400,000	2,200,488
(b) Other Operating Revenues		
Dividend from Mutual Fund	983,476	1,192,219
<b>TOTAL</b>	<b><u>26,383,476</u></b>	<b><u>3,392,707</u></b>
<b>NOTE 13 OTHER INCOME</b>		
a) Dividend	<b>39</b>	45
b) Other non-operating Income		
Rent	<b>3,486,205</b>	3,660,612
Interest on I.T. Refund	-	26,780
<b>TOTAL</b>	<b><u>3,486,244</u></b>	<b><u>3,687,437</u></b>
<b>NOTE 14 COST OF SECURITIES SOLD</b>		
Opening Stock	<b>22,793,853</b>	2,123
Add: Purchases	<b>23,483,476</b>	24,992,218
	<b>46,277,329</b>	24,994,341
Less: Closing Stock (after diminution in value)	<b>20,877,329</b>	22,793,853
<b>TOTAL</b>	<b><u>25,400,000</u></b>	<b><u>2,200,488</u></b>
<b>NOTE 15 EMPLOYEE BENEFITS EXPENSE</b>		
a) Salaries, Wages, Bonus and Gratuity	<b>1,048,538</b>	1,062,971
b) Staff Welfare Expenses	<b>8,509</b>	4,129
<b>TOTAL</b>	<b><u>1,057,047</u></b>	<b><u>1,067,100</u></b>
<b>NOTE 16 OTHER EXPENSES</b>		
a) Rates & Taxes	<b>11457</b>	30,813
b) Directors Sitting Fees	<b>80000</b>	85,000
c) Software Maintenance Charges	<b>10800</b>	-
d) Postage, Printing and Stationery	<b>148864</b>	136,641
e) Filing fees	<b>15140</b>	60,856
f) Advertisement Expenses	<b>56670</b>	25,200
g) Demat Charges	<b>1401</b>	-
h) Professional Charges	<b>140222</b>	115,222
i) Bank charges	-	2,955
j) Legal Expenses	<b>572424</b>	-
k) Auditors' Remuneration		
Audit Fees	<b>104499</b>	190,625
Certification Charges	<b>23500</b>	5,000
Tax Audit Fees	-	-
<b>TOTAL</b>	<b><u>1,164,977</u></b>	<b><u>652,312</u></b>

# Notes to Accounts

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017 ₹
<b>NOTE 17 EARNING PER SHARE</b>		
a Net Profit/ Loss available for Equity Shareholders (₹)	<b>1,806,463</b>	7,709,606
b Number of Shares	<b>926,610</b>	926,610
c EPS (Weighted Average) Basic & Diluted (₹) (not annualised)	<b>1.95</b>	8.32

## 18 INCOME TAX

The Income-tax Assessments of the Company have been completed upto the Accounting year ended 31st March 2015.

## 19 CONTINGENT LIABILITIES

Claims not acknowledged as debt by the Company : ₹ 65,30,371 (Previous Year ₹ 59,77,217)

Contingent Liabilities in HCC Ltd recorded below mentioned details :

Sr. No.	Particulars	As at 31 Mar 2018 (₹ In crores)	As at 31 Mar 2017 (₹ In crores)
(i)	Claims filed against group not acknowledged as debts	321.63	325.88
(ii)	Sales Tax/Works contract tax liability/Service tax/ Custom Liability that may arise in respect of matters in appeal	200.75	174.54
(iii)	Income tax liability that may arise in respect of appeals	55.25	57.19
(iv)	Corporate Guarantee	3.06	3.06
(v)	Counter Indemnities given to banks in respect of contracts executed by subsidiaries and Joint ventures	1,895.59	1,958.79

