



# **HINCON HOLDINGS LTD**

**Annual Report**  
**2015-16**

# HINCON HOLDINGS LIMITED

**CIN** : U67120MH1996PLC102787

## **BOARD OF DIRECTORS**

Ajit Gulabchand, *Chairman*

Shalaka Gulabchand Dhawan, *Vice Chairperson*

Ram P. Gandhi

## **AUDITORS**

K.S. Aiyar & Co., Chartered Accountants

## **BANKERS**

ICICI Bank Limited

## **REGISTERED OFFICE**

Hincon House, 11<sup>th</sup> Floor,  
247Park, Lal Bahadur Shastri Marg,  
Vikhroli (West),  
Mumbai 400 083.

Tel.: 022 - 25751000

Fax No. 022-25775950

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

## **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt Ltd  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai 400 078

# Notice

Notice is hereby given that the 20th Annual General Meeting of Hincon Holdings Limited will be held on Tuesday, July 12, 2016 at 11.00 a.m. at Hincon House, 11th Floor, 247Park, 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, 2016 including the Audited Balance Sheet as at March 31, 2016 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, 2016 including the Audited Consolidated Balance Sheet as at March 31, 2016 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, who is liable to retire by rotation**

To appoint a Director in place of Mr. Ram P. Gandhi (DIN No.00050625) who retires by rotation, and being eligible, offers himself for reappointment.

### **3. Appointment of Statutory Auditors**

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

**"RESOLVED THAT** M/s. K.S. Aiyar & Co., Chartered Accountants, Mumbai, bearing Firm Registration No. 100186W, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors of the Company."

For and on behalf of Board of Directors

**Ajit Gulabchand**  
Chairman

Place: Mumbai

Date: 28<sup>th</sup> April, 2016

#### **Registered Office:**

Hincon House, 11<sup>th</sup> Floor,  
247Park, 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) IN NUMBER 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 LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. I.E. BY 11.00 A.M. ON SUNDAY, JULY 10, 2016.**

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 6, 2016 to Tuesday, July 12, 2016 (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 the Company has appointed Link Intime India Pvt. Ltd as the Company's Registrars and Share Transfer Agents ('R&T agents') whose contact details are as below :

Link Intime India Pvt Ltd  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai 400 078  
Phone: +91 22 25963838  
Fax: +91 22 25946969

10. Further Members are informed that Company has participated in the National Securities Depository Limited's (NSDL) system for offering Company's Equity shares in dematerialized mode and therefore 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, Link Intime India Pvt Ltd 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 encourages 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, Link Intime India Pvt Ltd 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 2015-16 alongwith the Notice of the 20th 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 20th Annual General Meeting and the Annual Report for 2015-16 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 of Director :**

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Ram P. Gandhi, Director of the Company (DIN No.00050625), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

**16. 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 5, 2016 only shall be entitled to vote at the Annual General Meeting by availing the facility of remote e-voting or by voting through Ballot form at the General Meeting. If a person was a Member on the date of Book Closure as aforesaid but has ceased to be a Member on the cut-off date, 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 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 20<sup>th</sup> Annual General Meeting (AGM) of the Company by electronic means and the business may be transacted through e-Voting Services. 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 ballot form 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 e-voting or by Ballot Form at the AGM. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and the votes cast through Ballot Form at the AGM shall be treated as invalid.

Resolutions passed by Members through e-voting or through Ballot Form 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, 8th July, 2016 (9:00 am) and will end on Monday, 11th July, 2016 (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 5th July, 2016, 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. 5th July, 2016.

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 "Ballot Form" 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 Ballot form 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 12, 2016.

**Voting through electronic means :**

**Process and manner for remote e-voting are as under:**

Once Member receives physical copy of the Notice of AGM

- i) 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

- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder - Login
- iv) Put user ID and password as initial password/PIN noted in step (i) above.

If you had logged on to [www.evoting.nsdl.com](http://www.evoting.nsdl.com) earlier and registered for remote e-voting of any Company, then your existing user ID and existing password/PIN is to be used. Click Login.

- v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii) Select "EVEN" of "Hincon Holdings Limited"
- viii) Now you are ready for remote e-voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) who wish to cast their votes through remote e-voting are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature(s) of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through an 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)

**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.nsdl.com](http://www.evoting.nsdl.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. 5th July, 2016, 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” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

17. Members wishing to claim dividends, which remain unclaimed are requested to correspond with Link Intime India Pvt. Ltd, Registrar & Share Transfer Agents. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund, as per Section 125 of the Companies Act, 2013 (corresponding to Section 205A of the erstwhile Companies Act, 1956). Accordingly please note that the dividend for the financial year ended 31st March

2009, which remains unclaimed as on 22nd July, 2016 will be transferred by the Company to the IEPF.

The Members who have not encashed their dividend warrant(s) so far, for the financial year ended 31st March 2009 and the subsequent financial years, are requested to make their claims to the Company without any delay. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the IEPF or the Company in respect of any amounts which were unclaimed/unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

18. Members wishing to register for e-communication are requested to note that they 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).
19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company

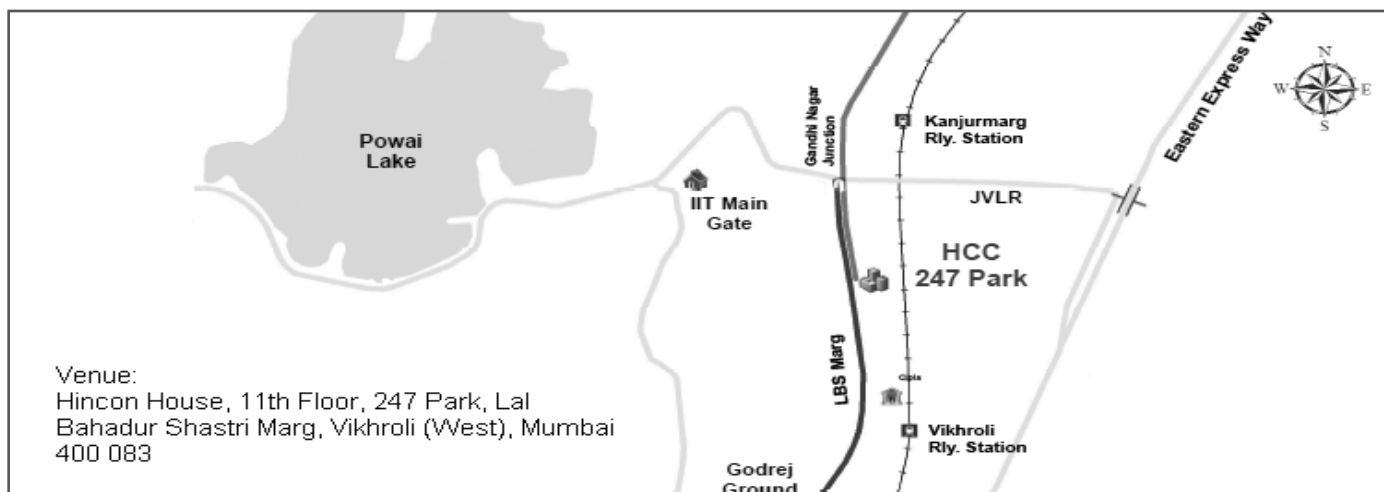
For and on behalf of Board of Directors

**Ajit Gulabchand**  
Chairman

Place: Mumbai  
Date: 28<sup>th</sup> April, 2016

**Registered Office:**  
Hincon House, 11<sup>th</sup> Floor,  
247Park, Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai 400 083.

