

OPPORTUNITY- READY



BUILDINGS



BRIDGES



DAMS



FINANCE



HIGHWAYS



STRUCTURES

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such

statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

OPPORTUNITY- READY

Hindcon Chemicals is a niche construction chemical company that protects infrastructure from leaks, seepage and the elements.

The Company addresses an increase in awareness and demand growth for its products with a decisive shift from marketing to institutions to entering the country's retail sector.

This extension from B2B to B2C is expected to enhance revenues, broadbase customers and increase realisations.

Helping the Company graduate from one orbit to another.

8 things you need to know about Hindcon Chemicals Limited



Background

The promoter family commenced the manufacture of sodium silicate for parent company Hind Chemicals in 1947. Hindcon Chemicals went into business in 2000 as Hind Silicates Private Limited (renamed Hindcon Chemicals Limited in 2012). Over the years, the Company has established itself in the niche construction chemicals sector.



Location

The Company's manufacturing facility is located at Jalan Industrial Complex in Howrah, West Bengal, the plant being located proximately to consuming markets.



People

Hindcon believes that the Company's ability to maintain growth largely depends on its robust people policy and strength in attracting, training, motivating and retaining employees. The Company also comprises a five-member R&D team credited with the development of cutting-edge products. As on 31st March, 2019, Hindcon's permanent employee strength stood at 95 individuals.



Capacity

The Company manufactures products in a state-of-the-art facility at Jalan Industrial Complex in Howrah. The installed capacity of sodium silicate was 18,000 tonnes per annum (TPA) and that of cement additives was 12,000 TPA in FY 2018-19. The manufacturing capacity was sweated at an average utilisation level of 51% in FY 2018-19.



Certified

The Company is accredited for ISO 9001:2015 and ISO 22716:2007, covering quality control and management processes. The Company is also a member of Indian Green Building Council, emphasising the manufacture of environment-friendly products.



Customers

The Company has a customer mix of B2B and B2C clients with B2B accounting for ~97% of revenues.



Portfolio

The Company's diversified portfolio of products comprises sodium silicate, concrete and mortar admixtures, floorings, protective waterproofing coatings and adhesives. The Company also renders waterproofing and repair services, besides being engaged in retrofitting distressed structures.



Listing

The Company is listed on NSE; market capitalisation as on 31st March, 2019, stood at ₹22.73 crores.

63.90

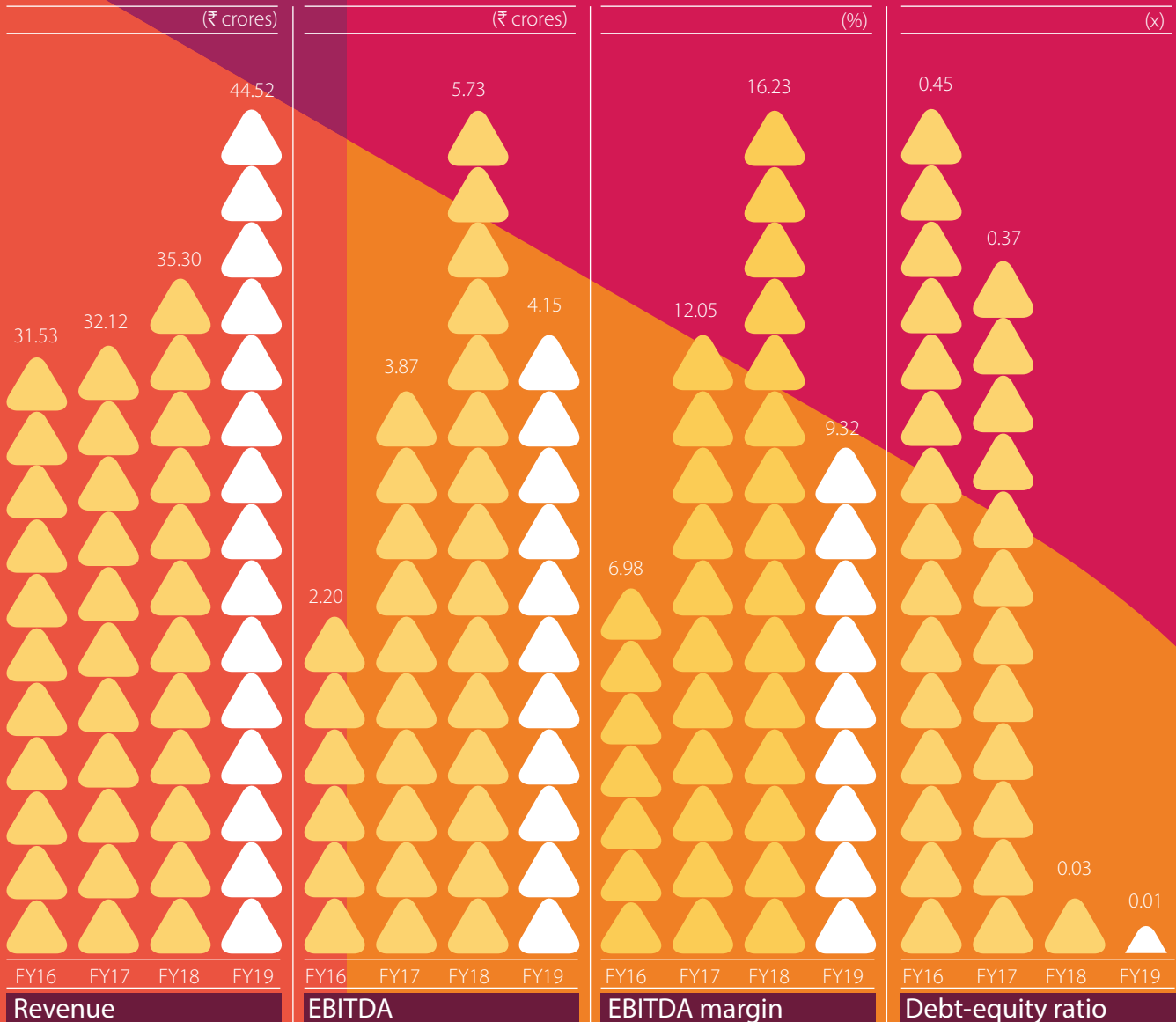
Promoters' holding, March 31, 2019 (%)

22.73

Market capitalisation, March 31, 2019 (₹ crores)

95

Team size, March 31, 2019



Performance
Aggregate revenues grew 26.12% to ₹44.52 crores during FY 2018-19 following an increase in wallet share and growth in the number of customers.

Performance
EBITDA stood at ₹4.15 crores in FY 2018-19.

Performance
The Company's EBITDA margin stood at 9.32% in FY 2018-19.

Performance
The Company's gearing strengthened from 0.45 during FY 2015-16 to 0.01 during FY 2018-19 following net worth infusion.

Chairman's message



I EXTEND A WARM WELCOME TO OUR SHAREHOLDERS THROUGH OUR SECOND ANNUAL REPORT FOLLOWING OUR INITIAL PUBLIC OFFER IN FY 2017-18.

Performance overview

Your Company reported profitable growth during the year under review. This achievement is creditable in an environment where the Indian economy slowed from a first quarter GDP growth of 8% in the last financial year to a fourth quarter growth of 5.8%.

Though your Company reported a 27.57% decrease in EBITDA, Hindcon also clocked a 26.12% growth in revenues during the year under review.

Priorities

There are four communication priorities that I need to address in this overview.

One, we are a serious company engaged

in the manufacture of sodium silicate and construction chemicals.

Two, we manage our Company around governance with the objective to scale our business profitably and sustainably.

Three, we believe that the introduction of GST has created a structural shift for compliance-driven companies like ours.

Four, we intend to capitalise on the prevailing environment, extend beyond our presence in existing geographies and emerge as a pan-India player in the long run.

Competitiveness

Your Company outperformed the sector

and economic average for various reasons.

One, the Company has consistently focused on its core competence of sodium silicate. This helped the Company strengthen its economies of scale and brand, strengthening overall recall, cost leadership and customer reliability.

Two, the Company extended from a focus on one-off transactions to ongoing multi-year relationships with customers. The result is that >50% of the Company's institutional revenues during the year under review were derived from customers of three years or more, indicating revenue visibility and business stability.

Three, the Company emerged as a dependable vendor-partner to a number of marquee downstream brands across the food, paper and construction sectors. While this broadbasing made it possible for the Company to de-risk itself from an excessive dependence on the fortunes of one sector, the Company engaged extensively with prominent and growing brands that provided an assurance of growing offtake.

Four, the Company consciously selected to enhance its exposure within Bengal. Nearly 90% of the Company's offtake was derived from this State where the Company capitalised on proximity and logistical competitiveness.

Macro-optimism

There are a number of reasons why one is optimistic of our prospects.

Sodium silicate and cement additives are playing a critical role in India's infrastructure growth story.

A critical element of the country's infrastructure story is the speed with which cement can set: the quicker, the better. The faster cement sets, the quicker the infrastructure rollout. In a country where there is a premium on the need to construct structures faster without compromising quality, every construction company seeks to build with speed and surety.

It is here that the role of our principal product comes in. Construction chemicals are used as a strategic additive in cement to shrink setting time while protecting construction integrity. The scope for our product is evident in the reality: even as India is the second largest cement manufacturer in the world, the per capita consumption of cement in India at 210 kgs is considerably lower than the global average of 580 kgs.

As India grows from around US\$ 2.9 trillion in economic size to an estimated US\$ 10 trillion in a decade-and-a-half from now, we believe that the role of infrastructure will grow and the corresponding consumption of cement will increase. This estimation indicates a premium on the ability to be opportunity-prepared through proactive capacity creation, quality benchmarking and a robust Balance Sheet to sustain growth across the foreseeable future.

Micro-optimism

There are a number of other reasons why a structural demand shift is transpiring in India.

The Indian government is expected to accelerate the construction of infrastructure, creating a considerably larger market for construction chemicals.

The formalisation of the Indian economy has encouraged a larger number of big and branded players to procure construction chemicals from organised, ethical and systems-respecting players like our Company.

The institutionalisation of all-weather construction standards in India is

warranting the use of superior cement grades, which, in turn, is warranting a larger use of quality additives.

There is a premium on moderating construction time, making builders turn to pre-cast construction methods. This form of construction makes a greater use of construction chemicals like admixtures, bearing BIS-certification mark IS-9103.

There is a mindset shift towards better first-time construction with a corresponding reduction in maintenance costs. This trend is enhancing the use of construction chemicals.

There is an increasing focus on superior water-proofing, which warrants a greater use of construction chemicals like integral water-proofing admixtures, bearing BIS-certification mark IS-2645.

Opportunity-ready

Hindcon Chemicals is prepared for the emerging opportunities within its sector.

Your Company is among select players across the country to manufacture resin and cement capsules; the Hind Bolt R brand, representing the former product, has been established and accounts for growing offtake. The Company's portfolio of around 100 products addresses the widening needs of customers. Hindcon Chemicals' products have been used in a number of brand-enhancing infrastructure projects by prominent construction companies.

The time has come for Hindcon Chemicals to make a decisive shift in its existence. For years, the Company focused on addressing the growing needs of demanding

institutional customers. In the last couple of years, the Company began to address the needs of retail customers. Even as 95% of the Company's revenues are derived from institutional customers, the time has come to explore a growing market in India.

The time is right for this decisive shift for good reasons. There is a growing appreciation of structural strength among retail customers today than ever before. The retail market provides superior realisations and a broader de-risking of the Company's sales profile. Besides, a growing trade discipline (inspired by a decline in national tolerance for credit defaults) is providing a greater confidence to the Company to carve out a larger retail presence.

Overview

Your Company is poised to re-balance its sales mix with the objective to generate 15% of revenues from retail customers on a larger sales outlay across the next five years.

Your Company possesses adequate capacity to service this demand growth; capacity utilisation was 51% during the last financial year on a single-shift basis and an extension into a second shift will not only make it possible to double this capacity but also make it possible at a fraction of the cost of greenfield capacity creation.

In view of these realities, I assure our shareholders that we address a multi-year growth journey, which should translate into superior value in the hands of all those, who own shares in our Company.

Sanjay Goenka, Managing Director



Review of the last financial year

Q: Were you pleased with the performance of the Company during the last financial year?

The Company reported its third successive year of growth – revenues increased from ₹31.53 crores in FY 2015-16 to ₹44.52 crores in FY 2018-19. There was a corresponding increase in margins and profit after tax during the year under review.

Q: What were the positive developments that catalysed the Company's growth?

The IPO in March 2018 and the subsequent listing proved to be a seminal moment in our existence. The Company mobilised ₹7.73 crores through the issue. The immediate priority of the Company was to strengthen working capital management by paying creditors early in exchange for attractive discounts. This immediate deployment of cash proceeds strengthened our terms of trade during the year under review.

Q: What were some of the other developments to have transpired in FY 2018-19?

The Company enhanced its wallet share of existing customers on the one hand and reached out to new institutional customers like Gayatri Projects, Navayuga Engineering and AFCONS on the other. The inflow of outstandings from HCC Construction enhanced the Company's liquidity.

Q: What was the impact of the GST implementation in July 2017?