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

### (vi) Others

- (a) LCL has created security by way of registered mortgage over 259.6622 acres of land (31 March 2017: 259.6622 acres) on term loan taken by its subsidiaries viz. Warasgaon Asset Maintenance Limited and Warasgaon Power Supply Limited.
- (b) LCL has created security by way of registered mortgage over 231.6628 acres of land (31 March 2017: 231.6628 acres) situated in 5 villages namely Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, Dist. Pune, Maharashtra, towards redeemable non convertible debentures of ₹ 12,000 lakhs issued by Axis Bank to its ultimate holding company.
- (c) LCL has created security by way of registered mortgage over 46.90 acres (31 March 2017: 46.90 acres) of land situated in 3 villages namely village Wadawali, Sakhari and Dhamanhol in Taluka Mulshi, Dist. Pune, Maharashtra towards term loan of ₹ 2,500 lakhs taken by its holding company.
- (d) During the current year, in response to appeal filed by certain customers of the Company, Maharashtra Real Estate Appellate Tribunal (Appellate Tribunal) set aside the order of the Maharashtra Real Estate (Regulation & Development) Act (MahaRERA) and adjudicated that the Real Estate (Regulation & Development) Act (RERA) is applicable to the transactions in the nature of lease entered by the Company with its customers. The Company's management is of the view that the township was registered with MahaRERA, because it has various types of transactions, including sale of villas, hotels etc. as well as leased apartments. The Company has filed an appeal in the High Court challenging the order of the Appellate Tribunal which is presently sub judice. Based on the contractual terms and the legal advice received by the Company, the management believes that it has a good case and no provision is required in respect of this matter.

# Notes to Accounts

## 20 Related Party Disclosures

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

#### (a) Associate Company

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

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

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

### (B) Transactions with Related Parties

Sr. No.	Nature of Transactions	Name of Party	(₹)	31st March 2018
1)	Renting of Property during the year	HCC	-	4,800,000
2)	Outstanding balance included in Investments	HFL	7,500,000	
	Less: share of Profit/(loss)		(257,726,371)	(250,226,371)
3)	Outstanding balance included in Current Assets	HCC		15,435,921

## 21 1. 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 ₹ 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 ₹ 1/- each held by our Company in HCC, was recreated in favour of the same Pledgee, ie. Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and on behalf of the Debenture Trustee for OCD Lenders. Further in terms of the said pledge requirements, on the additional 1,53,20,000 equity shares of ₹ 1/- each allotted by HCC on 2nd May 2014 to the Company, towards allotment of shares for Promoter Contribution, fresh pledge was created during the year, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and held by them on behalf of the Debenture Trustee for OCD Lenders, and hence, the entire 21,60,23,600 equity shares of the Company held in HCC, stood pledged with Universal Trusteeship Services Ltd. During FY 2017-18, HCC has entered into facility agreements for availment of additional working capital facilities from the Lenders for Operations and towards Arbitration Bank Guarantees respectively, and as per the terms agreed therein, Master Pledge Agreement was executed on March 29, 2018, inter alia, by the Company for recreation of pledge on the aforementioned entire 21,60,23,600 equity shares held in HCC, representing 21.27% of the equity share capital of 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.

- 2 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.

**22** Lavasa Corporation Limited (LCL), a subsidiary company of HCC Ltd., has incurred losses and consolidated net-worth as at 31 March 2018 has been fully eroded. The underlying projects in such entity are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values and accordingly management, based on valuation report of an independent valuer is of the view that there is no impairment in value of LCL net assets (capital employed) of ₹ 3,244.18 crore (31 March 2017: ₹ 4,124.40 crore). Similarly, no diminution in value of goodwill amounting to ₹ 95.04 crore (31 March 2017: ₹ 95.04 crore) and non-controlling interest amounting to ₹ 482.99 crore (31 March 2017: ₹ 207.09 crore) of LCL is considered necessary.

**23** LCL's capital work-in-progress (CWIP) as at 31 March 2018 includes amounts aggregating ₹ 1,196.80 crore (31 March 2017: ₹ 1,233.39 crore), carrying from earlier years, in respect of the projects presently under construction. The underlying projects in LCL are in initial stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values and accordingly management, based on certain estimates like future business plans, growth prospects and other factors and also the valuation report of an independent valuer, is of the view that, no adjustments are required to the carrying value of the CWIP as at 31 March 2018.