## ROUTE MAP TO REACH THE AGM VENUE



# Board's Report

To,  
The Members of  
Hincon Holdings Limited

## 1. Report

Your Directors are pleased to present the 20th Annual Report together with the Audited Accounts for the financial year ended 31st March 2016.

## 2. Financial Highlights

Particulars	Year ended 31 <sup>st</sup> March 2016 ₹ (in lacs)	Year ended 31 <sup>st</sup> March 2015 ₹ (in lacs)
Income	320.07	80.40
Profit before Tax	28.59	44.80
Less: Provision for Tax	5.60	7.01
Less: Deferred Tax Liability / (Asset)	-	-
Less: MAT Credit Entitlement	3.33	(2.71)
Less: Excess/(short)Provision of earlier years written back	1.47	-
Profit after Tax	21.13	40.50
Add: Balance brought forward from previous year	1300.43	1274.18
Amount available for Appropriations	1321.56	1314.68
Less: Appropriations		
a) Proposed Dividend	-	--
b) Tax on proposed Dividend	-	--
c) General Reserve	2.10	4.75
d) Special Reserve under Section 45(IC) of the RBI Act, 1934	4.20	9.50
Balance carried to Balance Sheet	1315.26	1300.43

## 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

Income from Operations and profit before tax aggregated to ₹ 320.07 lacs and ₹ 28.59 lacs, respectively as compared to income of ₹ 80.40 lacs and profit before tax of ₹ 44.80 lacs during the previous year. Profit after tax stood at ₹ 21.13 lacs as compared to profit after tax of ₹ 40.50 lacs 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 27.73% of its paid-up equity share capital.

With market conditions reflecting slowdown in orders and large cost overruns in stalled projects, HCC's

financial performance is largely a reflection of its efforts at streamlining operations, optimising efficiencies of on-going projects and a concerted push to pursue just financial claims at every level.

The standalone turnover of HCC for FY 2015-16 was ₹ 4,190.90 crores as compared to ₹ 4,301.14 crores in the previous year. The profit before tax was ₹ 133.07 crores (including exceptional item) as compared to ₹ 127.32 crore for the previous year. Profit after tax stood at ₹ 84.97 crore as compared to ₹ 80.64 crore for the previous year.

#### (ii) Hincin Finance Ltd

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

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

Income from Operations and profit before tax of Hincin Finance Limited for FY 2015-16 aggregated to ₹ 313.98 lacs and ₹ 124.66 lacs respectively as compared to

₹ 873.42 lacs and ₹ 621.39 Lacs respectively, during the previous year. Profit after tax stood at ₹ 110.86 Lacs as compared to ₹ 511.28 lacs 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.

During the year under review, your Company's paid up equity share capital has also remained unchanged at ₹92,66,100 (Rupees Ninety Two Lakhs Sixty Six Thousand One Hundred) comprising 9,26,610 Equity Shares of ₹10 each.

## 6. Transfer to Reserves:

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

Transfer to General Reserve – ₹ 2.10 lacs

Transfer to Special Reserve under Section 45(IC) of the RBI Act, 1934 – ₹ 4.20 lacs

## 7. Details of Subsidiary and Joint Ventures:

The Company has no subsidiaries and Joint Ventures.

The details of Associate Companies are as under :

1. Hindustan Construction Company Ltd
2. Hincon Finance Ltd

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of the Associate Companies forms part of the Consolidated Financial Statements of the Company for the financial year ended 31st March 2016.

## 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.

## 9. Statutory Auditors

M/s. K. S. Aiyar & Co., Chartered Accountants (bearing Firm Registration No. 100186W), existing Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for appointment as Statutory Auditors of the Company. They have furnished a certificate to the effect that their appointment, if made, will be in accordance with Section 139(1) of the Companies Act, 2013.

## 10. Auditors' Report

The Auditors' Report to the shareholders does not contain any qualifications or observations or any remarks.

## 11. Extract of Annual Return:

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

## 12. 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 expenditure or income in foreign currency.

## 13. Board of Directors

Mr. Ram P. Gandhi, Director of the Company (DIN No.00050625) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

## 14. Number of Board Meetings:

During the financial year, Board met 4 times on April 30, 2015, July 30, 2015, October 29, 2015 and January 28, 2016 for review of business and operations. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days.

## 15. Stakeholders Relationship Committee :

During the financial year, one meeting of Stakeholders Relationship Committee was held on April 30, 2015 for noting of matters relating to transfer of shares/dematerialization of shares and consideration of any other matters related to shares and shareholders.

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

There are no Loans, Guarantees and Investments made by the Company during the year under review and therefore there are no details for reporting as per the the provisions of Section 186 of the Companies Act, 2013.

## 17. 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.

## 18. 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.



## 19. 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.

## 20. Material Changes and commitments, if any, in the financial Statements:

There are no material changes or commitments which have occurred subsequent to the close of the financial year of the Company to which the Balance Sheet relates and the date of this report.

## 21. Transfer to Investor Education and Protection Fund (IEPF)

The Company has, during the year under review, transferred a sum of ₹ 3,24,900 to Investor Education and Protection Fund, in compliance with the provisions of Section 124 of the Companies Act, 2013. The said amount represents dividend for the year 2007-08 which remained unclaimed by the shareholders of the Company for a period exceeding 7 years from its due date of payment.

## 22. Directors' Responsibility Statement

In accordance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the Annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- b. Appropriate accounting policies have been selected and applied consistently and the judgments and estimates

that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date.

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

## 23. 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: 28<sup>th</sup> April, 2016

**Registered Office:**  
Hincon House, 11<sup>th</sup> Floor,  
247Park, 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, 2016  
[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, 11 <sup>th</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083 Tel No. 022-2575 1000 Fax No. 022-25775950 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-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Phone: +91 22 25963838 Fax: +91 22 25946969

#### 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	27.73	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.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1100	1100	0.12	-	1100	1100	0.12	0.00
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1)</b>	-	886409	886409	95.66	-	886409	886409	95.66	0.00
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub- Total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (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) Banks / FI	-	2688	2688	0.29	-	2640	2640	0.29	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	228	228	0.02	-	228	228	0.02	0.00
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	-	<b>2916</b>	<b>2916</b>	<b>0.31</b>	-	<b>2868</b>	<b>2868</b>	<b>0.31</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>(2) Non – Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	-	1538	1538	0.17	-	486	486	0.05	-0.12
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	33,481	33,481	3.61	112	34,469	34,581	3.73	0.12
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI/OCBs	-	<b>2266</b>	<b>2266</b>	<b>0.24</b>	-	<b>2266</b>	<b>2266</b>	<b>0.24</b>	<b>0.00</b>
v) Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub – Total (B)(2)</b>	-	<b>37285</b>	<b>37285</b>	<b>4.02</b>	<b>112</b>	<b>37221</b>	<b>37333</b>	<b>4.03</b>	<b>0.01</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	<b>40201</b>	<b>40201</b>	<b>4.34</b>	<b>112</b>	<b>40089</b>	<b>40201</b>	<b>4.34</b>	<b>0.00</b>
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>926610</b>	<b>926610</b>	<b>100.00</b>	<b>112</b>	<b>926498</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 2015-16, 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)

For Each of the Top 10 Shareholders	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
Suprova Mitter				
a. At the Beginning of the Year	2,000	0.22	2,000	0.22
b. Changes during the Year	No change during the year			
c. At the end of the year	2,000	0.22	2,000	0.22