A visible impact of GST introduction transpired in the soaps market in Bengal, where an organised branded player like Hindustan Unilever carved out a larger share on account of a decline in the cost differential between organised and unorganised players. By the virtue of being a vendor to the multi-national giant, Hindcon Chemicals reported an increase in sales. Besides, offtake of the Company's products was enhanced by reconstruction following the Nepal earthquake.

Q: What is the outlook for the Company in FY 2019-20?

The Company intends to increase revenues to ₹60 crores during the current financial year, based on the sustained demand for construction chemicals coming out of infrastructure projects. We believe that a stronger adjustment to GST should help in a larger part of the demand shifting to organised players.

As an opportunity-focused player, Hindcon Chemicals expects to increase its retail exposure from ~3% of revenues to 15%. Besides, the Company expects to deepen its presence in the country's road building and hydro-electric construction sectors on the one hand and increase its presence in Bangladesh on the other.

As a result of these initiatives, we expect to enhance our margins and profits in FY 2019-20.



How we plugged leaks at the Chennai Metro

THE CHENNAI METRO RAIL LIMITED* COMMENCED SERVICE IN 2015.

Immediately following inauguration, commuters noticed something alarming. Several leakages were noticed along tunnel joints, hindering train movement.

To compound the issue, corrective excavation was not possible from the top.

After considerable brainstorming, the construction contractor turned to Hindcon Chemicals. The three-word brief: 'Stop the leak!'

Hindcon Chemicals' engineers went back to the drawing board, studied the nature of the problem and cement material used. They responded with a sealant material (Hind Sealant PS) blended with a polyurethane grout (Hind Hydrafoam) to stabilise the soil.

The application plugged the leaks, saved face for Chennai Metro and resumed uninterrupted operations.

**Joint venture between the Government of India and the Government of Tamil Nadu*



How we made a difference at Mundra Port

MUNDRA PORT IS THE LARGEST PRIVATE PORT IN INDIA ON THE NORTH OF THE GULF OF KUTCH.

The multi-purpose terminal contains nine berths – 1800 metre long with depths ranging from 9 metre to 16.5 metre.

This gigantic structure was affected by something unexpected – leakages.

After almost two years of unsuccessful attempts to plug the leaks, the client called in Hindcon Chemicals.

The engineers at Hindcon Chemicals banked on years of construction chemical experience.

They examined key issues affecting India's premier private port. The engineers finally responded with a blend of epoxies, non-shrink grouts, polymers and other products.

The leaks were plugged. Hindcon Chemicals won the client's trust and respect.



How Hindcon Chemicals brought a smile to the faces of monks

INSIDE THIMPHU'S 169-FOOT BUDDHA DORDENMA STATUE, THERE ARE 125,000 MINIATURE BUDDHAS INSIDE AN ENLIGHTENED BRONZE CHEST.

Construction of the statue commenced in 2006 with the objective to finish in October 2010. However construction could not conclude until September 2015.

Owing to later additions, structural defects crept into the statue's joints, making it vulnerable to leaks.

Hindcon Chemicals was called to protect this landmark. The Company's engineers studied the architecture and recommended sealant products at par with the best.

The result: primary testing indicated that ~90% defects were addressed with speed, making the monks sigh with relief – and gratitude.



How Hindcon Chemicals combined aesthetics and endurance at Birla Planetarium

IN 2015, MP BIRLA PLANETARIUM, ONE OF THE LARGEST IN THE WORLD, EMBARKED ON A ₹30 CRORES MODERNISATION PROGRAMME.

The work scope comprised retrofitting and waterproofing the stupa-like structure.

A major portion of the contract was awarded to Nest Rehabilitation Engineers Private Limited, operating under the aegis of Hindcon Chemicals Limited.

Hindcon Chemicals responded with the use of acrylic polymer waterproofing materials, polyurethane UV-resistant paint and micro concrete (dry ready mix cementitious composition formulated for use in repairs where the concrete is damaged).

Thereafter, the iconic 23 metre diameter dome was painted with Hind Hydraflex AQP, a waterproofing paint that reconciles aesthetics with endurance.

The result: Birla Planetarium has emerged as a reborn showpiece in the heart of Kolkata.



**When Hindcon
Chemicals
helped
Belvedere Estate
(National
Library) evoke a
wow**

**KOLKATA'S
SPRAWLING
BELVEDERE
ESTATE
COMPRISES
BELVEDERE
HOUSE AND 30-
ACRE GROUNDS
IN WHICH THE
NATIONAL
LIBRARY IS
HOUSED.**

Belvedere House — which had served as the reading and lending rooms of the National Library – was shut for restoration in 2010.

The Ministry of Information & Cultural Affairs decided to turn this building into a museum and exhibition centre, entrusting the job to Nest Rehabilitation Engineers Private Limited (operating under the aegis of Hindcon Chemicals Limited).

Hindcon Chemicals repaired all the structural components and waterproofed them using Hind Styrene BR (milky synthetic latex emulsion based on modified Styrene Butadiene Rubber), micro concrete, acrylic polymers, epoxies and anti-corrosive paint.

The refurbished momentum evoked a wow when showcased for the public.

The Hindcon business model

Sectoral background

Income growth

The income earned by an average Indian has doubled in seven years - from ₹63,642 per year in FY 2011-12 to around ₹125,000 in FY 2018-19, translating into construction growth.

Infrastructure growth

In 2014, India addressed an infrastructure spend of ₹10 trillion for five years, while in 2019, India addresses an expenditure of almost ₹21 trillion. Owing to this, the order book of most infrastructural companies stood at 3x book-to-sales, which, in turn, provides attractive revenue visibility. A robust order book growth coupled with a lower tolerance for project delays has translated into an infrastructure boom and provides a huge headroom for the growth of the construction chemicals sector.

Cement consumption correction

The per capita consumption of cement increased from 130 kgs in FY 2005-06 to 210 kgs in FY 2018-19. This growth is expected to increase which could, in turn, drive the demand for construction chemicals.

Repair and rehabilitation

With citizens focusing on the repair and rehabilitation of old structures, the construction chemicals market is capitalising on the tailwind.

Urbanisation

India is the second largest urban community after China. It has been estimated that by FY 2019-20, 35% of India's population could be living in urban centres, contributing 70 to 75% of India's GDP. The urbanisation is expected to continue and by FY 2049-50 half of India's total population is expected to live in the urban areas. Riding on urbanisation, infrastructure sector is expected to receive an upward traction in terms of demand which could lead to superior offtake for construction chemical producers.

Affordable housing

India's national housing shortage is pegged at 40 million units. Housing per capita consumption is estimated at 0.50 square metres per person compared to China's 2.6 square metres per person, Europe's five to six square metres per person and Brazil's 3.4 square metres per person. This shows the growth headroom available for affordable housing in the country that could translate into superior growth in the demand for construction chemicals.

Real estate growth

The Central Government introduced landmark reforms (RERA, GST, Insolvency and Bankruptcy Code and adoption of REITs, among others) to create a credible ecosystem marked by greater transparency, accountability and customer assurance. As a result, the realty sector's growth is projected at US\$ 650 billion by 2025 and US\$ 850 billion-plus by 2028, catalysing the demand for construction chemicals.

How Hindcon expects to capitalise

Product efficacy

Riding on the back of an active R&D wing the Company strives to continuously update its products, which could help the Company serve customers with the highest grade of sodium silicate and variants across West Bengal.

Location

The Company's plant is strategically located, which not only helps the Company source 25% of its raw materials from within a 300 kms radius but also helps dispatch end products swiftly to its core area of operations.

Operational efficiency

The Company has focused on enhancing efficiencies to moderate costs.

Qualitative focus

The Company services customers with quality products matching stringent norms of BIS and ASTM standards.

Capacity

Hindcon has a capacity to produce 18,000 tonnes of sodium silicate and 12,000 tonnes of cement additives, which helps the Company address the entire stretch of West Bengal, running at an average capacity utilisation of 51%. The Company intends to scale its business and improve capacity utilisation to 90% over the next five years, which would help expand its presence across the country.

Diversified products

The Company comprises a variety of ~100 products, emerging as a one-stop shop for construction chemicals.

Financial

The Company strives to maintain a deleveraged Balance Sheet and, in doing so, has brought down gearing from 0.45 in FY 2015-16 to 0.01 in FY 2018-19.

The outcomes

The Company grew revenues from ₹31.53 crores during FY 2015-16 to

₹44.52 cr

during FY 2018-19.

The Company's margins strengthened from 6.98% in FY 2015-16 to

9.32%

during FY 2018-19.

Strategic outlook of Hindcon

THE BROAD OUTLOOK FOR THE COMPANY IS TURNING HINDCON INTO A ₹100 CRORES COMPANY WITHIN A SPAN OF FIVE YEARS.

Verticals

Hindcon primarily has two business verticals – sodium silicate and construction chemicals.

The share of ~58% of revenues is derived from construction chemicals.

The construction chemical segment enjoys presence spread in B2B and B2C markets.

During the year under review, the Company had ~4% of revenue of construction chemicals coming from the B2C market, which enjoyed higher margins.

The Company expects to grow its B2C customer base 10-fold in the next five years, which could improve the B2C and B2B ratio mix.

Job works

The Company is engaged in job works with bigger institutions wherein Hindcon not only services clients with superior quality products, but also helps them with waterproofing or rehabilitation.

During the year under review, the Company's job works contributed ₹41 lakhs.

The Company intends to grow revenues 10-fold over the span of five years.

Footprint

The Company currently has a pan-India presence with a distributor count pegged at 30.

The Company intends to deepen its market penetration on the back of increasing its distributor strength to 200 in the next five years.

The Company intends to foray into new geographies globally. From a presence in Nepal, Bhutan and Bangladesh, the Company intends to spread its footprint to new markets like Sri Lanka and the Middle-East.

Branding

The Company intends to take up extensive branding initiatives to spread brand awareness.



The Company started building visibility on the back of robust print and digital media branding.



The Company started growing the awareness of construction chemicals by giving presentations in various engineering collages.



The Company is engaged in sponsorships. Hindcon incentivises dealers and organises dealer meets annually, which reinforces its stakeholder engagement.

Quality

The Company has a BIS-approved lab in which it conducts quality assurance tests. This validated the Company's compliance with stringent quality norms.



The Company's construction chemicals emerged as the first green products to be certified by Indian Green Building Council (IGBC).



The Company has a capable R&D team of five people, of which three have been associated with the Company for more than a span of 15 years.



The Company intends to widen its portfolio by adding 5-10 new products to its existing portfolio every year for the next five years.

Headroom

The Company has land available for any prospective greenfield expansion.



The Company's manufacturing units are running at a capacity utilisation of 51% which the Company can increase depending on the demand for products.



The Company not only has available headroom for expansion but also for increasing production as per demand.

Sales and distribution review

Overview

In a business marked by the need for specialisation and informed sale, there is a premium on the need to distribute and sell construction chemicals. In the last few years, there is a premium on maximising offtake on account of diverse pricing policies, market sluggishness, lengthening receivables and growing competition. Besides, the Company needs to enhance retailer awareness of product attributes and widen the distribution network.

Highlights, FY 2018-19

Generated 26.12% increase in revenues.

Generated 56% revenues from within Bengal, the Company's largest market.

The Company sustained B2B revenues, which accounted for ~97% of revenues.

The retail segment accounted for 3% of revenue.

The five largest customers accounted for 40% of revenues.

The infrastructure sector accounted for the highest offtake of the Company's products.

Focused on sales promotion activities like seminars at engineering colleges, mason meets and dealer meets.

Strengthened the distribution network (30 distributors).

Challenges and responses

Development of new products that address emerging customer demands, especially in a dynamic marketplace, can be difficult for the Company.

To overcome this challenge, the Company deployed a dedicated R&D team to develop products in line with customer needs.

India is largely under-penetrated in the use of construction chemicals owing to a low retail awareness of benefits and applications.

The Company highlighted the diverse benefits and applications of construction chemicals to a wide range of customers from technocrats to masons.

Creating a robust logistics network comprising technically-competent and financially-strong distributors is a challenge.

The Company focused on the identification of and engagement with distributors familiar with the business to penetrate new geographies.

Strengths

Stringent compliance with quality norms through a robust quality management system.

In-depth awareness of global construction chemical market trends.

High proportion of repeat orders from clients.

Ability to service client needs with customised products.

Competitively-priced products.

Competent after-sales support.

Road ahead

Increase market share to 5% by FY 2019-20.

Strive to be a more customer satisfaction-led corporate.

Emulate international qualitative standards.

Deploy a state-of-the-art system and enforce stringent quality control measures.