## Notes to Accounts

- 24** In respect of LCL, a subsidiary company of HCC, non-current borrowings' and 'other current financial liabilities' include balances amounting to ₹ 537.16 crore and ₹ 2,530.41 crore, respectively as at 31 March 2018 which were classified as Non-Performing Assets (NPAs) by the lenders during earlier years as there were continuing defaults in repayments of interest and principal amounts. In the absence of confirmations from the lenders, LCL has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. LCL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings.
- 25** A subsidiary of LCL, Warasgaon Assets Management Limited's (WAML) 'other current financial liabilities' as at 31 March 2018 includes ₹ 1,030.34 crore, which were classified as NPA by the lenders during earlier years as there were continuing defaults in repayments of interest and principal amounts. In the absence of confirmations from the lenders, WAML has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. WAML's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, certain lenders have not recalled for the existing facilities at present. Accordingly, classification of these borrowings into current and non-current as at 31 March 2018 is based on the original maturity terms stated in the agreements with the lenders.
- 26** A subsidiary of LCL, Dasve Retail Limited's (DRL) 'other current financial liabilities', include balances amounting to ₹ 19.83 crore as at 31 March 2018, which have been classified as NPA by the lender during the current year, consequent to defaults in repayments of interest amounts. In the absence of confirmations from the bank, DRL has provided for interest and other penal charges on these borrowings based on the latest communication available from the lender at the interest rate specified in the agreement. DRL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings.
- 27** Charosa Wineries Limited (CWL), a subsidiary company of HREL, has incurred losses and its net worth has fully eroded as on 31 March 2018. The management of CWL has implemented certain cost savings schemes and such subsidiary is in the process of negotiating with the lenders for debt restructuring. Based on the evaluation of the business prospects and plans formulated, management is confident of revival of operations and rescheduling of its debts. Thus, management is of the view that there is no impairment in the value of CWL net assets (capital employed) of ₹ 85.26 crore.
- 28** Unbilled work-in-progress (Other current financial assets), 'Non-current trade receivables' and 'Current trade receivables' include ₹ 686.24 crore (31 March 2017: ₹ 911.80 crore), ₹ 123.39 crore (31 March 2017: ₹ 123.39 crore) and ₹ 214.38 crore (31 March 2017: ₹ 90.30 crore), respectively, outstanding as at 31 March 2018 which represent various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of substantially closed/suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration/litigation. Non-current trade receivables also include arbitration awards received in favour of the Company, which have been subsequently set aside by District Court/ High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations, the management is confident of recovery of these receivables.
- 29** The Group, as at 31 March 2018, has a non-current investment amounting to ₹ 292.81 crore (31 March 2017: ₹ 315.40 crore) and other current financial assets amounting to Nil (31 March 2017: ₹ 4.97 crore) in HCC Concessions Limited (HCL), a joint venture company of HICL (85.45% holding), having various Build, Operate and Transfer (BOT) SPVs under its fold. While HCL has incurred losses during its initial years and consolidated net-worth as at 31 March 2018 has been fully eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this entity does not represent its true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is higher. Therefore, based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realizable amount of the entity is higher than the carrying value of the investments due to which these are considered as good and recoverable.
- 30** For each of the years ended 31 March 2014 and 31 March 2016, HCC Ltd. has paid remuneration of ₹ 10.66 crore to the Chairman and Managing Director (CMD) based on the approval by shareholders and the applications filed with the Ministry of Corporate Affairs ('the Ministry') for their approval. The Ministry had approved ₹ 1.92 crore for 31 March 2014 for which the Company has filed an application to review the same. For the year ended 31 March 2016, amount payable as per the limits prescribed under the Companies Act amounted to ₹ 1.21 crore. Pending receipt of the aforesaid approvals, an aggregate of ₹ 18.19 crore as at 31 March 2018, is held in trust by the CMD.
- 31** In respect of Lavasa Corporation Limited (LCL), Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9 November 2011 accorded Environment Clearance (EC) to 2,048 hectare (5,058 acres) which are subject to the compliance of terms and conditions. The Company has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said Order which is pending before the Tribunal. The Company believes that the matter will be decided in its favour. Construction has resumed at project site from 9 November 2011.