For Each of the Top 10 Shareholders	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
Bank of India				
a. At the Beginning of the Year	1,284	0.14	1,284	0.14
b. Changes during the Year	No change during the year			
c. At the end of the year	1,284	0.14	1,284	0.14
Vidisha A Patel				
a. At the Beginning of the Year	960	0.10	960	0.10
b. Changes during the Year	No change during the year			
c. At the end of the year	960	0.10	960	0.10
Central Bank of India				
a. At the Beginning of the Year	720	0.08	720	0.08
b. Changes during the Year	No change during the year			
c. At the end of the year	720	0.08	720	0.08
Hari Singh Gour				
a. At the Beginning of the Year	600	0.06	600	0.06
b. Changes during the Year	No change during the year			
c. At the end of the year	600	0.06	600	0.06
Leela Raghavendra Row				
a. At the Beginning of the Year	524	0.06	524	0.06
b. Changes during the Year	No change during the year			
c. At the end of the year	524	0.06	524	0.06
Maharaja Shri Lukhdirji Waghji				
a. At the Beginning of the Year	360	0.04	360	0.04
b. Changes during the Year	No change during the year			
c. At the end of the year	360	0.04	360	0.04
Aroonkumar Lalchand Shah				
a. At the Beginning of the Year	332	0.04	332	0.04
b. Changes during the Year	No change during the year			
c. At the end of the year	332	0.04	332	0.04
Venkatesh Guracharya Raichur				
a. At the Beginning of the Year	302	0.03	302	0.03
b. Changes during the Year	No change during the year			
c. At the end of the year	302	0.03	302	0.03
MrunaliniDevi Puar				
a. At the Beginning of the Year	300	0.03	300	0.03
b. Changes during the Year	No change during the year			
c. At the end of the year	300	0.03	300	0.03

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

For Each of the Director	Name of Director			
	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<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.				

**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	
Fee for attending Board/ Committee Meetings	30,000	25,000	25,000	80,000
Commission	-	-	-	-
Other, please specify.....	-	-	-	-
<b>Total</b>	<b>30,000</b>	<b>25,000</b>	<b>25,000</b>	<b>80,000</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.			

### 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 Financial Statements**

We have audited the accompanying financial statements of Hincin Holdings Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **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 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 reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit 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 statement 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 Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, in our opinion, the Company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.
  - (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 financial statements – Refer Note 6 and 19 to the financial statements.

# Annexure to the Independent Auditor's Report

- 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.

**For K. S. Aiyar & Co.**

Chartered Accountants  
Firm Registration No. 100186W

**Raghuvir M. Aiyar**

Partner  
Membership No: 38128

Place: Mumbai  
Date: April 28, 2016

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2016, 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 rights in respect of leasehold land & building are in the name of the Company. [Also refer note No 6 (1) of Notes to Accounts].
- (ii) In absence of inventories, clause (ii) of the Order is not applicable to 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 loans or made any investments 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, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added 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 explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2016 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 explanations given to us and based on our examination of the records of the Company, transactions 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, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

**For K. S. Aiyar & Co.**

Chartered Accountants  
Firm Registration No: 100186W

**Raghuvir M. Aiyar**

Partner  
Membership No.: 38128

Place: Mumbai  
Date: April 28, 2016

# Balance Sheet as at 31<sup>st</sup> March, 2016

	Note No.	As At 31.03.2016 ₹	As At 31.03.2015 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	3	9,266,100	9,266,100
Reserves & Surplus	4	<u>341,261,168</u>	<u>339,148,543</u>
		<b>350,527,268</b>	348,414,643
<b>2 Current Liabilities</b>			
Other current Liabilities	5	1,350,152	1,838,762
<b>TOTAL</b>		<u><b>351,877,420</b></u>	<u>350,253,405</u>
<b>II. ASSETS</b>			
<b>1 Non - current Assets</b>			
Fixed Assets	6		
Tangible Assets		175,615	179,299
Non current Investments	7	315,189,501	315,189,501
Long Term Loans and advances	8	<u>3,274,021</u>	<u>3,150,869</u>
		<b>318,639,137</b>	318,519,669
<b>2 Current Assets</b>			
Inventories	9	2,123	25,202,521
Cash and bank balances	10	25,834,475	1,870,563
Short term loan and advances	11	<u>7,401,685</u>	<u>4,660,652</u>
		<b>33,238,283</b>	31,733,736
Significant Accounting policies	2		
<b>TOTAL</b>		<u><b>351,877,420</b></u>	<u>350,253,405</u>

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

As per our report of even date attached.

**For K. S. AIYAR & CO.**

Chartered Accountants

**Raghuvir M. Aiyar**

Partner

M. No. 38128

Place : Mumbai

Date : 28<sup>th</sup> April 2016

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Ram P. Gandhi**

(DIN : 00050625)

Chairman

Vice Chairperson

Director

# Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2016

	Note No.	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
<b>I REVENUE FROM OPERATIONS</b>	<b>12</b>		
Sale of Securities		27,071,703	2,884,227
Other Operating Revenues		1,365,213	1,572,731
		<b>28,436,917</b>	4,456,958
<b>II OTHER INCOME</b>	<b>13</b>	<b>3,570,155</b>	3,583,186
<b>III TOTAL REVENUE (I+ II)</b>		<b>32,007,072</b>	8,040,144
<b>IV EXPENDITURE</b>			
Cost of Securities sold	<b>14</b>	27,065,611	2,043,875
Employee Benefits Expense	<b>15</b>	913,258	962,273
Depreciation	<b>6</b>	3,684	3,684
Other Expenses	<b>16</b>	1,165,394	550,410
<b>TOTAL OPERATING EXPENSES</b>		<b>29,147,948</b>	3,560,242
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III - IV)</b>		<b>2,859,125</b>	4,479,902
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Extraordinary Items &amp; Tax (V - VI)</b>		<b>2,859,125</b>	4,479,902
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit Before Tax (VII - VIII )</b>		<b>2,859,125</b>	4,479,902
<b>X Tax Expense:</b>			
1) Current Tax		560,317	701,000
2) Deferred Tax		-	-
3) MAT Credit Entitlement		333,232	(271,000)
4) Excess/(short)Provision of earlier years written back		147,049	-
<b>XI Profit / (Loss) for the year from Continuing operations (IX - X)</b>		<b>2,112,625</b>	4,049,902
<b>XII Profit / (Loss) for the year (XI + XIV)</b>		<b>2,112,625</b>	4,049,902
<b>XIII Earnings per equity share:</b>			
Basic & Diluted	<b>17</b>	<b>2.28</b>	4.37

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

As per our report of even date attached.

**For K. S. AIYAR & CO.**

Chartered Accountants

**Raghuvir M. Aiyar**

Partner

M. No. 38128

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Ram P. Gandhi**

(DIN : 00050625)

Chairman

Vice Chairperson

Director

Place : Mumbai

Date : 28<sup>th</sup> April 2016

# Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016

	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>2,859,125</b>	4,479,902
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>2,862,809</b>	4,483,586
Movements in working capital :		
Increase / (decrease) in other current liabilities	<b>(488,610)</b>	(414,006)
Decrease / (increase) in Other assets	-	24,283
Decrease / (increase) in Inventories	<b>25,200,398</b>	(1,778,856)
Decrease / (increase) in long-term loans and advances	-	187,245,800
Decrease / (increase) in short-term loans and advances	<u><b>(2,741,033)</b></u>	<u>(3,094,561)</u>
Cash generated from /(used in) operations	<b>24,833,565</b>	186,466,247
Direct taxes paid (net of refunds)	<b>(869,652)</b>	(199,373)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>23,963,913</b>	186,266,874
<b>Cash flows from investing activities</b>		
Decrease / (increase) in Investment	-	(187,516,800)
<b>Net cash flow from/ (used in) investing activities (B)</b>	-	(187,516,800)
<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>23,963,913</b>	(1,249,926)
Cash and cash equivalents at the beginning of the year	<b>1,870,563</b>	3,120,489
Cash and cash equivalents at the end of the year	<b>25,834,475</b>	1,870,563
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	5,092
Balances with banks	<b>24,878,485</b>	581,301
- on deposit account	<b>955,990</b>	1,284,170
<b>Total cash and cash equivalents (Note 17)</b>	<b>25,834,475</b>	1,870,563
<b>Significant Accounting Policies and Notes on Financial Statements</b>	<b>2</b>	

As per our report of even date attached.