Hindcon's widening presence

National projects

- ▶ Hydel power
- ▶ Metro railway
- ▶ Road construction
- ▶ Thermal power
- ▶ Steel plants
- ▶ Ready mix concrete
- ▶ Real estate

International markets

- ▶ Bhutan
- ▶ Bangladesh
- ▶ Nepal
- ▶ Sri Lanka

Domestic markets

- ▶ Bengal
- ▶ Madhya Pradesh
- ▶ Tamil Nadu
- ▶ Karnataka
- ▶ Uttar Pradesh
- ▶ Odisha
- ▶ Bihar
- ▶ Himachal Pradesh
- ▶ Uttarakhand
- ▶ Assam
- ▶ Jharkhand
- ▶ Andhra Pradesh
- ▶ Telangana
- ▶ Andaman & Nicobar

~3

% of revenues from B2C segment, FY 2018-19

~97

% of revenues from B2B segment, FY 2018-19

Notice

NOTICE is hereby given that the 21st Annual General Meeting of the Members of **M/s HINDCON CHEMICALS LIMITED** will be held at **Hindusthan Club Limited**, Conference Hall, 4/1, Sarat Bose Road, Kolkata-700020, on **Thursday, the 12th day of September, 2019** at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statement and Consolidated Financial Statement of the Company including Audited Balance Sheet as at 31st March, 2019, Audited Statement of Profit And Loss and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2. To declare a Dividend on Equity Shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of **Mr. Ramsanatan Banerjee (DIN: 05191594)**, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s R. B. Roy & Co., Chartered Accountants (Firm Registration No. 322805E) as the Statutory Auditor of the Company in place of M/s Pawan Gupta & Co., Chartered

Accountants and to fix their remuneration and to pass, with or without modification(s), the following resolution as an Ordinary Resolution::

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditor) Rules, 2014, including any statutory enactment or modification thereof and in accordance with the recommendation of the Audit Committee, M/s R. B. Roy & Co., Chartered Accountants (Firm Registration No. 322805E) be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company for the financial year 2019-20, at a remuneration to be decided by the Board of Directors".

**By Order of the Board of Directors
For Hindcon Chemicals Limited**

Registered office:

62/B, Braunfeld Row
Kolkata – 700 027
Date: 24.05.2019

Sd/-

Jaya Bajpai

Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxies to be effective must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A proxy form is enclosed.
3. **A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBERS HOLDING MORE THAN 10 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 PROXY FOR ANY OTHER MEMBER.**
4. The profile of the Directors seeking appointment/re-appointment, as required in terms of applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange is annexed hereto and forms part of this Notice.
5. The Register of Members and Transfer Books of the Company will be closed from 6th September, 2019 i.e. Friday to 12th September, 2019 i.e. Thursday (both days inclusive) for the AGM.
6. There is no un-paid / un-claimed dividend in the previous financial years.
7. Members holding shares in physical form are requested to intimate, indicating their respective folio number, the change of their addresses, the change of Bank Accounts etc. to **Link Intime India Private Limited** at 59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020, the Registrar and Share Transfer Agents

of the Company, while members holding shares in electronic form may write to their respective Depository Participant for immediate updation.

8. Members holding shares in physical form are advised to file nominations in respect of their shareholding in the Company, if not already registered and to submit the same to Registrar and Share Transfer Agent.
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
10. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. **The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the Annual Reports, Notices and other communications via e-mail. All the shareholders holding shares in physical form who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, etc. from the Company, electronically.**
13. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s) and Members holding shares in physical form are requested to submit their PAN details to the Company/R&TA.
15. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days during business hours upto the date of meeting.

16. Voting Through Electronic means

- I. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system ("remote e-voting") under an arrangement with The Central Depository Services (India) Limited ("CDSL") as specified more particularly in the instruction hereunder provided that once the vote on a Resolution is casted through e-voting, a Member shall not be allowed to change it subsequently.
- II. Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.
- III. **The instructions for shareholders voting electronically are as under:**
 - i. The remote e-voting period commences on 9th September, 2019 at 10:00 A.M. (IST) and ends on 11th September, 2019 at 5:00 P.M. (IST). 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 September, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - ii. Shareholders who have already voted prior to the meeting date (by remote e-voting) shall not be entitled to vote at the meeting venue.
 - iii. Log on to the e-voting website www.evotingindia.com during the voting period.
 - iv. Click on "Shareholders" tab.
 - v. After that enter your user ID;
For CDSL: 16 digits beneficiary ID;
For NSDL: 8 Character DP ID followed by 8 Digits Client ID; and
Members holding shares in Physical Form should enter Folio Number registered with the Company

- vi. Next enter the image verification as displayed and click Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Ex. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account with the depository or in the Company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the Company records for your folio.</p> <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or Company then please enter the member-ID / Folio Number in the Bank Account Number details field as mentioned in above instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will

now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <HINDCON CHEMICALS LIMITED> on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Note for Institutional Shareholders and Custodians.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to tohelpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533.
 - xxi. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
17. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at santibrewalla@gmail.com with a copy mark to helpdesk.evoting@cdslindia.com and the same may also be send to the Scrutinizer in physical mode also on or before 11th day of September, 2019 upto 5.00 p.m. without which the vote shall not be treated as valid.
 18. **The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 5th September, 2019** A person who is not a member as on cut-off date should treat this for notice information purpose only.
 19. The Notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 09.08.2019.
 20. **The shareholders shall have one vote per equity share held by them as on the cut-off date of 5th September, 2019. The facility of e-voting would be provided once for every folio / client ID, irrespective of the number of joint holders.**
 21. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
 22. **However, in case the members who have casted their votes by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.**
 23. **Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall not later than 3 (three) days of conclusion of the meeting make a consolidated scrutinizer's Report (which includes remote e-voting and voting as may be permitted at the venue of the AGM by means of ballot paper/poll) 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 results of the voting forthwith.**
 24. Subject to casting of requisite number of votes in favour of the resolution(s), the resolution(s) shall be deemed to be passed on the date of Annual General Meeting of the Company.
 25. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hindcon.com and on the website of CDSL immediately after declaration of results of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to National Stock Exchange of India Limited, where the shares of the Company is listed.
 26. Route-map to the venue of the AGM is annexed for the convenience of the members.
 27. As an austerity measure, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.

ANNEXURE TO NOTICE OF AGM

A. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting [In pursuance to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Statement as per Schedule V (third proviso of Section II of Part II) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India]

Sl. No.	Name of the Director	Mr. Ramsanatan Banerjee
1.	DIN	05191594
2.	Date of Birth and Age	2nd October, 1956 (63 Years)
3.	Nationality	Indian
4.	Date of appointment on Board	4th February, 2012
5.	Remuneration last drawn / Past Remuneration	₹6.75 lakhs
6.	No. of shares held in the Company	Nil
7.	Qualification & Expertise in specific functional area / Background details / Job profile and his suitability	Bachelor of Commerce from University of Burdwan and expertise in purchase, production, marketing, finance and accounts.
8.	Recognitions / Awards	NIL
9.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	NIL
10.	Pecuniary relationship directly or indirectly with the Company	No pecuniary relationship with the Company except Managerial Remuneration.
11.	No. of Board Meetings Attended	5 (Five)
12.	List of other listed Companies in which Directorships held as on 31st March, 2019	NIL
13.	List of other Companies in which Directorships held as on 31st March, 2019	NIL
14.	Chairman/ Member of the Committee of the Board of other Companies in which she is a Director as on 31st March, 2019	NIL
15.	Disclosure of relationship between Directors inter-se/Managerial Personnel	NIL

Board's Report

Dear Shareholders,

Your Directors take pleasure in presenting the 21st (Twenty First) Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2019.

FINANCIAL RESULTS:

(₹ in lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
i. Gross Turnover	4452.42	3529.56	4452.42	3529.56
ii. Other Income	45.89	97.82	57.23	173.76
iii. Total Revenue	4498.31	3627.38	4509.65	3,703.32
iv. Expenses other than Finance Cost and Depreciation	4083.47	3054.34	4085.92	3058.70
v. Earnings Before Interest, Depreciation, Taxation and Amortization (EBITDA)	414.84	573.04	423.73	644.62
vi. Finance Cost	15.03	47.60	15.03	47.60
vii. Depreciation	13.47	14.46	13.47	14.46
viii. Profit/(Loss) before Tax & Exceptional Item	386.34	510.98	395.23	582.56
ix. Exceptional Items	-	-	-	-
x. Profit before Taxation (PBT)	386.34	510.98	395.23	582.56
xi. Tax including Deferred Tax	(107.47)	(113.46)	(110.73)	(115.55)
xii. Profit after Taxation (PAT)	278.87	397.52	284.50	467.01
xiii. (Profit) / Loss of minority interest	-	-	(2.50)	(3.12)

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

During the year under review, your Company has achieved a Total Turnover of ₹4452.42 lakhs which is 26.15% higher as compared with the corresponding previous financial year. The EBITDA of the Company has decreased by 27.61% as compared with the previous financial year. Further, the Company has earned a net profit of ₹278.87 lakhs in the financial year 2018-19. The Company has produced 15,307.91 MT of Sodium Silicate and Construction Chemicals during the financial year as compared to 13,678.05 MT of Sodium Silicate and Construction Chemicals in the previous financial

year which is 11.92% higher as compared with the corresponding previous financial year.

OUTLOOK

Our Company has a varied portfolio of over 100 products which has helped us fortify our position as a one-stop shop for construction chemicals. We strive to service our customers with best-in-class products and our ISO 9001:2015 and ISO 22716:2007 certification speaks volumes about our compliance with stringent quality management norms. Currently, a very small proportion of our

revenues are generated from the retail segment. On the back of superior quality products coupled with longstanding relationships with retailers, the Company is optimistic of growing its revenue contribution from the retail segments 10-folds in the next 5 years. We further intend to widen our portfolio by adding 5-10 new products to our existing portfolio every year for the next 5 years.

The Company is focusing on increasing the production to achieve at least 18000 MT of Sodium Silicates and Construction Chemicals in the 2019-20.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company and the Company continues to concentrate on its own business.

DIVIDEND

The Board of Directors has recommended a dividend of ₹0.60 per equity share (6% of the paid up value of the shares) for the financial year ended March 31, 2019 amounting to ₹74,05,561/- (inclusive of dividend distribution tax of ₹12,62,686/-). The dividend payment is subject to approval of members at the ensuing Annual General Meeting.

SHARE CAPITAL

The paid up equity share capital as on March 31, 2019 stood at ₹10,23,81,250/- comprising of 1,02,38,125 shares of ₹10/-each fully paid shares.

Your Company has not issued any equity shares, equity shares with differential rights, Sweat equity shares, Employees' Stock Options and did not purchase its own shares. Hence there is no information to be provided as required under Rule 4(4), Rule 8(13), Rule 12(9) and Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 and Section 62 of the Companies act 2013, respectively.

DEPOSITS

Your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

TRANSFER TO RESERVE

The Company has not transferred any amount in the general reserve for the financial year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Directors Responsibility Statement as referred to

in section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year ended on 31st March, 2019;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis;
- v) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as "Annexure –A"

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information related to Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo as required under section 134(3)(m) of the Companies

Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 are given in the "Annexure-B" as attached hereto and forming part of this Report.

COMPANY'S WEBSITE

The website of your Company www.hindcon.com displays the Company's businesses up-front on the home page. The site carries a comprehensive database of information of all the Chemicals and Chemical products including the Financial Results of your Company, Shareholding Pattern, Directors' & Corporate profile, details of Board Committees, Corporate Policies and business activities of your Company.

All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the SEBI (LODR) Regulations, 2015 has been uploaded.

LISTING OF SECURITIES IN STOCK EXCHANGES

The shares of the Company are presently listed at the National Stock Exchange of India Limited – SME. The Company is registered with both NSDL & CDSL for holding the shares in dematerialized form and open for trading. The Company has paid Listing Fees to the Stock Exchange and the depositories.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

i) Retirement by Rotation:

Mr. Ramsanan Banerjee (DIN: 05191594), Executive Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

ii) Appointment and Resignation of Whole-time Key Managerial Personnel (KMP):

The present Whole-time Key Managerial Personnel of the Company are as follows:-

- i. Mr. Sanjay Goenka – Managing Director
- ii. Mr. Kashi Nath Dey – Chief Financial Officer
- iii. Ms. Jaya Bajpai – Company Secretary & Compliance Officer

Ms. Surbhi Saraf had resigned from the office of Company Secretary & Compliance Officer (designated as the Whole-time Key Managerial Personnel) of the Company and her resignation was accepted by the Board at its meeting held on December 10, 2018 with immediate effect, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Ms. Jaya Bajpai was appointed as the Company Secretary & Compliance Officer (designated as the Whole-time Key Managerial Personnel) of the Company by the Board at its meeting held on December 10, 2018 with immediate effect, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013 and rules made thereunder or any other provisions of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) of the Companies Act, 2013.

In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company conforming that he/she meets the criteria of independence as mentioned under section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All members of the Board of Directors and senior management personnel affirmed compliance with the Company's Code of Conduct policy on an annual basis.

AUDITORS AND THEIR REPORTS

(i) Statutory Auditors:

The present Statutory Auditors, M/s. Pawan Gupta & Co., Chartered Accountants, holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the financial year 2018-19.

The present Auditors has expressed their inability to continue as Statutory Auditors of the Company.

The Board on recommendation of Audit Committee has proposed to appoint M/s. M/s R. B. Roy & Co., (Firm Registration No. 322805E), Chartered Accountants (Peer Reviewed) as Statutory Auditors of the Company for a period of 1(one) year i.e. from the conclusion of ensuing Annual General Meeting till the conclusion of Annual General Meeting of the Company for the financial year 2019-20, subject to approval of Shareholders. The proposed new Auditors has expressed their willingness and declared that they are not disqualified for the appointment.