## Notes to Accounts

- 32** In respect of LCL, a subsidiary company, interest and principal in respect of non-convertible debenture holders (secured against land asset of LCL), listed on BSE, are overdue as at 31 March 2018. LCL is in the process of restructuring such debentures and has intimated the stock exchange regarding the same. Consequently, the management of LCL expects that such overdue interest will not have any implications on the financial statements. Further, in view of the loss for the year, LCL has not created the Debenture Redemption Reserve for a cumulative amount of ₹ 8,774.58 lakhs (31 March 2017: ₹ 8,774.58 lakhs) in terms of Section 71(4) of the Companies Act, 2013 and Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. LCL shall create the Debenture Redemption Reserve out of profits, if any, in the future years. As required by provision of Section 73 of the Act, LCL is required to deposit 15 per cent of the amount maturing during the next financial in a scheduled bank which has not been deposited considering the present financial condition of LCL.
- 33** During the year ended 31 March 2018, the Group has restated the financial results for the year ended 31 March 2017, in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' on account of de-recognition of deferred tax liabilities amounting to ₹ 106.29 crore. The restatement adjustments resulted in a net decrease of ₹ 106.29 crore to the previously reported net loss for the year ended 31 March 2017 and reduced the deferred tax liabilities by the same amount as at that date. Retained earnings as at 1 April 2017 within the statement of changes in equity has been restated to adjust the impact of such deferred tax adjustments relating to prior years. However this restatement does not have an impact on the opening balance sheet of the preceding period.
- 34** A subsidiary company of HCC Ltd., HCC Real Estate Limited's (HREL), non-current investments as at 31 March 2018 include investments aggregating ₹ 51.66 crore (31 March 2017: ₹ 54.57 crore) in its joint ventures and associates and other non-current loans and current trade receivables as on that date include dues from such joint ventures and associates aggregating ₹ 56.34 crore (31 March 2017: ₹ 49.96 crore) and ₹ 19.48 crore (31 March 2017: ₹ 12.37 crore) respectively, being considered good and recoverable by the management. The net worth of the aforesaid joint ventures and associates as at 31 March 2018 has been either fully or significantly eroded and most of the entities have incurred losses or do not have any operations during the year ended 31 March 2018. The operations of these joint ventures and associates are dependent on the project undertaken by the respective companies as a group. The underlying projects in HREL are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values and accordingly management, based on certain estimates like future business plans, growth prospects and other factors and also the valuation report of an independent valuer, is of the view that, no adjustments are required to the carrying value of these investments and receivables as at 31 March 2018.
- 35** HREL, a subsidiary company of HCC Ltd., has incurred consolidated net loss of ₹ 961.30 crore during the year ended 31 March 2018 and has also suffered losses from operations during the preceding financial years and as of that date and its current liabilities exceeded its current assets by ₹ 3,883.31 crore. LCL, a subsidiary of HREL, also has external borrowings from banks and financial institutions, principal and interest repayment of which has been delayed and has also defaulted in dues payable to debenture holders. The operations of LCL group are dependent on the project undertaken by it and other entities in the group as a whole. The lenders of LCL had invoked Strategic Debt Restructuring (SDR) with reference date of 20 September 2017 as part of a comprehensive solution. The SDR process was withdrawn by the Reserve Bank of India vide its circular dated 12 February 2018. As per the revised framework in case of default as at 1 March 2018, LCL has to formulate the resolution plan which can be further restructuring or change in ownership through investor followed by restructuring. LCL is in the process of formulating the resolution plan along with the lenders and it is also in the process of reassessing its business plan in view of expected growth opportunities and intends to significantly expand its business operations going forward. Basis this, HREL's group management has prepared the financial statements on a "Going Concern" basis.
- 36** In respect of Raiganj Dalkhola Highway Limited (RDHL), a joint venture of HCC Infrastructure Company Limited (HICL), on 31 March 2017, NHAI had terminated the Concession Agreement of the project by issuing termination notice. RDHL refuted the concessionaire default alleged by NHAI and requested for withdrawal of termination. However, NHAI did not withdraw the termination notice. Consequently, since the delay was on account of default by NHAI, RDHL has notified NHAI that the termination shall be deemed to occur on account of Authority Default and accordingly, RDHL shall be entitled for the termination payment as per terms of the Concession Agreement. In view of this, the cost incurred by RDHL till 31 March 2018 appearing in its financial statement under intangible assets under development amounting to ₹ 177.42 crore is considered fully recoverable by the management of RDHL.

RDHL has accumulated cost incurred on the project till 31 March 2017 as an intangible asset under development. After the termination, RDHL has preferred two claims against NHAI before arbitration, a claim for ₹ 368 crore on account of wrongful termination of contract and claim of ₹ 802 crore for losses suffered by RDHL due to wrongful termination of the contract. Arbitral tribunal has been constituted for hearing the claims. Based on the legal advice, RDHL's management is of the view that these claims are fully recoverable and as a result, the intangible asset under development representing the cost incurred till the date of termination doesn't require any impairment. RDHL is confident of full recovery of its claims. Also the net worth of RDHL is positive as per books of accounts as at 31 March 2018. The Management of RDHL therefore views this entity as a going concern and the financial statement have been prepared accordingly.