**For K. S. AIYAR & CO.**

Chartered Accountants

**Raghuvir M. Aiyar**

Partner

M. No. 38128

**Ajit Gulabchand**

(DIN : 00010827)

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

**Ram P. Gandhi**

(DIN : 00050625)

Chairman

Vice Chairperson

Director

Place : Mumbai

Date : 28<sup>th</sup> April 2016

# Notes to Accounts

## NOTE 1: BACKGROUND

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

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES:

### a. METHOD OF ACCOUNTING

The Company maintains its accounts on accrual basis.

### b. FIXED ASSETS

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

### c. DEPRECIATION/AMORTISATION

Depreciation on fixed assets is provided:

- i) In respect of Computers, depreciation is provided on Straight Line Basis over a period of three years on a pro-rata basis.
- ii) 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 <b>31.03.2016</b>	As at 31.03.2015
	₹	₹

## NOTE 3: SHARE CAPITAL

### Authorised Capital

20,00,000 Equity Shares of ₹ 10 each **2,00,00,000** 2,00,00,000

10,00,000 Unclassified shares of ₹ 10 each **1,00,00,000** 1,00,00,000

**TOTAL** **3,00,00,000** 3,00,00,000

### Issued,Subscribed & Paid-up Capital

9,26,610 Equity Shares of ₹10 each fully paid-up **92,66,100** 92,66,100

**TOTAL** **92,66,100** 92,66,100

### 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>9,26,610</b>	9,26,610
	Value	<b>92,66,100</b>	92,66,100

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

Number of Shares outstanding at the End of the year:	Qty	<b>9,26,610</b>	9,26,610
	Value	<b>92,66,100</b>	92,66,100

### 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.

### c. Shareholding of more than 5%:

Name of the Shareholder	% held	No. of shares	No. of shares
Shri. Ajit Gulabchand	91.89	8,51,467	8,51,467

# Notes to Accounts

	As At 31.03.2016	As At 31.03.2015
	₹	₹
<b>NOTE 4 : RESERVES AND SURPLUS</b>		
<b>a) General Reserves</b>		
Opening Balance	69,015,636	68,540,636
Add: Transferred from Statement of Profit and Loss	<u>210,000</u>	<u>475,000</u>
	<b>69,225,636</b>	69,015,636
<b>b) Special Reserve U/s 45 (IC) of the RBI Act,1934</b>		
Opening Balance	140,090,000	139,140,000
Add: Transferred from Statement of Profit and Loss	<u>420,000</u>	<u>950,000</u>
	<b>140,510,000</b>	140,090,000
<b>c) Surplus as per Statement of Profit and Loss</b>		
Balance brought Forward	130,042,907	127,418,005
Add: Profit /(Loss) for the year	2,112,625	4,049,902
Less: Transferred to General Reserve	210,000	475,000
Less: Tax on Proposed Dividend	-	-
Less: Transfer to Special Reserve U/s 45 (IC) of the RBI Act,1934	420,000	950,000
	<b>131,525,532</b>	130,042,907
<b>TOTAL</b>	<b><u>341,261,168</u></b>	<b><u>339,148,543</u></b>

	As At 31.03.2016	As At 31.03.2015
	₹	₹
<b>NOTE 5 : OTHER CURRENT LIABILITIES</b>		
a) Other Trade Payable	304,223	415,742
b) Statutory Dues Payable	20,182	69,801
c) Due to Employees	69,757	69,049
d) Unclaimed Dividend	955,990	1,284,170
<b>TOTAL</b>	<b><u>1,350,152</u></b>	<b><u>1,838,762</u></b>

## NOTE 6 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2015	Additions	Deductions	As At 31.03.2016	As At 01.04.2015	For The period	Deductions	Upto 31.03.2016	As At 31.03.2016	As At 31.03.2015
<b>Tangible Assets (At Cost):</b>										
Lease Hold Rights in Land & Building	225,700	-	-	225,700	46,401	3,684	-	50,085	175,615	179,299
<b>Total of This Year</b>	<b>225,700</b>	<b>-</b>	<b>-</b>	<b>225,700</b>	<b>46,401</b>	<b>3,684</b>	<b>-</b>	<b>50,085</b>	<b>175,615</b>	<b>179,299</b>
Total of Previous Year	225,700	-	-	225,700	42,717	3,684	-	46,401	179,299	182,983

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





# Notes to Accounts

	As At 31.03.2016	As At 31.03.2015		As At 31.03.2016	As At 31.03.2015
	₹	₹		₹	₹
<b>NOTE 8: LONG TERM LOANS AND ADVANCES</b>			<b>NOTE 13: OTHER INCOME.</b>		
<b>Unsecured, Considered Good</b>					
a) Deposits	1,040,256	1,040,256	a) Dividend	48	57
b) Advance tax (net)	1,755,997	1,299,613	b) Interest Income		
c) MAT Credit Entitlement	477,768	811,000	Interest on Bank Deposits	-	11,526
<b>TOTAL</b>	<u><u>3,274,021</u></u>	<u><u>3,150,869</u></u>	c) Other non-operating Income		
			Rent	3,570,107	3,571,603
			<b>TOTAL</b>	<u><u>3,570,155</u></u>	<u><u>3,583,186</u></u>
<b>NOTE 9: INVENTORIES</b>			<b>NOTE 14: COST OF SECURITIES SOLD</b>		
Stock-inTrade	2,123	25,202,521	Opening Stock	25,202,521	23,423,665
<b>TOTAL</b>	<u><u>2,123</u></u>	<u><u>25,202,521</u></u>	Add: Purchases	1,865,213	3,822,731
				27,067,734	27,246,396
<b>NOTE 10: CASH AND BANK BALANCE</b>			Less: Closing Stock (after diminution in value)	2,123	25,202,521
<b>a) Cash &amp; Cash Equivalents</b>			<b>TOTAL</b>	<u><u>27,065,611</u></u>	<u><u>2,043,875</u></u>
1) Cash on Hand	-	5,092			
2) With Scheduled Banks:			<b>NOTE 15: EMPLOYEE BENEFITS EXPENSE</b>		
Current Account	24,878,485	581,301	a) Salaries, Wages, Bonus and Gratuity	904,371	949,870
<b>b) Other Bank Balances</b>			c) Staff Welfare Expenses	8,887	12,402
Balances with Bank for Unpaid Dividend	955,990	1,284,170	<b>TOTAL</b>	<u><u>913,258</u></u>	<u><u>962,273</u></u>
<b>TOTAL</b>	<u><u>25,834,475</u></u>	<u><u>1,870,563</u></u>	<b>NOTE 16: OTHER EXPENSES</b>		
<b>NOTE 11 SHORT TERM LOAN &amp; ADVANCES</b>			a) Rates & Taxes	17,969	13,445
<b>Unsecured, Considered Good</b>			b) Directors Sitting Fees	80,000	100,000
a) Loans and advances to related parties	7,397,838	4,655,199	c) General Expenses	18,621	98,907
b) Prepaid Expenses	3,847	5,453	d) Postage, Printing and Stationery	81,930	81,179
<b>TOTAL</b>	<u><u>7,401,685</u></u>	<u><u>4,660,652</u></u>	e) Filing fees	11,400	5,400
<b>NOTE 12: REVENUE FROM OPERATIONS</b>			f) Advertisement Expenses	22,680	9,744
a) Sale of Securities	27,071,703	2,884,227	g) Conveyance	-	5,190
b) Other Operating Revenues					
Dividend from Mutual Fund	1,365,213	1,572,731			
<b>TOTAL</b>	<u><u>28,436,916</u></u>	<u><u>4,456,957</u></u>			