The Notes to Accounts, as referred in the Auditors Report are self-explanatory and hence does not call for any further explanation.

(ii) Internal Auditor:

The Board had appointed M/s. Amit Ved Garg & Co., Chartered Accountants, as the Internal Auditors of the Company to carry out the Internal Audit for the year 2018-19 under the provisions of section 138 of the Companies Act, 2013.

The Company has received consent letter from M/s. Amit Ved Garg & Co., Chartered Accountants, for their re- appointment as the Internal Auditors of the Company for the financial year 2019-20 and the Board has re-appointed them accordingly.

(iii) Secretarial Auditor:

The Board had appointed Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2018-19 under the provisions of section 204 of the Companies Act, 2013.

The report of the Secretarial Auditor for the F.Y. 2018-19 is enclosed as Annexure-C in Form MR-3 to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

The Company has received consent letter from Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary for his re- appointment as the Secretarial Auditor of the Company for the financial year 2019-20 and the Board has re-appointed him accordingly.

CORPORATE GOVERNANCE

Your Company has practiced sound Corporate Governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions and strive to comply non-mandatory requirements of Corporate Governance. Your Company has complied with the requirements of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as issued by Securities and Exchange Board of India and as amended from time to time. Your Company has given its deliberations to provide all the information in the Board's Report and the Corporate Governance Report as per the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as a matter of prudence and good governance.

Report on Corporate Governance Practices and the Auditors Certificate regarding compliance of conditions of Corporate Governance and certification by CEO/Whole-time Director & CFO is not applicable to your Company as per regulation 15(2)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

The Management Discussion and Analysis Report, in terms of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms the part of this Annual Report as enclosed "Annexure-D"

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) vide its notification in the Official Gazette dated January 21, 2019 has amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 applicable from April, 1 2019. Your Company has also approved and adopted the amended Code of Conduct for Prevention of Insider Trading in the Board meeting held on 4th February, 2019, and the same is also placed on the Company's website www.hindcon.com.

Further, in accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has already adopted the code of practices and procedures for fair disclosure of Un-published Price Sensitive Information and formulated the code of conduct of the Company.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (IND AS) applicable to certain classes of companies. IND AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. However, the Company is exempted from applicability of IND AS and accordingly the accounts have been prepared as per IGAAP.

DISCLOSURES AS PER APPLICABLE ACT AND SEBI (LODR) REGULATIONS, 2015

i) Related Party Transactions:

All transactions entered with related parties during the F.Y. 2018-19 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 which may have potential conflict of interest with the Company at large. Details of contracts which are not on arm's length basis and material transaction on arm's length basis are detailed in Form AOC 2 and annexed as "Annexure -E" to the Boards' Report.

The other disclosures regarding the related party transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

ii) Number of Board Meetings:

During the financial year ended March 31, 2019, 5 (Five) Board Meetings were held on May 25, 2018, July 10, 2018, 24th August, 2018, November 14, 2018 and February 4, 2019. The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Regulation 17(2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, Secretarial Standards and the provision of Companies Act, 2013.

The attendance details of each Director at the Board meetings held during their tenure is given herein below:

Sl. No.	Name of the Directors	No. of meetings held	No. of Board meetings attended
1	Mr. Sanjay Goenka	5	5
2	Mr. Ramsanatan Banerjee	5	5
3	Mrs. Nilima Goenka	5	5
4	Mr. Binay Kumar Agarwal	5	5
5	Mr. Girdhari Lal Goenka	5	4
6	Mr. Krishna Kumar Tantia	5	5

The meetings of the Board are generally held at the Registered Office of the Company.

Evaluation of the Board’s Performance:

During the year under review, the Board, in compliance with the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has continued to adopt formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and

otherwise, independent judgements, safeguarding of minority shareholders interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors, Committees of the Board and Board as a whole were carried out by the Independent Directors in their separate meeting.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

iii) Committees of the Board:

As on March 31, 2019 the Board had four Committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder’s Relationship Committee and Corporate Social Responsibility Committee.

a. Audit Committee:

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Committee comprises of Mr. Binay Kumar Agarwal being the Chairman and Mr. Krishna Kumar Tantia and Mr. Sanjay Goenka being the members of the Committee as on March 31, 2019.

During the financial year ended March 31, 2019,3 (three) Audit Committee meeting was held on 25th May, 2018, 14th November, 2018 and 4th February, 2019. The attendance details of each member at the Audit Committee meetings are given below:

Sl. No.	Name of the Directors	No. of meetings held	No. of meetings Attended
1.	Mr. Binay Kumar Agarwal	3	3
2.	Mr. Krishna Kumar Tantia	3	3
3.	Mr. Sanjay Goenka	3	3

Recommendation by Audit Committee

There were no such instances where the recommendation of Audit Committee has not been accepted by the Board during the financial year under review.

Vigil Mechanism (Whistle Blower Policy):

By virtue of Whistle Blower Policy, the Directors and employees of the Company are encouraged to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company

is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of Directors or employees or any other person who avails the mechanism from reprisals or victimization, for whistle blowing in good faith. This policy also allows the direct access to the Chairperson of the Audit Committee. During the year under review, the Company has not reported any complaints under Vigil Mechanism.

Details of establishment of the Vigil Mechanism have been uploaded on the Company's website: www.hindcon.com

b. Nomination and Remuneration Committee:

The Board of Directors of your Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Committee comprises of Mr. Girdhari Lal Goenka being the Chairman and Mr. Krishna Kumar Tantia and Mr. Binay Kumar Agarwal being the members of the Committee as on March 31, 2019.

During the financial year ended March 31, 2019, 2 (two) meeting was held on 14th November, 2018 and 4th February, 2019. The attendance details of each member at the Committee meetings are given below:

Sl. No.	Name of the Directors	No. of meetings held	No. of meetings Attended
1.	Mr. Girdhari Lal Goenka	2	2
2.	Mr. Krishna Kumar Tantia	2	2
3.	Mr. Binay Kumar Agarwal	2	2

Nomination, Remuneration and Evaluation Policy:

Pursuant to the provisions of the Companies Act, 2013 read with the Rules made therein and the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (as amended from time to time), the Committee has formulated the Nomination and Remuneration Policy which broadly laid down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company..

The detailed Nomination & Remuneration Policy of the

Company is placed on the Company's website and can be viewed at: <http://www.hindcon.com/wp-content/uploads/2018/05/Nomination-Remuneration-Policy-Final.pdf>

c. Composition of Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee comprises of Mr. Binay Kumar Agarwal being the Chairman and Mr. Krishna Kumar Tantia and Mrs. Nilima Goenka being the members of the Committee as on March 31, 2019.

During the financial year ended March 31, 2019, 3 (three) meeting was held on July 10, 2018, November 14, 2018 and February 4, 2019. The attendance details of each member at the Committee meetings are given below:

Sl. No.	Name of the Directors	No. of meetings held	No. of meetings Attended
1.	Mr. Girdhari Lal Goenka	3	3
2.	Mr. Krishna Kumar Tantia	3	3
3.	Mr. Binay Kumar Agarwal	3	3

d. Composition of Corporate Social Responsibility Committee:

Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee presently comprises of Mr. Sanjay Goenka being the Chairman and Mr. Binay Kumar Agarwal and Mrs. Nilima Goenka being the members of the Committee as on March 31, 2019.

During the financial year ended March 31, 2019, 2 (two) meeting was held on November 14, 2018 and February 4, 2019. The attendance details of each member at the Committee meetings are given below:

Sl. No.	Name of the Directors	No. of meetings held	No. of meetings Attended
1.	Mr. Sanjay Goenka	2	2
2.	Mr. Binay Kumar Agarwal	2	2
3.	Mrs. Nilima Goenka	2	2

Further, other details regarding CSR Activities / Initiatives undertaken by the Company are mentioned in the 'Annual Report on CSR Activities' enclosed as "Annexure -F" to this Report. The CSR policy is also uploaded on the Company's website i.e. on www.hindcon.com.

iv) Extracts of Annual Return:

The details forming part of the extract of the Annual Return in form MGT-9 as provided under section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as "Annexure- G" and the same is placed on the website of the company at the following link www.hindcon.com

Pursuant to Section 134(3) (a) of the Companies Act, 2013 and amendments thereof, the Annual Return for the financial year 2017-18 is placed on the website of the Company at the following link www.hindcon.com

v) Risk Analysis:

The Board has developed and implemented a risk management policy identifying therein the elements of risk that may threaten the existence of the Company. The Company has in place a mechanism to inform the Board members about the risk assessment, their comparison against benchmarks or standards, and determination of an acceptable level of risk and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

vi) Internal Financial Control:

The Company has in place adequate internal financial control as required under section 134(5)(e) of the Act and the same was evaluated by the Audit Committee. During the year such controls were tested with reference to financial statements and no reportable material weakness in the formulation or operations were observed. The Statutory Auditors of the Company conducted audit on the Company's internal financial control over financial reporting and the report of the same is annexed with Auditors' Report.

vii) Disclosure Relating To Material Variations:

As per Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, there are no such material variances in the Company.

viii) Loans, Guarantees and Investments:

During the year under review, your Company has invested and deployed its surplus funds in Securities, Bonds, units of Mutual Funds, Fixed deposits, etc. which is within the overall limit of the amount and within the powers of the Board as applicable to the Company in terms of Section 179 and 186 of the Companies Act, 2013.

The particulars of loans, guarantees and investments have been

disclosed in the notes of the Financial Statements for the year ended 31st March, 2019 and form a part of this Annual Report.

ix) Material changes and commitments, if any, affecting the financial position between the end of the financial year and date of the report:

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year save and except amount as may be utilized for buy-back of the shares out of the reserves of the Company and the date of this Report.

x) Subsidiaries, Associates or Joint Ventures:

As on 31st March, 2019 Company has only one Subsidiary Company viz. Padmalaya Vinimay Private Limited.

The consolidated financial statement in this Annual Report is as per the Accounting Standards as laid down by the Institute of Chartered Accountants of India. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information will also be available on our website including financial statement of Subsidiary Company. These documents will also be available for inspection during business hours at the Registered Office of the Company. The Company will also make available copy on specific request by any member of the Company, interested in obtaining the same.

In accordance to regulation 33 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company opts to submit consolidated financial results only on Annual basis and the same has been intimated to the Stock Exchange.

Further a statement containing the salient features of the financial statement of our Subsidiary Company in the prescribed format AOC-1 is appended as "Annexure-H" to this Board's Report.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent,

contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed.

INDUSTRIAL RELATIONS

The industrial relation during the year 2018-19 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

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

There have been no significant & material orders passed by regulators / courts / tribunals impacting going concern status and Company's operations in future.

APPRECIATION

Your Directors take this opportunity to place on record their gratitude to the Central and State Governments, Bankers and

Investors for their continuous support, co-operation and their valuable guidance to the Company and for their trust reposed in the Company's management. The Directors also commend the continuing commitment and dedication of the employees at all levels and the Directors look forward to their continued support in future.

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

Sd/-

Sanjay Goenka

Managing Director

DIN: 00848190

Sd/-

Ramsanatan Banerjee

Whole-time Director

DIN: 05191594

Registered Office:

62/B, Braunfeld Row

Kolkata – 700 027

Dated: 24th May, 2019

Annexure – A

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2018-19 (₹ in lakhs)	% increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Sanjay Goenka Managing Director	84.00	N.A.	1:1
2	Mrs. Nilima Goenka Whole-time Director	36.00	20	1.2:1
3	Mr. Ramsanatan Banerjee Whole-time Director	6.75	0.45	1:1
4	Mr. Kashi Nath Dey Chief Financial Officer	3.71	22.04	1.22:1
5	Ms. Surbhi Saraf Company Secretary*	1.10	-	1:1
6	Ms. Jaya Bajpai Company Secretary**	0.72	N.A.	N.A.

*Cessation w.e.f. 10.12.2018

**Appointed w.e.f. 10.12.2018

Note:

- No other Director other than the Managing Director and Whole-time Director received any remuneration during the financial year 2018-19.
- The median remuneration of employees of the Company during the financial year was ₹48,600/- compared to the previous year of ₹99,000/-.
- In the financial year 2018-19, there was an decrease of 50.90% in the median remuneration of employees;
- There were 95 permanent employees on the rolls of Company as on March 31, 2019;
- It is hereby affirmed that the remuneration paid during the year ended 31st March, 2019 is as per the Remuneration Policy of the Company.