## Notes to Accounts

- 37** Consequent to the 'intention to issue termination notice' issued by Badarpur Faridabad Tollways Limited (BFTL), a jointly controlled entity of HCC Infrastructure Company Limited (HICL), vide letter dated 31 March 2017, BFTL has issued termination notice to NHAI on 1 September 2017, terminating the Concession Agreement (CA) of the project entered with NHAI due to various reasons / authority defaults mentioned therein and demanded termination payment of ₹ 775 crore. NHAI has refuted the termination initiated by BFTL. NHAI, in turn, issued suspension notice and took over the project. Subsequent to its suspension notice, the NHAI terminated the concession agreement on 23 February 2018. BFTL has refuted NHAI's termination stating that NHAI's termination is invalid. BFTL has referred this matter for arbitration. Based on the legal advice obtained in this respect, management of BFTL is confident of recovering the amount from NHAI and has therefore accounted the same in the financial statements. In view of the above, going concern assumption is considered to be appropriate and the financial statement has been drawn accordingly.
- 38** In respect of HICL, management is of the view that diminution in the net worth of HICL is temporary in nature given significantly higher fair market value of its investments in HCL, a joint venture company of HICL, and ongoing incubation of other infrastructure businesses which will create further value for HICL. During the year ended 31 March 2018, based on valuation done by the Independent valuer, HCL has been valued at ₹ 2,298.14 crore. The Group owns 85.45% equity stake in HCL. In view of this, the financial statements of HICL group have been prepared on a going concern basis.
- 39** Non-current trade receivables, current trade receivables and other financial assets of HCC Ltd., an Associate company, as at 31 March 2018 include ₹ 1,375.13 crore, ₹ 1,431.49 crore (net of advances ₹ 1,709.31 crore) and Nil respectively [31 March 2017: ₹ 1,429.09 crore, ₹ 1,439.38 crore (net of advances ₹ 443.64 crore) and ₹ 79.85 crore] representing claims awarded in arbitration in favour of the Company and which have been challenged by the customers in High Courts/ Supreme Court. Current trade receivables include ₹ 221.51 crore of claims awarded in arbitration which are unchallenged as at 31 March 2018.
- As decided by the Cabinet Committee on Economic Affairs (CCEA) (Government of India) during the previous year, in respect of claims where arbitration awards have been decided in favour of the Company but further challenged by clients, the clients shall pay 75% of the arbitral award amount to the Company, in an escrow account, against a bank guarantee (BG). As at 31 March 2018, the Company has received letters from its customers conveying release of 75% of the arbitral award amount resulting in a payout aggregating ₹ 2,046.03 crore (31 March 2017: ₹ 1,882 crore), of which the Company has realised ₹ 1,416.10 crore (31 March 2017: ₹ 148.39 crore). The balance amount is presently pending on account of completion of certain formalities by the Company. The Company is also pursuing with customers for issuance of similar payout letters for the balance amounts.
- 40** 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 : May 3, 2018

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Chandras Vinod Zaveri**

(DIN : 03564067)

Chairman

Vice Chairperson

Director



**FORM AOC-I**

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

**Statement containing salient features of the financial statements of Associates:**

Sr. No.	Name of Associates	Hindustan Construction Company Limited	Hincon Finance Limited
1	Latest Audited Balance Sheet	31-Mar-18	31-Mar-18
2	Shares of the Associates held by the Company		
	Number of Equity shares	216,023,600	390,000
	Amount of Investment in Associates	₹ 2,713 lacs	₹ 75 lacs
	Extent of Holding	21.27%	48.75%
3	Description of how there is significant influence	Significant influence over Share Capital	Significant influence over Share Capital
4	Reason why the associate is not consolidated	Consolidated	Consolidated
5	Total Profit/Loss for the year		
	i. Considered in consolidation	-109,627	37
	ii. Not Considered in consolidation	-	-

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

The share of associates in the consolidated profit &amp; loss account is as follows :

Sr. No.	Name of Entity	Share in profit or loss	
		As % of consolidated Profit or Loss	Amount (₹ In lacs)
1	Hindustan Construction Company Limited	21.27%	-23,318
2	Hincon Finance Limited	48.75%	18

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

Tel: +91-22-2575 1000

Fax: +91-22-2577 5950

[www.hinconholdings.com](http://www.hinconholdings.com)

CIN: U67120MH1996PLC102787