# Notes to Accounts

	As At 31.03.2016	As At 31.03.2015
	₹	₹
h) Professional Charges	<b>35,167</b>	28,500
i) Bank charges	<b>1,163</b>	1,920
j) Legal Expenses	<b>798,840</b>	105,000
k) Auditors' Remuneration		
Audit Fees	<b>65,625</b>	65,625
Certification Charges	<b>10,500</b>	14,000
Tax Audit Fees	<b>21,500</b>	21,500
	<b>97,625</b>	
<b>TOTAL</b>	<b><u>1,165,394</u></b>	<u>550,410</u>

## NOTE 17: EARNING PER SHARE

Particulars	2,112,625	4,049,902
a) Net Profit/ Loss available for Equity Shareholders (₹)	<b>2,112,625</b>	4,049,902
b) Number of Shares	<b>926,610</b>	926,610
c) EPS (Weighted Average) Basic & Diluted (₹) (not annualised)	<b>2.28</b>	4.37

## 18 INCOME TAX

The Income-tax Assessments of the Company have been completed upto the Accounting year ended 31st March 2012.

## 19 CONTINGENT LIABILITIES

Claims not acknowledged as debt by the Company : ₹ 54,45,337 (Previous Year ₹ 49,33,916)

## 20 Related Party Disclosures

- (A) Names of the Related Parties & Nature of Relationship
- (a) Associate Company
- 1) Hindustan Construction Company 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		31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
1)	Investments in Share Warrants during the year	-	-
2)	Renting of Property during the year	<b>4,800,000</b>	4,800,000
3)	Outstanding balance included in Investments	<b>271,257,183</b>	271,257,183
4)	Outstanding balance included in Current Assets	<b>7,266,837</b>	4,472,199
5)	Outstanding balance included in Long term loans & advances	-	-

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

- 22
- 1) The Company has pledged 20,07,03,600 equity shares of ₹ 1 each held in HCC in favour of 3i Infotech Trusteeship Services Ltd, the Security Trustee for the CDR 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.

23 Previous Year figures have been regrouped and recast wherever necessary.

As per our report of even date attached.

**For K. S. AIYAR & CO.**

*Chartered Accountants*

**Raghuvir M. Aiyar**

*Partner*

*M. No. 38128*

Place : Mumbai

Date : 28<sup>th</sup> April 2016

**Ajit Gulabchand**

*(DIN : 00010827)*

**Shalaka Gulabchand Dhawan**

*(DIN : 00011094)*

**Ram P. Gandhi**

*(DIN : 00050625)*

*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	-	-	-	-	-	-	56.00	10.16	569.13	10.16	569.13	10.16	569.13
SBI Premier Liquid Super IP DDR	3,659.12	1,003.25	3,671,003.15	195.10	1,003.31	195,740.35	3,854.22	1,003.25	3,866,743.50	-	1,003.25	(0.00)	1,003.25	-	1,003.25	(0.00)
SBI Premier Liquid Fund-DP-DD	2,012.60	1,003.25	2,019,176.94	565.52	1,003.34	567,401.61	2,578.11	1,003.25	2,586,492.62	-	-	0.00	1,003.28	-	1,003.25	0.00
SBI SHF Ultra STF -IP-DD	1,737.67	1,000.61	1,738,728.77	-	-	-	1,737.67	1,000.61	1,738,728.77	-	1,000.61	-	1,000.61	-	1,000.61	-
SBI ULTRA STDF-Regular Plan-DD	427.95	1,001.38	428,602.57	117.35	1,021.64	119,890.28	544.81	-	547,457.19	0.49	1,005.86	487.84	1,002.12	487.34	1,002.12	487.34
UTI Liquid Fund Cash Plan	1.00	1,066.00	1,066.00	-	-	-	-	-	-	1.00	1,066.00	1,066.00	1,066.00	1,066.00	1,066.00	1,066.00
Kotak Floter Long Term -DDR	1,720,607.08	10.08	17,343,375.20	97,440.49	10.08	982,160.57	1,818,047.57	10.08	18,325,555.79	-	0	0.00	10.08	-	-	-
<b>Total</b>	<b>1,728,501.42</b>		<b>25,202,521.76</b>	<b>98,318.45</b>		<b>1,865,212.81</b>	<b>1,826,762.39</b>		<b>27,064,977.87</b>	<b>57.49</b>		<b>2,122.97</b>		<b>2,122.47</b>		<b>2,122.47</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	3,274,021	

	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	27,12,57,183
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	Book Value (Net of Provisions)
1 Related Parties **		
a Subsidiaries	NIL	NIL
b Companies under same group	7,500,000	7,500,000
c Other related parties	4,234,062,560	271,329,501
2 Other than related parties	NIL	NIL
<b>Total</b>	<b>4,241,562,560</b>	<b>278,829,501</b>

**8 Other information**

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

**Notes:**

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

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

# Independent Auditor's Report

To

**The Members of  
Hincon Holdings Limited,**

## **Report on the Consolidated Financial Statements**

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 Hincan 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, 2016, 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 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 for previous years from 1999, the same have 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. As stated in Note 22 to the consolidated financial statements, 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 2016 in respect of matter relating to an Order dated 9 November 2011 of the Ministry of Environment and Forests according environment clearances which are subject to compliance of certain terms and conditions by Lavasa Corporation Limited (LCL), a subsidiary Company of HCC. LCL 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 tribunal, and the management believes, that the matter will be decided in their favour. In view of the nature of the terms and conditions set therein, we are unable to comment on the liability in respect of the aforesaid matter that may devolve upon LCL and the consequential impact, if any, on the accompanying consolidated financial statements.

# Independent Auditor's Report

3. As stated in Note 23 to the consolidated financial statements, the Independent Auditors of, HCC, have qualified their audit report on the financial statements for the year ended 31 March 2016 in respect of matter, relating to the HCC's carrying value of net assets (capital employed) aggregating ₹ 4,308.69 crore (including goodwill on consolidation ₹ 95.04 crore) as at 31 March 2016 in LCL, being considered good and recoverable by the management. However, this subsidiary of HCC has accumulated operational losses and its net worth is substantially eroded as at 31 March 2016. Further, this subsidiary of HCC 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 impact, if any, 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 of the Company and consolidated profit as at 31st March, 2016 and consolidated cash flows for the year ended on that date.