Statement pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

A. LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN :

Sl. No. of Employees	Name of the Employees	Designation of the employee	Remuneration drawn during the financial year 2018-19 (₹ in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Vidisha Goenka	Finance Manager	20.32	Permanent	Post Graduate	01.04.2016	29 years	NA	NO	Sanjay Goenka and Nilima Goenka
2	Shristi Goenka	Marketing Manager	15.82	Permanent	Post Graduate	01.04.2016	25 years	NA	NO	Sanjay Goenka and Nilima Goenka
3	Tapan Bhowal	General Manager	11.85	Permanent	B.SC	01.08.2018	52 years	NA	NO	NO
4	Satyajit Dey	Sr.general Manager	6.02	Permanent	B.SC	03.05.2011	55 years	NA	NO	NO
5	Dillip Kumar Sahoo	Factory Manager	5.41	Permanent	B.COM	01.12.2002	43 years	NA	NO	NO
6	Sanath Kr Bhattacharya	Manager-Contracts	3.64	Permanent	B.SC	01.06.2012	52 years	NA	NO	NO
7	Bijaya Kumar Sahoo	Asst. Manager- Production & Qc	4.76	Permanent	B.SC	01.12.2002	39 years	NA	NO	NO
8	Prabhat Jha	Asst. General Manager	4.27	Permanent	B.SC	01.03.2017	53 years	NA	NO	NO
9	Tarak Nath Saha	Sr. Manager- Marketing	3.24	Permanent	B.SC	01.04.2008	41 years	NA	NO	NO
10	Subrat Kumar Kuanr	Manager Marketing	3.95	Permanent	B.COM	01.07.2010	42 years	NA	NO	NO

B. List of employees drawing a remuneration not less than ₹102.00 lakhs per annum or ₹8.50 lakhs per month, if employed for part of the year :

No employee in the Company has drawn remuneration falling under this category.

C. There is no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Executive Chairman or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.

D. There is no employee posted and working outside India not being directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakhs rupees per month.

Registered Office:

62/B, Braunfeld Row
Kolkata – 700 027

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Ramsanatan Banerjee
Whole-time Director
DIN: 05191594

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

Dated: 24th May, 2019

Annexure – B

THE DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Particulars pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014)

A) Conservation of energy:

(i) Steps taken or impact on conservation of energy

The conservation of energy is a continuous process for the Company and towards this endeavor, the company has taken various initiatives which are as under:

- Up gradation and modernization of equipments based on fuel or power efficiency.
- Installation of Gas Generating sets for generating power.
- Maintenance and overhauls of generators to achieve a high unit per ltr. delivery.
- Monitoring the maximum demand and power load factor on daily basis.
- Installation of power capacitors for efficient utilization of available power.
- Optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.
- Condensed Bulbs is gradually replaced with LED Bulbs in the factory to reduce the energy consumption.
- Installation of Gas flow meter to save the power and fuel cost.

(ii) Steps taken by the Company for utilizing alternate sources of energy

The Company is committed to conserve energy at its various levels and has explored possibilities to exploit alternate source of energy as well. The company is steadily progressing in this endeavor and is hopeful that improvements will be made going forward.

(iii) Capital investment on energy conservation equipments

Not ascertainable.

B) Technology Absorption

(i) Efforts, in brief, made towards technology

The Company undertakes regular efforts to upgrade and modernize its equipments through adoption of improved technology.

Managerial staffs often attend seminars and training program for quality improvement in their respective fields.

The Company conducts various workshop and interactive

group discussions regularly duly complimented by efficient training of staff with specific approach towards development of efficiency.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

The adoption of improved technology, regular up-gradation, modernization of equipments, conducting various workshops and implementation of organic technologies help in improving the quality of chemical. The Company is also exporter of its products to various countries.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

a)	Details of technology imported	N.A.
b)	Year of import	
c)	Whether the technology been fully absorbed	
d)	If not fully absorbed, areas where absorption has not taken place, reasons thereof: and	

C. Foreign exchange earnings and Outgo:

The Foreign exchange earned in terms of actual cash inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows is as follows –

Particulars	₹ In lakhs)	
	2018-19	2017-18
Total foreign Exchange Used and Earned:		
Earned (F.O.B.)	50.23	92.02
Used	344.86	567.03

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Ramsanatan Banerjee
Whole-time Director
DIN: 05191594

Registered Office:
62/B, Braunfeld Row
Kolkata – 700 027
Dated: 24th May, 2019

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
Hindcon Chemicals Limited
62/B, Braunfeld Row, 1st Floor,
Kolkata – 700 027

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Hindcon Chemicals Limited** (hereinafter called 'the Company') bearing **CIN: L24117WB1998PLC087800**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regards to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis and on representation made by the Company and its officers for compliances under other applicable Acts, laws and Regulations to the Company, the Company in addition to applicable general manufacturing laws has complied with the following law specifically applicable to the Company:-

- i. Manufacture, Storage, Import of Hazardous Chemicals Rules, 1989

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to

schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

I further report that during the audit period the Company has no reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards, etc. referred to above

Sd/-

Santosh Kumar Tibrewalla

Practicing Company Secretary

Membership No.3811

Certificate of Practice No. 3982

Place: Kolkata

Date: 24.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian economic overview

India emerged as the sixth-largest and retained its position as one of the fastest-growing trillion-dollar economies. However, after growing 7.2% in 2017-18, the Indian economy was expected to grow at 6.8% in 2018-19, as per the third advanced estimates of the Central Statistics Office released in May 2019.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steady interest rates and weakened consumer sentiment starting from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which resulted in a slower GDP growth of 6.6% and 5.8% in the third and fourth quarter of the year under review, respectively compared to 8% and 7% GDP growth in the first and second quarter of 2018-19, respectively. In the fourth quarter, India lost its tag as the fastest growing economy to China (6.4%).

In 2018, the country attracted ~US\$ 42 billion in FDI inflows as per the World Investment Report, 2019. India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the Ease of Doing Business that captured the performance of 190 countries. The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The Rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Key government initiatives

- **Expanding infrastructure:** India's proposed expenditure of ₹5.97 trillion (US\$ 89.7 billion) towards infrastructural development in Union Budget 2018-19 is expected to strengthen the national economy. As of November 2018, the total length of projects awarded under Bharatmala Pariyojana (including residual NHDP works) was 6,460 kms for a total cost of ₹1.52 trillion (US\$ 21.07 billion). The Government announced an investment of

₹10,000,000 crores. (US\$ 1.5 trillion) in infrastructure over the next five years in Budget 2019-20.

- **Sagarmala project:** Under this initiative the Government intends to develop six megaports and 415 projects along the coastline of the country. This initiative is expected to lead to a logistics cost saving of ₹35,000-40,000 crores per annum, boost merchandise exports by US\$ 110 billion and enable creation of one crore new jobs, of which direct jobs are estimated to be 40 lakhs, over the next 10 years.
- **Bharatmala project:** Under this initiative, the Government intends to develop 51,000 km of expressways entailing an investment of ₹10 trillion. The Ministry of Road Transport and Highways' target was estimated at 12,000 km of national highways in FY 2018-19, compared to 9,829 km achieved in 2017-18. Of the targeted quantum in FY 2018-19, 5,759 km was completed till November 2018.
- **Pradhan Mantri Awas Yojana (PMAY):** The Government of India (GoI) launched the 'Housing for All' initiative under the Pradhan Mantri Awas Yojana (PMAY) in June 2015. During the period 2014-18, 1.53 crore houses were built under PMAY. The government approved over 4 lakhs houses under PMAY (urban) in FY 2018-19, increasing houses sanctioned under the scheme to over 72.5 lakhs.
- **Smart Cities:** Between January 2016 (when the first batch of 20 smart cities were chosen through a competitive process) and January 2018, projects worth ₹33,970 crores were tendered. This grew 270% in a year to ₹126,000 crores by February 2019. Even the number of projects completed increased manifold, showing the kind of progress in one year which had not been achieved in the previous two years.

Outlook

India's markets are expected to perform better due to projected earnings revival in 2019. India is expected to grow at 7.1% in FY 2019-20 and 7.2% in FY 2020-21, benefiting from the ongoing structural reforms. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today)

Indian construction chemicals industry overview

The three major categories in which construction activities find

application include infrastructural, industrial and commercial, and residential. The Indian construction chemicals market is segmented into admixtures, flooring chemicals, waterproofing compounds, adhesives and sealants among others. India spent ~US\$ 1.5 per cubic metre on concrete admixtures vis-à-vis US\$ 3 per cubic metre and US\$ 4.5 per cubic metre, in China and the US, respectively (as of September 2017). With increased focus on improving the quality of construction, per capita consumption of specialty chemicals in India could grow faster than the industry growth rate. The proportion of adoption of construction chemicals was pegged at <25% in India.

Apart from a few multinational brands and some Indian companies in the organised sector, the rest of the market is accounted for by local small-scale manufacturers. Due to low entry barriers, competition is high; low-value products are largely sold by the unorganised sector. The top seven Indian players account for ~50% share of the market; the next 20 players account for 25% market share and the remaining 25% account for small and unorganised players.

End-user awareness is low in India regarding new chemical techniques and modern construction aids. Most contractors need to be educated about construction chemicals accounting for a fraction of the overall project or raw materials costs compared with their disproportionate value addition through enhanced durability and cost saving. Among user industries, the real estate sector ranks fourth accounting for 11.20% of specialty chemicals with toiletries and household care accounting for the lion's share pegged at 17% between 2015 and 2020.

The treatment-to-construction ratio is only 0.5% in India, compared to 2-3x in China and 3-4x in the US. This is because of lower mechanisation, site batched mortar production and limited awareness of how to achieve higher treatment ratios. However, with increasing adoption of modern construction methods and materials, the treatment ratio in India has improved by ~25 basis points over the last 10-15 years.

Governmental regulations formulated for promoting the concept

Treatment-to-construction ratio

0.5%
in India

India

US\$ **1.5** spending per cubic metre on concrete admixtures, 2017

1-1.5%
in China

China

US\$ **3** spending per cubic metre, 2017

1.5-2%
in the US

USA

US\$ **4.5** spending per cubic metre, 2017

SWOT analysis

Strengths

Developed chemicals manufacturing value chain, including R&D, to ramp up capacities and develop new products.

Weaknesses

Low market penetration, highly-fragmented industry, abysmally low awareness, lack of well-defined standards, meagre market share in India's overall specialty chemicals output.

Opportunities

Latent demand, early-bird advantage, ramping up capacities.

Threats

Ever-present threat of price wars, cheap substandard products from unorganised sector, large-scale dumping of Chinese imports.

of eco-friendly construction, increase in foreign investments, urbanisation and growing preference for utilisation of ready-mix concrete are some of the prominent factors driving growth in the construction chemicals market in India. However, some of the challenges faced by the sector are low availability of skilled manpower, volatility in raw material prices and lack of interest when it comes to the implementation of qualitative standards.

The rise in construction activities is expected to take place predominantly in Maharashtra, Gujarat and Madhya Pradesh. Gujarat and Maharashtra are key production hubs, driving the growth of the construction market, and thereby boosting the demand for construction chemicals. (Source: JM Research, Master Builder, BASF, McKinsey)

Growth drivers

Rising income levels: The per capita income in real terms (at 2011-12 prices) during 2018-19 was estimated at ₹92,565 compared to ₹87,623 in 2017-18. The growth rate was estimated at 5.6% in 2018-19 compared to 5.7% in the previous year, catalysing disposable incomes and consumption.

Market potential: Owing to the housing market boom in India, China and other South East Asian countries, the Asia Pacific has emerged as the biggest market for concrete admixtures.

Diversified industry: The Indian chemicals industry has a diversified manufacturing base that produces world-class products. There is a substantial presence of downstream industries in all segments. Furthermore, this large and expanding domestic chemicals industry boasts of a large pool of well-trained worker base.

Rural market: The rural population of India accounts for 66.86% of the population, a large untapped market with potential for sustained growth. With awareness spreading across the rural market about the benefits of using construction chemicals, a steady rise in demand is expected over the near future.

Increasing urbanisation: India's urbanisation growth between 2010 and 2015 stood at 1.1%, the highest among major economies. Looking ahead, India is expected to add >400 million people to its urban population between 2014 and 2050, strengthening real estate sector which in turn will boost the consumption for construction chemicals across the country. (Source: Business Standard, Economic Times)

Outlook

The Indian construction chemicals market could report a CAGR of

13.7% between 2017 and 2025 to reach US\$ 2,600 million by 2025. Utilisation of construction chemicals has witnessed significant growth in India due to increasing infrastructure development activities in the infrastructure, urban infrastructure and real estate segments. Rising construction of new buildings and renovation activities across India is expected to boost the overall demand for construction chemicals in the near future.

Most major players are ramping capacities and expanding their product range. Considering the nascent stage of the Indian market, several foreign and domestic players, including infrastructure developers, chemical manufacturers and institutional investors, are ramping up production by setting greenfield manufacturing facilities and expanding capacities of their existing manufacturing base to foray into the Indian market.

The consumption of construction chemicals is largely driven by cement consumption, which is estimated grow up to 550-600 million TPA by 2025.

The adhesives, sealants and admixtures markets are expected to collectively account for a 61.2% share of revenues by 2020. (Source: Future Market Research, JM Research, Master Builder)

Risk management

Economic risk: The construction chemicals industry is a niche one and a slowdown in the GDP could have an adverse effect on the Company's performance. In order to mitigate this, the Company is continuously strategising on how to minimise the effect of any economic risk on the business.

Competition risk: With the entry of new players in the market, the Company's share of business gets challenged. The Company is driven by the B2B business and hence any change in its share of business with the institutions the Company works with adversely affects profitability. The Company mitigates this challenge by expanding its presence across newer geographies and roping in new institutions to work with. Furthermore, the Company also maintains healthy relationships with its existing clients and institutions. The Company's huge portfolio of ~100 different products differentiates it from the peers and helps cater to all kinds of demand.

Demand risk: The demand for construction chemicals is hugely dependent on the pace of infrastructural development and any fall can affect the demand of construction chemicals. To mitigate this risk, the Company is coming up with new and innovative products that can be used in other sectors as well.

Quality risk: A decline in product quality can affect the Company's long-term revenue generation prospects. Hence, the Company ensures that its operations follow stringent quality norms. The Company is ISO 9001:2015 and ISO 22716:2007 certified, reflecting its commitment to quality.

Portfolio risk: Construction chemical is the biggest revenue generator for the Company and has accounted for 58% of the total revenue in 2018-19. Any adverse impact on sales of this product would affect operations and profitability of the Company. To mitigate this risk, the Company is on a constant endeavour to create a rich product basket, which caters to all kinds of demand that cushions the profitability of the Company.

Raw material risk: Hindcon does not have any supply agreement for major raw materials required by the Company and is hence exposed to risks relating to fluctuation in global commodity prices and shortage of raw material. The Company is able to cushion this risk by gradually increasing the price of its products.

Financial review

- **Revenues:** Revenues during the year under review stood at ₹44.52 crores, increasing by 26.12% compared to ₹35.30 crores during FY 2017-18.
- **Profit after tax:** The Company registered a profit after tax of ₹2.79 crores during FY 2018-19 compared to ₹3.98 crores during FY 2017-18.
- **Debt-equity ratio:** The Company's debt-equity ratio stood at 0.01 in FY 2018-19 compared to 0.45 in FY 2015-16.

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral

part of the general organisational structure of the Company and the Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and supporting committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

Human resources

Hindcon believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas. As on 31st March, 2019 the employee strength of the Company stood at 95.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Annexure – E

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

a.	Name(s) of the related party and nature of relationship	Mr. Sanjay Goenka, Managing Director and Mrs. Nilima Goenka, Whole-time Director.
b.	Nature of contracts/arrangements/transactions	Rent Agreement with the related parties.
c.	Duration of the contracts / arrangements/transactions	36 Months w.e.f. 1st April, 2017.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the Rent Agreements between both parties. Total rent paid / payable ₹25,000/- pm to both the related parties.
e.	Justification for entering into such contracts or arrangements or transactions	To maintain registered office of the Company.
f.	Date(s) of approval by the Board	10th March, 2017.
g.	Amount paid as advances, if any	N. A.
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N. A.

2. Details of material contracts or arrangement or transactions at arm's length basis:

a.	Name(s) of the related party and nature of relationship	Bengal Traders Private Limited – Mr. Sanjay Goenka is Director and also a shareholder holding 33% of the shares of the Company.
b.	Nature of contracts/arrangements/transactions	Sale of Goods.
c.	Duration of the contracts / arrangements/transactions	No contract executed.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	No contract executed & Goods are sold at the prevailing market price.
e.	Date(s) of approval by the Board, if any	Not Applicable.
f.	Amount paid as advances, if any	Nil.
a.	Name(s) of the related party and nature of relationship	Chemico International Private Limited – Mr. Krishna Kumar Tantia is Director of the Company.
b.	Nature of contracts/arrangements/transactions	Sale of Goods.
c.	Duration of the contracts / arrangements/transactions	No contract executed.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	No contract executed & Goods are sold at the prevailing market price.
e.	Date(s) of approval by the Board, if any	Not Applicable.
f.	Amount paid as advances, if any	Nil.

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:

62/B, Braunfeld Row
Kolkata – 700 027
Dated: 24th May, 2019

Sd/-

Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-

Ramsanatan Banerjee
Whole-time Director
DIN: 05191594

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Corporate Social Responsibility (CSR) is the contribution from the Corporate towards Social and Economic development of Society. CSR integrates Organization, Society and Planet. CSR policy should ensure activities which may include sustainable development by skill enhancement, sustainable environment, promotion to gender equality, prevention of health care and sanitation, care for senior citizens and differently able persons, promoting education etc.

The policy lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large along with the Company's philosophy for delineating its responsibility as a corporate citizen. The Company had proposed to undertake the activities relating to social welfare, which includes activities eradicating poverty and malnutrition, providing safe drinking water and other social welfare. Our Corporate Social Responsibility (CSR) initiatives insure we never lose sight of what we are and what our obligations are to the communities where we operate.

The CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms

The Company on recommendation of its CSR Committee has laid down a "Corporate Social Responsibility (CSR) Policy", in concurrence with the provisions specified in the Companies Act, 2013 and Rules made thereunder and the same has been uploaded to the website of the Company at www.hindcon.com

2. The Composition of the CSR Committee:

Names of the Director	Designation in Committee	Nature of Directorship
Mr. Sanjay Goenka	Chairman	Managing Director
Mr. Binay Kumar Agarwal	Member	Independent Director
Mrs. Nilima Goenka	Member	Whole-time Director

There is no change in the composition of the CSR Committee in the financial year 2018-19.

- 3. Average net profit of the Company for last three financial years:** 316.02 lakhs
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** 6.32 lakhs
- 5. Details of CSR spent during the financial year.**
- (a) Total amount to be spent during the financial year : 6.38 lakhs
- (b) Amount unspent, if any : Nil

d. Manner in which the amount spent during the financial year as detailed below:

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Health Care Facilities	Health Care	Local Area, Kolkata, West Bengal	4.50 lakhs	4.62 lakhs	4.62 lakhs	Through 1) Lions North Calcutta Hospital & Medical Centre 2) Sundarlal Tantia Charitable Trust 3) Iskcon
2	Women Empowerment & Educational Facilities	Reducing inequalities among socially & economically backward groups	Local Area, Kolkata, West Bengal	0.50 lakhs	0.48 lakhs	0.48 lakhs	Through 1) Friends of Tribal Society
3	Environmental Sustainability	Making available safe drinking water and environmental sustainability	Local Area, Kolkata, West Bengal	0.75 lakhs	0.76 lakhs	0.76 lakhs	Through 1) Calcutta Pinjrapole Society 2) M.M. Enterprise 3) Akhil Bharat Goraksha Sansthan
4	Promotion of Rural Sports and Olympic Sports	Promotion of Rural Sports and Olympic Sports	Local Area, Kolkata, West Bengal	0.75 lakhs	0.52 lakhs	0.52 lakhs	Direct

The unspent amount of ₹ Nil proposed to be spent in the Financial Year 2019-20.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount: N.A.

7. CSR committee Responsibility statement:

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

Registered Office:

62/B, Braunfeld Row
Kolkata – 700 027

Dated: 24th May, 2019

Sd/-

Sanjay Goenka
Managing Director

DIN: 00848190

Sd/-

Ramsanatan Banerjee
Whole-time Director

DIN: 05191594

Annexure – G

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN:	L24117WB1998PLC087800
ii.	Registration Date:	25th August, 1998
iii.	Name of the Company:	Hindcon Chemicals Limited
iv.	Category / Sub-Category of the Company:	Public Company Limited By Shares/Indian Non-Government Company
v.	Address of the Registered office and Contact details:	62/B, Braunfeld Row, 1st Floor, Kolkata-700 027 e-mail ID – contactus@hindcon.com Phone No. –(033)-2449 0835/39 Fax – (033)-2449 0849
vi.	Whether listed company:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor Room No.5, Kolkata – 700 020 Tel: +91-33-2289 0540 Fax: +91-33-2289 0539

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sodium Silicate, Cement Additive, etc	20299	96.10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of the Company	CIN/GLN/Foreign Registration Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Padmalaya Vinimay Private Limited 62/B, Braunfeld Row 1stFloor,Kolkata- 700027	U51109WB2008PTC131488	Subsidiary	97.52%	2(87)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	38,00,000	-	38,00,000	37.12	39,76,000	-	39,76,000	38.84	1.72
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt. (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	25,66,100	-	25,66,100	25.06	25,66,100	-	25,66,100	25.06	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	63,66,100	-	63,66,100	62.18	65,42,100	-	65,42,100	63.90	1.72
(2) Foreign									
a. NRIs – Individuals	-	-	-	-	-	-	-	-	-
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	63,66,100	-	63,66,100	62.18	65,42,100	-	65,42,100	63.90	1.72
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (Foreign Portfolio Investor)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a. Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	9,36,852	5,000	9,41,852	9.19	6,05,000	-	6,05,000	5.91	(3.28)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	9,25,500	-	9,25,500	9.04	10,01,500	-	10,01,500	9.78	0.74

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	
c. Others (specify)									
Hindu Undivided Family	2,89,500	-	2,89,500	2.82	3,29,500	-	3,29,500	3.22	0.40
Non Resident Indians (Re-pat)	4,000	-	4,000	0.04	8,000	-	8,000	0.08	0.04
Non Resident Indians (Non Re-pat)	-	-	-	-	-	-	-	-	-
Clearing Members	5,62,558	-	5,62,558	5.49	12,000	-	12,000	0.12	(5.37)
Body Corporate	11,36,115	12,500	11,48,615	11.22	17,40,025	-	17,40,025	17.00	5.78
Sub-total (B)(2)	38,54,525	17,500	38,72,025	37.82	36,96,025	-	36,96,025	36.10	(1.72)
Total Public Shareholding (B) = (B)(1) + (B)(2)	38,54,525	17,500	38,72,025	37.82	36,96,025	-	36,96,025	36.10	(1.72)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,02,20,625	17,500	1,02,38,125	100.00	1,02,38,125	-	1,02,38,125	100.00	0.00

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Sanjay Goenka	15,22,500	14.87	-	15,94,500	15.57	-	0.70
2.	Nilima Goenka	1328500	12.98	-	13,56,500	13.25	-	0.27
3.	Vansh Goenka	5,70,000	5.57	-	5,70,000	5.57	-	-
4.	Sanjay Goenka & Others (HUF)	3,79,000	3.70	-	4,55,000	4.44	-	0.74
5.	Padmalaya Vinimay Private Limited	25,66,100	25.06	-	25,66,100	25.06	-	-
	Total	63,66,100	62.18	-	65,42,100	63.90	-	1.72

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

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/18] end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SANJAY GOENKA				
	1st April, 2018	15,22,500	14.87	-	-
	Transfer-21.12.2018	8,000	0.08	15,30,500	14.95
	Transfer-18.01.2019	12,000	0.12	15,42,500	15.07
	Transfer-15.03.2019	52,000	0.50	15,94,500	15.57
	31st March, 2019	15,94,500	15.57	15,94,500	15.57

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/18] end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2.	NILIMA GOENKA				
	1st April, 2018	13,28,500	12.98	-	-
	Transfer- 07.12.2018	16,000	0.16	13,44,500	13.13
	Transfer- 21.12.2018	12,000	0.12	13,56,500	13.25
	31st March, 2019	13,56,500	13.25	13,56,500	13.25
3.	VANSH GOENKA				
	1st April, 2018	5,70,000	5.57	-	-
	Changes during the year	-	-	-	-
	31st March, 2019	5,70,000	5.57	5,70,000	5.57
4.	SANJAY GOENKA & OTHERS (HUF)				
	1st April, 2018	3,79,000	3.70	-	-
	Transfer- 21.12.2018	8,000	0.08	3,87,000	3.78
	Transfer- 28.12.2018	12,000	0.12	3,99,000	3.90
	Transfer- 18.01.2019	4,000	0.04	4,03,000	3.94
	Transfer- 15.03.2019	12,000	0.11	4,15,000	4.05
	Transfer- 22.03.2019	12,000	0.12	4,27,000	4.17
	Transfer- 29.03.2019	28,000	0.27	4,55,000	4.44
	31st March, 2019	4,55,000	4.44	4,55,000	4.44
5.	PADMALAYA VINIMAY PRIVATE LIMITED				
	1st April, 2018	25,66,100	25.06	-	-
	Changes during the year	-	-	-	-
	31st March, 2019	25,66,100	25.06	25,66,100	25.06

iv. Shareholding Pattern of top ten Shareholders:(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/18] end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	RADHAKRISHNA ADVISORS LLP				
	1st April, 2018	5,91,525	5.78	-	-
	Changes during the year		No Changes		
	31st March, 2019	5,91,525	5.78	5,91,525	5.78
2	ARISTRO CAPITAL MARKETS LIMITED				
	1st April, 2018	4,60,000	4.50	-	-
	Transfer-06.04.2019	28,000	0.27	4,88,000	4.77
	Transfer-13.04.2018	20,000	0.19	5,08,000	4.96