## Emphasis of Matters

### We draw attention to:

- a) The Independent Auditors of the Company's associate, HCC, in their audit report on consolidated financial statements of HCC for the year ended 31 March 2016, have drawn attention to the matter stated in Notes 24 and 25 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) of HCC, 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 HCC 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 qualified in respect of this matter.
- b) The Independent Auditors of the Company's associate, HCC, in their audit report on consolidated financial statements of HCC for the year ended 31 March 2016, have drawn attention to the matter stated in Note 26 to the consolidated financial statements regarding uncertainties relating to recoverability of uncompleted contracts and value of work done and long-term trade receivables aggregating ₹ 978 crore and ₹ 206 crore, respectively of HCC, recognised

in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. 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 qualified in respect of this matter.

- c) The Independent Auditors of the Company's associate, HCC, in their audit report on consolidated financial statements of HCC for the year ended 31 March 2016, have drawn attention to the matter stated in Note 27 to the consolidated financial statements wherein in respect of Raiganj Dalkhola Highways Limited (RDHL), a step down subsidiary company of HCC, the said project has been suspended from 1 August 2013, due to non-availability of the balances land to be made available by National Highway Authority of India. During the period of delay in land acquisition, RDHL has continued to capitalize cost incurred till date aggregating ₹ 173.40 crore (including interest of ₹ 50.33 crore) under the head "Intangible Assets under Development." Our opinion is not qualified in respect of this matter.

## Other Matters

The financial statements of Associates have been audited by other auditors whose report for the financial year ended on 31st March, 2016 has been furnished to us by the management and based on which the Company's investment in the said Associate has been accounted for. In making this report, we have considered and relied on the reports made by the Auditors of Associates. Our opinion on consolidated financial statements and report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the associates is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 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 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

# Independent Auditor's Report

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 Emphasis of Matters/ Basis for Qualified Opinion paragraph, 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 March 31, 2016 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 is disqualified as on 31st March, 2016 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:

- (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, 22, 26, 27, 28, 29 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.

**For K. S. Aiyar & Co.**  
Chartered Accountants  
Firm's Registration No. 100186W

**Satish Kelkar**  
Partner  
Membership No. 38934

Place: Mumbai  
Date: 3<sup>rd</sup> June, 2016



# Annexure to the Independent 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") 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, 2016, 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 incorporated in India, 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 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 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

# Annexure to the Independent Auditor's Report

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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 and its associate companies, which are companies incorporated in India, have, 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 2016, 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 ICAI.

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For K. S. Aiyar & Co.**

Chartered Accountants  
Firm's Registration No. 100186W

**Satish Kelkar**

Partner

Membership No. 38934

Place: Mumbai

Date: 3<sup>rd</sup> June, 2016

# Consolidated Balance Sheet as at 31<sup>st</sup> March 2016

	Note No.	As At 31.03.2016 ₹
<b>I EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
Share Capital	3	9,266,100
Reserves & Surplus	4	<u>75,408,581</u>
		<b>84,674,681</b>
<b>2 Current Liabilities</b>		
Other current Liabilities	5	1,350,152
<b>TOTAL</b>		<u><u>86,024,833</u></u>
<b>II. ASSETS</b>		
<b>1 Non - current Assets</b>		
Fixed Assets	6	
Tangible Assets		175,615
Non current Investments	7	49,336,914
Long Term Loans and advances	8	<u>3,274,021</u>
		<b>52,786,550</b>
<b>2 Current Assets</b>		
Inventories	9	2,123
Cash and bank balances	10	25,834,475
Short term loan and advances	11	<u>7,401,685</u>
		<b>33,238,283</b>
Significant Accounting policies	2	
<b>TOTAL</b>		<u><u>86,024,833</u></u>

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

As per our report of even date attached.

**For K. S. AIYAR & CO.**

Chartered Accountants  
Firm Registration No. 100186W

**Satish Kelkar**

Partner  
Membership No. 38934

Place : Mumbai

Date : 3<sup>rd</sup> June 2016

**Ajit Gulabchand**

(DIN : 00010827)

Chairman

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

Vice Chairperson

**Ram P. Gandhi**

(DIN : 00050625)

Director

# Consolidated Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2016

	Note No.	Year ended 31.03.2016 ₹
<b>I REVENUE FROM OPERATIONS</b>	<b>12</b>	
Sale of Securities		27,071,703
Other Operating Revenues		1,365,213
		<u>28,436,917</u>
<b>II OTHER INCOME</b>	<b>13</b>	<u>3,570,155</u>
<b>III TOTAL REVENUE (I+ II)</b>		<u>32,007,072</u>
<b>IV EXPENDITURE</b>		
Cost of Securities sold	14	27,065,611
Employee Benefits Expense	15	913,258
Depreciation	6	3,684
Other Expenses	16	1,165,394
<b>TOTAL OPERATING EXPENSES</b>		<u>29,147,948</u>
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III - IV)</b>		<u>2,859,125</u>
<b>VI Exceptional Items</b>		-
<b>VII Profit Before Extraordinary Items &amp; Tax (V - VI)</b>		<u>2,859,125</u>
<b>VIII Extraordinary Items</b>		-
<b>IX Profit Before Tax (VII - VIII )</b>		<u>2,859,125</u>
<b>X Tax Expense:</b>		
1) Current Tax		560,317
2) Deferred Tax		-
3) MAT Credit Entitlement		333,232
4) Excess/(short)Provision of earlier years written back		147,049
		<u>1,040,598</u>
<b>XI Profit / (Loss) for the year from Continuing operations (IX - X)</b>		<u>2,112,625</u>
<b>XII Share of profit of associates</b>		<u>5,404,596</u>
<b>XIII Profit / (Loss) for the year ( XI + XIV )</b>		<u>7,517,221</u>
<b>XIV Earnings per equity share:</b>		
Basic & Diluted	<b>17</b>	<b>8.11</b>

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

As per our report of even date attached.

**For K. S. AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 100186W

**Satish Kelkar**  
Partner  
Membership No. 38934

Place : Mumbai  
Date : 3<sup>rd</sup> June 2016

**Ajit Gulabchand** Chairman  
(DIN : 00010827)  
**Shalaka Gulabchand Dhawan** Vice Chairperson  
(DIN : 00011094)  
**Ram P. Gandhi** Director  
(DIN : 00050625)

# Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016

	Year ended 31.03.2016
	₹
<b>Cash flow from operating activities</b>	
<b>Profit before tax</b>	2,859,125
Non-cash adjustment to reconcile profit before tax to net cash flows	
Adjustment of equity accounting of associate	<u>(271,257,183)</u>
Share of profit of associates	<u>5,404,596</u>
Depreciation/ amortization	<u>3,684</u>
<b>Operating profit before working capital changes</b>	<b>(262,989,778)</b>
Movements in working capital :	
Increase / (decrease) in other current liabilities	(488,610)
Decrease / (increase) in Other assets	-
Decrease / (increase) in Inventories	25,200,398
Decrease / (increase) in long-term loans and advances	-
Decrease / (increase) in short-term loans and advances	<u>(2,741,033)</u>
Cash generated from /(used in) operations	<b>(241,019,023)</b>
Direct taxes paid (net of refunds)	<b>(869,652)</b>
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(241,888,675)</b>
<b>Cash flows from investing activities</b>	
Decrease / (increase) in Investment	265,852,587
<b>Net cash flow from/ (used in) investing activities (B)</b>	265,852,587
<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>23,963,912</b>
Cash and cash equivalents at the beginning of the year	1,870,563
Cash and cash equivalents at the end of the year	<b>25,834,475</b>
<b>Components of cash and cash equivalents</b>	
Cash on hand	-
Balances with banks	24,878,485
- on deposit account	955,990
<b>Total cash and cash equivalents (Note 17)</b>	<b>25,834,475</b>
<b>Significant Accounting Policies and Notes on Financial Statements</b>	<b>2</b>

As per our report of even date attached.