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/18] end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Transfer-20.04.2018	16,000	0.16	5,24,000	5.12
	Transfer- 11.05.2018	(2,40,000)	-2.35	2,84,000	2.77
	Transfer- 18.05.2018	(2,16,000)	-2.11	68,000	0.66
	Transfer- 25.05.2018	(46,000)	-0.39	22,000	0.21
	Transfer- 04.06.2018	4,000	0.04	26,000	0.25
	Transfer- 08.06.2018	4,000	0.04	30,000	0.29
	Transfer- 17.08.2018	(30,000)	-0.29	-	0.00
	Transfer- 07.12.2018	20,000	0.19	20,000	0.19
	Transfer- 21.12.2018	(20,000)	-0.19	-	-
	31st March, 2019	-	-	-	-
3	J.N.B. SIDHU FINANCE PVT LTD				
	1st April, 2018	1,88,500	1.84	-	-
	Transfer-04.05.2018	83,500	0.82	2,72,000	2.66
	Transfer- 25.05.2018	12,000	0.11	2,84,000	2.77
	Transfer-22.06.2018	36,000	0.36	3,20,000	3.13
	31st March, 2019	3,20,000	3.13	3,20,000	3.13
4	RAMANUJ REALTY PROJECTS LLP				
	1st April, 2018	1,24,000	1.21	-	-
	Changes during the year		No Changes		
	31st March, 2019	1,24,000	1.21	1,24,000	1.21
5	SANTOSH TIBREWALLA (HUF)				
	1st April, 2018	1,00,000	0.98	-	-
	Changes during the year		No Changes		
	31st March, 2019	1,00,000	0.98	1,00,000	0.98
6	SANGITA TIBREWALLA				
	1st April, 2018	1,00,000	0.98	-	-
	Changes during the year		No Changes		
	31st March, 2019	1,00,000	0.98	1,00,000	0.98
7	HEM FINLEASE PRIVATE LIMITED				
	1st April, 2018	88,000	0.86	-	-
	Transfer- 06.04.2018	(4,000)	-0.04	84,000	0.82
	Transfer- 25.05.2018	(4,000)	-0.04	80,000	0.78
	Transfer- 01.06.2018	4,000	0.04	84,000	0.82
	Transfer- 08.06.2018	(4,000)	-0.04	80,000	0.78
	Transfer- 22.06.2018	4,000	0.04	84,000	0.82
	Transfer- 30.06.2018	8,000	0.08	92,000	0.90
	Transfer- 20.07.2018	4,000	0.04	96,000	0.94
	Transfer- 27.07.2018	4,000	0.04	1,00,000	0.98
	Transfer- 03.08.2018	(4,000)	-0.04	96,000	0.94

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/18] end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Transfer- 10.08.2018	(4,000)	-0.04	92,000	0.90
	Transfer- 07.09.2018	8,000	0.08	1,00,000	0.98
	Transfer- 14.09.2018	(4,000)	-0.04	96,000	0.94
	Transfer- 21.09.2018	(24,000)	-0.24	72,000	0.70
	Transfer- 29.09.2018	4,000	0.04	76,000	0.74
	Transfer- 12.10.2018	4,000	0.04	80,000	0.78
	Transfer- 26.10.2018	8,000	0.08	88,000	0.86
	Transfer- 02.11.2018	4,000	0.04	92,000	0.90
	Transfer- 09.11.2018	(4,000)	-0.04	88,000	0.86
	Transfer- 23.11.2018	4,000	0.04	92,000	0.90
	Transfer- 07.12.2018	(4,000)	-0.04	88,000	0.86
	Transfer- 21.12.2018	(4,000)	-0.04	84,000	0.82
	Transfer- 28.12.2018	4,000	0.04	88,000	0.86
	Transfer- 18.01.2019	(4,000)	-0.04	84,000	0.82
	Transfer- 25.01.2019	4,000	0.04	88,000	0.86
	Transfer- 08.02.2019	4,000	0.04	92,000	0.90
	Transfer- 08.03.2019	4,000	0.04	96,000	0.94
	Transfer- 22.03.2019	(4,000)	-0.04	92,000	0.90
	Transfer- 29.03.2019	(4,000)	-0.04	88,000	0.86
	31st March, 2019	88,000	0.86	88,000	0.86
8	MANU STOCK BROKING PRIVATE LIMITED				
	1st April, 2018	35,500	0.35	-	-
	Changes during the year	No Changes			
	31st March, 2019	35,500	0.35	35,500	0.35
9	SRI SALASAR SUPPLIERS PRIVATE LIMITED				
	1st April, 2018	4,000	0.04	-	-
	Transfer- 11.05.2018	2,44,000	2.38	2,48,000	2.42
	Transfer- 25.05.2018	(,8000)	-0.08	2,40,000	2.34
	31st March, 2019	2,40,000	2.34	2,40,000	2.34
10	JAJODIA FINANCE LIMITED				
	1st April, 2018	0	0.00	-	-
	Transfer- 18.05.2018	2,16,000	2.11	2,16,000	2.11
	31st March, 2019	2,16,000	2.11	2,16,000	2.11

v Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/18] end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SANJAY GOENKA				
	1st April, 2018	15,22,500	14.87	-	-
	Transfer- 21.12.2018	8,000	0.08	15,30,500	14.95
	Transfer- 18.01.2019	12,000	0.12	15,42,500	15.07
	Transfer- 15.03.2019	52,000	0.50	15,94,500	15.57
	31st March, 2019	15,94,500	15.57	15,94,500	15.57
2.	NILIMA GOENKA				
	1st April, 2018	13,28,500	12.98	-	-
	Transfer- 07.12.2018	16,000	0.15	13,44,500	13.13
	Transfer- 21.12.2018	12,000	0.12	13,56,500	13.25
	31st March, 2019	13,56,500	13.25	13,56,500	13.25

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	28,42,240	54,00,000	-	82,42,240
ii) Interest due but not paid	-	6,25,238	-	6,25,238
iii) Interest accrued but not due	-	-	-	-
Total (i + ii+ iii)	28,42,240	60,25,238	-	88,67,478
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	10,47,959	60,25,238	-	70,73,197
Total	(10,47,959)	(60,25,238)	-	(70,73,197)
Indebtedness at the end of the financial year				
i) Principal Amount	17,94,281	-	-	17,94,281
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii+ iii)	17,94,281	-	-	17,94,281

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjay Goenka Managing Director	Mrs. Nilima Goenka Whole-time Director	Mr. Ramsanatan Banerjee Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	36,00,000	6,75,000	1,26,75,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission				
	- as % of profit	-	-	-	
	- others, specify...	-	-	-	
5.	Others, please specify				
	- Provident Fund	-	-	-	
	Total (A)	84,00,000	36,00,000	6,75,000	1,26,75,000
	Ceiling as per the Act	10% of the Net Profit of the Company			

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Binay Kumar Agarwal	Mr. Girdhari Lal Goenka	Mr. Krishna Kumar Tantia	
1	Fee for attending Board & Committee meetings	20,000	9,500	18,000	47,500
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	20,000	9,500	18,000	47,500
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	20,000	9,500	18,000	47,500
	Overall Ceiling as per the Act	₹1,00,000 per Board/Committee Meeting 1% of the net profit of the Company			

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Kashi Nath Dey Chief Executive Officer	Ms. Surbhi Saraf* Company Secretary	Ms. Jaya Bajpai** Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,71,800	1,10,000	72,000	5,53,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission				
	- as % of profit	-	-	-	
	- others, specify...	-	-	-	
5.	Others, please specify				
	- Provident Fund	-	-	-	
	Total (A)	3,71,800	1,10,000	72,000	5,53,800

* Resign w.e.f. 10.12.2018

** Appointed w.e.f. 10.12.2018

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

Registered Office:

 62/B, Braunfeld Row
Kolkata – 700 027

Dated: 24th May, 2019

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Ramsanatan Banerjee
Whole-time Director
DIN: 05191594

Annexure – H

Form AOC-1

(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 statement of Subsidiaries or Associate Companies or Joint Ventures

PART A: SUBSIDIARIES

The Company has 1 (One) Subsidiary Company as on 31st March, 2019.

Sl. No.	Particulars	
1.	Name of Subsidiary Company	Padmalaya Vinimay Private Limited
2.	Latest audited Balance Sheet Date	31st March, 2019
3.	The date since when subsidiary was acquired	31st March, 2011
4.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2018 to March 31, 2019
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Rupees
6.	Share Capital	₹40,35,000
7.	Reserves and Surplus	₹4,31,46,769
8.	Total Assets	₹4,74,00,099
9.	Total Liabilities	₹4,74,00,099
10.	Investments	₹3,17,21,120
11.	Turnover	NIL
12.	Profit before Taxation	₹8,88,480
13.	Provision for Taxation	(₹3,25,714)
14.	Profit after Taxation	₹5,62,766
15.	Proposed Dividend	NIL
16.	Extent of shareholding (in percentage)	97.52%

Other information:

- Names of subsidiaries which are yet to commence operations - Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

PART B: ASSOCIATES AND JOINT VENTURES

The Company has no Associate Companies and Joint Ventures as on 31.03.2019.

Other Information:

- Names of associates or joint ventures which are yet to commence operations - Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

**Sd/-
Sanjay Goenka**
Managing Director
DIN: 00848190

**Sd/-
Ramsanatan Banerjee**
Whole-time Director
DIN: 05191594

Registered Office:

62/B, Braunfeld Row
Kolkata – 700 027
Dated: 24th May, 2019

**Sd/-
Kashi Nath Dey**
Chief Financial Officer

**Sd/-
Jaya Bajpai**
Company Secretary

Independent Auditors' Report

To
The Members of
Hindcon Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Hindcon Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other

information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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 in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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.
 - 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.
 - 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.
 - On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position, subject to

Kolkata
May 24, 2019

note 31 of the Standalone financial statements.

- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For PAWAN GUPTA & CO.
Chartered Accountants
Firm Regn. No.318115E

Sd/-
(CA. P. K. Gupta)

Proprietor
Membership No.053799

Annexure – 'A' to the Auditors' Report

(Referred to in our report of even date to the members of Hindcon Chemicals Limited on the Accounts for the year ended 31st March, 2019)

- (1) 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 at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and the nature of its Fixed Assets. No material discrepancies have been 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 title deeds of immovable properties are held in the name of the company.
- (2) Physical verification of the finished goods, stores, spare parts and raw materials have been conducted by the management at reasonable intervals, except in case of stocks lying with third parties for which certificates have been obtained. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company has maintained proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records, were not material and have been properly dealt with in the books of accounts.
- (3) The company has not granted loan to any party covered in the register maintained under section 189 of the Companies Act, 2013.
- (4) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (5) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been maintained.
- (7) a) According to the books and records of the company produced to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales-tax, wealth tax, goods and services tax, custom duty, value added tax, excise duty, cess and other statutory dues as applicable.

- b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:-

Sl. No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates (F. Y.)	Forum where Dispute is pending
1.	Income Tax Act, 1961	Tax and Interest	28,60,604/-	2013-14	CIT (A)
2.	Income Tax Act, 1961	Tax and Interest	33,920/-	2016-17	DCIT

- (8) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (9) a) According to the records of the company, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- b) On the basis of review or utilization of funds pertaining to term loans on overall basis and related information as made available to us, we are of the opinion that the Company has applied the term loans for the purpose for which they were obtained during the year.
- (10) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no material fraud by the Company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (11) Based upon the audit procedures performed and information and explanations given by the management, we report that the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act, 2013.
- (12) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a nidhi company. Hence, in our opinion, the requirements of clause 3(xii) of the Order is not applicable to the company.
- (13) According to the information and explanations given to us and on the basis of our examination of the records of the company,
- all transactions with the related parties during the year are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (14) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (15) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with them, during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.
- (16) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For PAWAN GUPTA & CO.
Chartered Accountants
Firm Regn. No.318115E

Sd/-
(CA. P. K. Gupta)
Proprietor
Membership No.053799

Kolkata
May 24, 2019

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Hindcon Chemicals Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For PAWAN GUPTA & CO.
Chartered Accountants
Firm Regn. No.318115E

Sd/-

(CA. P. K. Gupta)

Proprietor

Membership No.053799

Kolkata
May 24, 2019

Balance Sheet

as at 31st March, 2019

(Amount in ₹)

	Note	As at 31st March, 2019	As at 31st March, 2018
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	10,23,81,250	10,23,81,250
b. Surplus	4	18,28,65,977	15,47,46,400
		28,52,47,227	25,71,27,650
2. Non-Current Liabilities			
a. Long Term Borrowings	5	3,16,566	4,08,585
		3,16,566	4,08,585
3. Current Liabilities			
a. Short Term Borrowings	6	13,85,696	75,51,003
b. Trade Payables	7	3,66,23,725	3,63,73,234
c. Other Current Liabilities	8	1,02,02,933	1,65,29,457
d. Short Term Provisions	9	1,03,00,000	1,32,80,000
		5,85,12,354	7,37,33,694
	Total	34,40,76,147	33,12,69,929
II. ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	10	1,00,45,961	1,08,07,599
b. Non-Current Investments	11	4,07,50,862	3,24,32,630
c. Deferred Tax Asset	12	21,26,573	26,15,209
d. Long Term Loans and Advances	13	39,94,065	49,04,814
		5,69,17,461	5,07,60,252
2. Current Assets			
a. Inventories	14	2,71,03,140	2,86,28,458
b. Trade Receivables	15	19,40,79,944	18,31,45,837
c. Cash and Cash Equivalents	16	1,19,77,184	4,28,05,573
d. Short Term Loans and Advances	17	5,25,83,527	2,54,75,938
e. Other Current Assets	18	14,14,891	4,53,871
		28,71,58,686	28,05,09,677
	Total	34,40,76,147	33,12,69,929