**For K. S. AIYAR & CO.**

Chartered Accountants  
Firm Registration No. 100186W

**Satish Kelkar**

Partner  
Membership No. 38934

Place : Mumbai

Date : 3<sup>rd</sup> June 2016

**Ajit Gulabchand**

(DIN : 00010827)

Chairman

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

Vice Chairperson

**Ram P. Gandhi**

(DIN : 00050625)

Director

# Notes to Accounts

## NOTE 1: BACKGROUND

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

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2016

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

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

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

#### II. Principles of consolidation

- The consolidated financial statements are prepared by:
- Consolidating its accounts with financial statements of its associates by equity method of accounting.
- 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 Subsidiary	% of Holding (as on 31.03.2016)
Hincon Finance Ltd	48.75%
Hindustan Construction Co. Ltd.	27.73%

### 2. Method of Accounting

The Company maintains its accounts on accrual basis.

### 3. Fixed Assets

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

### 4. Depreciation/Amortisation

Depreciation on fixed assets is provided:

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

### 5. Investments

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

### 6. Dividend

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

### 7. Stock In Trade

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

### 8. Taxation

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

### 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.

# Notes to Accounts

	As At 31.03.2016 ₹
<b>NOTE 3: SHARE CAPITAL</b>	
<b>Authorised Capital</b>	
20,00,000 Equity Shares of ₹ 10 each	<b>2,00,00,000</b>
10,00,000 Unclassified shares of ₹ 10 each	<b>1,00,00,000</b>
<b>TOTAL</b>	<b>3,00,00,000</b>

<b>Issued,Subscribed &amp; Paid-up Capital</b>	
9,26,610 Equity Shares of ₹10 each fully paid-up	<b>92,66,100</b>
<b>TOTAL</b>	<b>92,66,100</b>

**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>
	Value	<b>9,266,100</b>
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>
	Value	<b>9,266,100</b>

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

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

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

**c. Shareholding of more than 5%:**

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

	As At 31.03.2016 ₹
<b>NOTE 4: RESERVES AND SURPLUS</b>	
<b>a) General Reserves</b>	
Opening Balance	<b>69,015,636</b>
Add: Transferred from Statement of Profit and Loss	<b>750,000</b>

**69,765,636**

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

Opening Balance	<b>140,090,000</b>
Add: Transferred from Statement of Profit and Loss	<b>1,500,000</b>

**141,590,000**

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

Balance brought Forward	<b>130,042,907</b>
Add: Profit /(Loss) for the year	<b>7,517,221</b>
Less: Transferred to General Reserve	<b>750,000</b>
Less: Tax on Proposed Dividend	
Less: Adjustment of equity accounting of associate	<b>271,257,183</b>
Less: Transfer to Special Reserve U/s 45 (IC) of the	<b>1,500,000</b>

**(135,947,055)**

**TOTAL** 75,408,581

As At  
31.03.2016

₹

**NOTE 5: OTHER CURRENT LIABILITIES**

a) Other Trade Payable	<b>304,223</b>
b) Statutory Dues Payable	<b>20,182</b>
c) Due to Employees	<b>69,757</b>
d) Unclaimed Dividend	<b>955,990</b>
<b>TOTAL</b>	<u><u>1,350,152</u></u>

# Notes to Accounts

## NOTE 6 : FIXED ASSETS

₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2015	Additions	Deductions	As At 31.03.2016	As At 01.04.2015	For The period	Deductions	Upto 31.03.2016	As At 31.03.2016	As At 31.03.2015
<b>Tangible Assets (At Cost):</b>										
Lease Hold Rights in Land & Building (* )	225,700	-	-	225,700	46,401	3,684	-	50,085	<b>175,615</b>	179,299
<b>Total of This Year</b>	<b>225,700</b>	-	-	<b>225,700</b>	<b>46,401</b>	<b>3,684</b>	-	<b>50,085</b>	<b>175,615</b>	<b>179,299</b>
Total of Previous Year	225,700	-	-	225,700	42,717	3,684	-	46,401	179,299	182,983

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

	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2016 Cost ₹	Market Value ₹
<b>NOTE 7 NON CURRENT INVESTMENTS (At Cost)</b>			
a) Investment Properties	<b>36,360,000</b>		
b) <b>Investment in Equity instruments</b>			
Hindustan Construction Company Ltd	-		
Hincon Finance Limited	<b>12,904,596</b>		
Lavasa Corporation Limited	<b>69,518</b>		
<b>Total</b>	<b>12,974,114</b>		
c) <b>Investments in Preference shares</b>			
Lavasa Corporation Limited	<b>2,800</b>		
<b>Total</b>	<b>49,336,914</b>		
(i) Aggregate of Investments			
i. Quoted		-	<b>4,234,062,560</b>
ii. UnQuoted		<b>12,976,914</b>	-
iii. Others		<b>36,360,000</b>	-
<b>Total</b>		<b>49,336,914</b>	<b>4,234,062,560</b>
(ii) Equity accounted associates			
Cost of investment			<b>278,757,183</b>
[including Rs 17,48,46,365 of goodwill (net of capital reserve) arising on consolidation]			
Add: Share of profits/ (losses)			<b>(265,852,587)</b>
			<b>12,904,596</b>

(iii) Name of the Company	Original Cost of investment	Goodwill/ Capital reserve	Accumulated Profit/(loss) as at 31.03.2016	Carrying amount of investment as at 31.03.2016
Hindustan Construction Company Ltd	271,257,183	174,846,365	(271,257,183)	-
Hincon Finance Limited (Refer point (iv))	7,500,000	-	5,404,596	12,904,596
<b>Total</b>	<b>278,757,183</b>	<b>174,846,365</b>	<b>(265,852,587)</b>	<b>12,904,596</b>

(iv) In case of Hincon Finance Limited (HFL), which has become an associate of the company from July 1, 1999, as the accounts of the associate are not available with the company for the previous years from 1999 the same has not been considered for the purpose of consolidation. However share of profits of Hincon Finance Limited for the year ended March 2016 is considered for consolidation.



# Notes to Accounts

(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

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 8 LONG TERM LOANS AND ADVANCES</b>	
<b>Unsecured, Considered Good</b>	
a) Deposits	1,040,256
b) Advance tax (net)	1,755,997
c) MAT Credit Entitlement	477,768
<b>TOTAL</b>	<b><u>3,274,021</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 9 INVENTORIES</b>	
Stock-inTrade	2,123
<b>TOTAL</b>	<b><u>2,123</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 10 CASH AND BANK BALANCE</b>	
a) Cash & Cash Equivalents	
1) Cash on Hand	-
2) With Scheduled Banks: Current Account	24,878,485
b) Other Bank Balances Balances with Bank for Unpaid Dividend	955,990
<b>TOTAL</b>	<b><u>25,834,475</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 11 SHORT TERM LOAN &amp; ADVANCES</b>	
<b>Unsecured, Considered Good</b>	
a) Loans and advances to related parties	7,397,838
b) Prepaid Expenses	3,847
<b>TOTAL</b>	<b><u>7,401,685</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 12 REVENUE FROM OPERATIONS</b>	
(a) Sale of Securities	27,071,703
(b) Other Operating Revenues Dividend from Mutual Fund	1,365,213
<b>TOTAL</b>	<b><u>28,436,916</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 13 OTHER INCOME</b>	
a) Dividend	48
b) Interest Income Interest on Bank Deposits	-
c) Other non-operating Income Rent	3,570,107
<b>TOTAL</b>	<b><u>3,570,155</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 14 COST OF SECURITIES SOLD</b>	
Opening Stock	25,202,521
Add: Purchases	1,865,213
	27,067,734
Less: Closing Stock (after diminution in value)	2,123
<b>TOTAL</b>	<b><u>27,065,611.24</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 15 EMPLOYEE BENEFITS EXPENSE</b>	
a) Salaries, Wages, Bonus and Gratuity	904,371
b) Staff Welfare Expenses	8,887
<b>TOTAL</b>	<b><u>913,258</u></b>

	<b>As at 31<sup>st</sup> March, 2016</b>
	₹
<b>NOTE 16 OTHER EXPENSES</b>	
a) Rates & Taxes	17,969
b) Directors Sitting Fees	80,000
c) General Expenses	18,621
d) Postage, Printing and Stationery	81,930
e) Filing fees	11,400
f) Advertisement Expenses	22,680
g) Conveyance	-
h) Professional Charges	35,167
i) Bank charges	1,163
j) Legal Expenses	798,840
k) Auditors' Remuneration Audit Fees	65,625
Certification Charges	10,500
Tax Audit Fees	21,500
	97,625
<b>TOTAL</b>	<b><u>1,165,394</u></b>

# Notes to Accounts

**As at  
31<sup>st</sup> March,  
2016**  
₹

## NOTE 17 EARNING PER SHARE

a	Net Profit/ Loss available for Equity Shareholders (₹)	7,517,221
b	Number of Shares	926,610
c	EPS (Weighted Average) Basic & Diluted (₹) (not annualised)	8.11

## 18 INCOME TAX

The Income-tax Assessments of the Company have been completed upto the Accounting year ended 31st March 2012.

## 19 CONTINGENT LIABILITIES

Claims not acknowledged as debt by the Company : ₹ 54,45,337

Contingent Liabilities in HCC Ltd recorded below mentioned details :

Sr No	Particulars	As at 31 Mar 2016 (₹ In crores)
(i)	Claims filed against group not acknowledged as debts	275.79
(ii)	Sales Tax/Works contract tax liability/Service tax/ Custom Liability that may arise in respect of matters in appeal	139.59

Its is not practicable for the Group to estimate the timings of Cash flows, 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 point (i) stated therein above. Further cash flows in above are determinable only on receipt of Judgements/decisions pending with various forums//Authorities. The Group does not expect any outflow in respect of the above and therefore no provision is made in respect thereof.

## 20 Related Party Disclosures

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

(a) Associate Company

- 1) Hindustan Construction Company Limited (HCC)
- 2) Hincan 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 2016 (*)
1)	Renting of Property during the year	HCC	-	4,800,000
2)	Outstanding balance included in Investments	HCC	271,257,183	
	Less: share of Profit/(loss)		(271,257,183)	-
3)	Outstanding balance included in Investments	HFL	7,500,000	
	Less: share of Profit/(loss)		5,404,596	12,904,596
4)	Outstanding balance included in Current Assets	HCC		7,266,837

(\*) The amounts are disclosed at full values.

**21** 1 The Company has pledged 20,07,03,600 equity shares of ₹ 1 each held in HCC in favour of 3i Infotech Trusteeship Services Ltd, the Security Trustee for the CDR 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** 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 2,000 hectare (5,000 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.

**23** Goodwill on consolidation of HCC includes ₹ 95.04 crore arising in respect of consolidation of a subsidiary, Lavasa Corporation Limited. Considering the intrinsic value and the business prospects of the underlying businesses within the fold of HCC Group, no diminution in value of goodwill arising on consolidation has been considered necessary.

**24** In respect of year ended 31 March 2014, the HCC's request for remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs (the 'Ministry'), to reconsider their approval of ₹ 1.92 crore against the entire remuneration of ₹ 10.66 crore paid to the Chairman and Managing Director (CMD), is pending with the Ministry.

# Notes to Accounts

- 25 In respect of year ended 31 March 2016, the HCC's application to the Ministry for approval of remuneration paid/ payable ₹ 10.66 crore to the CMD in excess of the limit prescribed and held in trust, is pending with the Ministry.
- 26 Uncompleted Contracts and Value of Work Done (Inventories)' and 'Long-Term Trade Receivables' includes ₹ 978 crore and ₹ 206 crore, respectively, outstanding as at March 31, 2016 representing various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/suspended projects by HCC. 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. These receivables also includes ₹ 89 crore of 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 negotiation/ discussion with the client, the management is confident of recovery of these receivables.
- 27 In case of Raiganj-Dalkhola Highways Limited (RDHL), a subsidiary company of HCC, National Highways Authority of India (NHAI) has not been able to make the balance land available. RDHL is in discussion with NHAI for balance land acquisition and on various approvals on design and structures on a regular basis with concerned departments. However, NHAI has assured to provide the balance land and concessionaire and it's lenders have reiterated their concerns on the effort and time consuming process required to recommence the Project (including finalization of lender approvals and closure of new financing documents, revision of EPC costs and the signing of new contracts, etc.), but have confirmed their intent to complete the Project with adequate support from the NHAI. In view of this, Management considers delay in acquisition of land temporary in nature, hence total cost incurred ₹ 173.40 crore (including interest of ₹ 50.33 crore) as at 31 March 2016 has been capitalised.
- 28 Receivable of HCC includes ₹ 2668.90 crore on account of claims awarded in favour of HCC which has been challenged by the client in the High Court/Supreme Court.
- 29 In case of Pune Paud Toll Road Company Limited (PPTRCL), a subsidiary company of HCC, as per the terms of the contract the year to operate the project has expired on 5th February, 2014, and the project since stands transferred to the Public Works Department (PWD) of Government of Maharashtra. PPTRCL has prepared a claim for compensation aggregate ₹ 140.48 crs (including interest) on account of delay in granting permission to collect the toll and change in location of Toll Plaza, which resulted in significant reduction in revenue collection. PPTRCL has filed a petition in the Bombay High Court under section 11 of the Arbitration and Conciliation Act, 1996 demanding refund of cost of land acquisition on Bhugaon bypass. Consequently the Bombay High Court has appointed arbitrator on behalf of PWD on 8th August, 2014 and Indian Road Congress has also appointed arbitrator on 6th January, 2015. Since then the submission of pleadings from both parties and partial hearing are completed and now the arbitration is in final stage. The final hearing are scheduled in June, 2016. After which the award will be made by the Arbitral Tribunal within a short period. Considering the merits of the case the PPTRCL expects positive outcome from the arbitration. In view of this, the management is confident of recovery of the claims and views the entity as going concern despite the negative net worth of the PPTRCL.
- 30 Previous Year figures have not been given since this is first year of consolidation.

As per our report of even date attached.

**For K. S. AIYAR & CO.**

Chartered Accountants  
Firm Registration No. 100186W

**Satish Kelkar**

Partner  
Membership No. 38934

Place : Mumbai

Date : 3<sup>rd</sup> June 2016

**Ajit Gulabchand**

(DIN : 00010827)

Chairman

**Shalaka Gulabchand Dhawan**

(DIN : 00011094)

Vice Chairperson

**Ram P. Gandhi**

(DIN : 00050625)

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-16	31-Mar-16
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	27.73%	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	-31,814	111
	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	27.73%	-8,821
2	Hincon Finance Limited	48.75%	54



**Hincon Holdings Ltd.**

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