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **PAWAN GUPTA & CO.**

Chartered Accountants
ICAI Firm Regn. No.318115E

Sd/-
(CA. P. K. Gupta)

Proprietor
Membership No.053799

Kolkata
May 24, 2019

Sd/-
(Sanjay Goenka)
(Managing Director)
(DIN : 00848190)

Sd/-
(Kashinath Dey)
(Chief Financial Officer)

Sd/-
(Nilima Goenka)
(Whole Time Director)
(DIN : 00848225)

Sd/-
(Jaya Bajpai)
(Company Secretary)

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

(Amount in ₹)

	Note	Current Year 2018-2019	Previous Year 2017-2018
I. INCOME			
Revenue from Operations (Gross)	19	44,52,41,771	36,19,50,156
<u>Less: Excise Duty</u>		-	89,94,131
Revenue from Operations (Net)		44,52,41,771	35,29,56,025
Other Income	20	45,89,572	97,81,751
Total Revenue	Total	44,98,31,343	36,27,37,776
II. EXPENDITURE			
Cost of Materials Consumed	21	26,43,39,658	22,97,83,063
Purchase of Stock-in-Trade		7,80,60,740	97,47,343
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	22	(5,85,560)	(2,21,570)
Employee Benefits Expense	23	3,44,03,576	3,54,87,297
Finance Costs	24	15,02,846	47,60,448
Depreciation and Amortisation Expense		13,46,955	14,46,140
Other Expenses	25	3,21,28,543	3,06,37,404
Total Expenses		41,11,96,758	31,16,40,125
Profit Before Tax		3,86,34,585	5,10,97,651
Tax Expenses			
Current Tax		(1,03,00,000)	(1,32,80,000)
Deferred tax		(4,88,636)	20,06,626
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		41,751	(72,172)
Total Tax Expenses		(1,07,46,885)	(1,13,45,546)
Profit for the Year		2,78,87,700	3,97,52,105
Earnings per equity share of face value of ₹10 each			
- Basic & Diluted (in ₹)		2.72	5.19
The number of shares used in computing Earnings per share			
- Basic & Diluted	29	1,02,38,125	76,52,043

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **PAWAN GUPTA & CO.**
Chartered Accountants
ICAI Firm Regn. No.318115E

Sd/-
(Sanjay Goenka)
(Managing Director)
(DIN : 00848190)

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(Nilima Goenka)
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(DIN : 00848225)

Sd/-
(CA. P. K. Gupta)
Proprietor
Membership No.053799

Sd/-
(Kashinath Dey)
(Chief Financial Officer)

Sd/-
(Jaya Bajpai)
(Company Secretary)

Kolkata
May 24, 2019

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

(Amount in ₹)

	Current Year 2018-2019		Previous Year 2017-2018	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		3,86,34,585		5,10,97,651
Adjustments for :				
Depreciation	13,46,955		14,46,140	
Interest Income	(39,70,849)		(21,25,023)	
Dividend Income	(1,08,650)		(75,401)	
Profit on Sale of Investments	(3,99,977)		(64,08,394)	
Profit on Sale of Fixed Assets	(99,638)		-	
Fixed Assets Written off	-		5,51,214	
Gratuity (Adjusted with reserves & Gratuity Premium paid)	2,31,878		(1,30,220)	
Financial Charges	15,02,846	(14,97,435)	47,60,448	(19,81,236)
Operating profit before working capital changes		3,71,37,150		4,91,16,415
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	(1,09,34,107)		(63,55,575)	
(Increase)/Decrease in Inventories	15,25,319		(2,01,88,759)	
(Increase)/Decrease in Long Term Loans & Advances	9,10,749		(7,70,165)	
(Increase)/Decrease in Short Term Loans & Advances	(2,89,35,910)		1,07,12,068	
(Increase)/Decrease in Other Current Assets	(9,61,020)		1,94,645	
Increase/(Decrease) in Trade Payables	2,50,491		36,46,036	
Increase/(Decrease) in Other Current Liabilities	(63,26,524)		15,89,497	
Net changes in working capital		(4,44,71,002)		(1,11,72,253)
Cash generated from operations		(73,33,852)		3,79,44,162
Taxes (Payment)/Refund	(1,14,09,929)	(1,14,09,929)	(1,35,12,052)	(1,35,12,052)
Net cash used (in)/from operating activities		(1,87,43,781)		2,44,32,110
B. Cash flow from Investing activities :				
Additions to fixed assets (Net)	(4,85,680)		(16,94,816)	
(Increase)/Decrease in Non Current Investments	(79,18,256)		(1,40,14,029)	
Dividend Received	1,08,650		75,401	
Interest Received	39,70,849		21,25,023	
Net cash used in/from investing activities		(43,24,437)		(1,35,08,421)

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

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
C. Cash flow from Financing activities :		
Interest & Financial Charges	(15,02,846)	(47,60,448)
Proceeds from Issue of Share Capital	-	6,90,33,624
Proceeds from Long Term Borrowings	(92,019)	2,10,605
Proceeds from Short Term Borrowings	(61,65,306)	(4,21,23,503)
Net cash used in/from financing activities	(77,60,171)	2,23,60,278
Net Increase/(Decrease) in Cash & Cash Equivalents	(3,08,28,389)	3,32,83,967
Cash and Cash Equivalents at the beginning of the year	4,28,05,573	95,21,606
Cash and Cash Equivalents at the end of the year	1,19,77,184	4,28,05,573

Note: i) The above Cash Flow has been prepared under " Indirect Method " as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

ii) This is the Cash Flow Statement referred to, in our report of even date.

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **PAWAN GUPTA & CO.**

Chartered Accountants
ICAI Firm Regn. No.318115E

Sd/-

(CA. P. K. Gupta)

Proprietor

Membership No.053799

Kolkata

May 24, 2019

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

Sd/-

(Sanjay Goenka)

(Managing Director)

(DIN : 00848190)

Sd/-

(Kashinath Dey)

(Chief Financial Officer)

Sd/-

(Nilima Goenka)

(Whole Time Director)

(DIN : 00848225)

Sd/-

(Jaya Bajpai)

(Company Secretary)

Notes on Financial Statements for the year ended 31st March, 2019

Note: 1 - Corporate Information

Hindcon Chemicals Limited (the "Company") is a public limited company incorporated in India on 25.08.1998 vide CIN No. U24117WB1998PLC087800. The shares of the Company has been listed on the SME Platform of the National Stock Exchange of India Ltd w.e.f. 9th March, 2018. The Company is primarily engaged in the business of manufacturing & sale of Sodium Silicate & construction chemicals. The Manufacturing unit of the Company is located in Howrah, West Bengal.

Note: 2 - Significant Accounting Policies

(A) Basis of preparation of Financial Statements

- (i) The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the applicable mandatory Accounting Standards as prescribed under section 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014

(B) Use of Estimates

- (i) The preparation of financial statements in conformity with Indian GAAP requires judgement, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

(C) Property, Plant & Equipment

- (i) Property, Plant & Equipment, except Freehold Land, are stated at cost less accumulated depreciation. The cost of the assets comprise its purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use. When significant parts of Property, Plant & Equipment are required to be replaced at intervals, the company recognizes such part as individual assets with specific useful lives and depreciates them accordingly. Subsequently expenditures related to an item of asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant & Equipment including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(D) Depreciation and Amortisation

- (i) Depreciation on fixed assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method based on the useful lives of respective assets as estimated by the management and/or based on the useful lives prescribed in Schedule II to the Companies Act, 2013. The identified components are depreciated over their useful lives as estimated by the management.
- (ii) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(E) Impairment of Assets

- (i) The carrying amounts of assets (tangible and intangible) are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

(F) Investments

- (i) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Non-Current Investments.
- (ii) Non-Current Investments are stated at weighted average cost. The diminution, if any, in the value of investment, is recognised when such diminution is considered other than temporary in the opinion of the management.
- (iii) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Notes on Financial Statements for the year ended 31st March, 2019

(G) Inventories

- (i) Raw Materials (including packing materials) are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.
- (ii) Finished Goods are valued at lower of cost and net realizable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition.
- (iii) Inter-divisional transfers are valued at works/factory costs of the transferor unit/division and other other charges.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(H) Foreign Currency Transactions

- (i) Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency as at the date of the transaction.
- (ii) Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.
- (iii) Exchange Differences: Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the period in which they arise.

(I) Revenue Recognition

- (i) Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.
- (ii) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract. Sales are inclusive of delivery charges, if any, and net of Trade Discounts and GST. But incentive schemes, cash discounts and rebates are separately booked as expenditure.
- (iii) In contracts involving the rendering of services, revenue is measured using the completed service method.
- (iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- (v) Export Incentives are recognised when the right to receive such incentives as per the applicable terms is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate realisation/ utilisation of such incentives.
- (vi) Insurance and other claims due to uncertainty in realisation are accounted for on settlement/realization.
- (vii) Other income is accounted for on accrual basis as and when the right to receive arises.

(J) Employee Benefits

- (i) Employee benefits of short term nature are recognized as expense as and when it accrues. Employee benefits of long term nature are recognized as expenses based on actuarial valuation using projected unit credit method.
- (ii) Contributions are made to Provident Fund and Employees State Insurance as per the provisions of Provident Fund Act and ESI Act respectively and are charged to the Statement of Profit and Loss. The Company has no further obligations beyond its monthly contributions to the respective funds. Provision for Leave Encashments are not made and are recognised as and when incurred. Termination benefits are recognised as expenditure as and when incurred.
- (iii) The Company is making annual contribution to LIC's Group Gratuity scheme towards gratuity and other retirement/termination benefits for the company's employees. The Company is making payment to LIC's Group Gratuity for gratuity covering eligible employees. Company's gratuity policy provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Notes on Financial Statements for the year ended 31st March, 2019

(K) Borrowing Costs

- (i) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
- (ii) Other Borrowing costs are recognised as expense in the period in which they are incurred.

(L) Taxation

- (i) Current Tax: Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.
- (ii) Deferred Tax: The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised only if there is a virtual certainty of their realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to obtain reassurance as to realisation.

(M) Provisions, Contingent Liabilities and Contingent Assets

- (i) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to their present value and are determined by the management based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (ii) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.
- (iii) A Contingent Asset is not recognized in the Accounts.

(N) Operating Leases

Assets taken on lease, under which all the risks and rewards of ownership are effectively retained by the lessor, are classified as operating lease. Operating Lease payments are recognised as an expense in the Profit & Loss Account on a straight line basis over the lease term.

(O) Research & Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the period in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalized and is depreciated according to the policy followed by the Company.

(P) Government Grants

- (i) Grants and subsidies from the government are recognized when there is reasonable assurance that the company will comply with the conditions attached to them, and the grant/subsidy will be received.
- (ii) When the grant or subsidy relates to revenue, it is recognized as income on systematic basis in the statement of profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Notes on Financial Statements for the year ended 31st March, 2019

(Q) Segment Reporting

Based on the synergies, risks and returns associated with the business operations and in terms of Accounting Standard - 17, the company is predominantly engaged in a single segment of Manufacturing of Sodium Silicate & Construction Chemicals and allied activities during the period. The analysis of the geographical segments is based on the areas in which the company's customers are located.

(R) Earning Per Share

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

(S) Corporate Social Responsibility

- (i) The Company has been an early adopter of CSR initiatives. The company works primarily through other Trusts/Intitutions which are primarily engaged in projects for supporting in eradication of hunger, poverty and malnutrition, promoting education, art and culture, healthcare including preventive healthcare and protection and welfare of animals.

(T) Material Events occurring after Balance Sheet date are taken into consideration.

Notes on Financial Statements for the year ended 31st March, 2019

Note: 3 - Share Capital

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹10/- each	11,00,00,000	11,00,00,000
Issued, Subscribed & Paid Up Share Capital		
1,02,38,125 Equity Shares of ₹10/- each	10,23,81,250	10,23,81,250

3.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year

(Amount in ₹)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the Year	1,02,38,125	10,23,81,250	14,95,625	1,49,56,250
<u>Movement during the year</u>				
Increase in share capital on account of Issue of Bonus Shares	-	-	59,82,500	5,98,25,000
Increase in share capital on account of Issue of Shares by way of Initial Public Offer	-	-	27,60,000	2,76,00,000
Equity Shares at the end of the Year	1,02,38,125	10,23,81,250	1,02,38,125	10,23,81,250

3.3 Terms/Rights, Preferences and Restrictions attached to the Equity Shares

The company has only one class of equity shares having a par value of ₹10/- per share which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. Each holder of equity shares is entitled to one vote per share.

3.4 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31st March, 2019	As at 31st March, 2018
	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares **	-	59,82,500
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

** The Company has issued 59,82,500 Bonus Shares on 08/08/2017 in the ratio 4:1.

3.5 Details of shareholders holding more than 5% shares of the Company

(Amount in ₹)

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	% Held	No of Shares	% Held
Padmalaya Vinimay Pvt Ltd	25,66,100	25.06	25,66,100	25.06
Sanjay Goenka	15,94,500	15.57	15,22,500	14.87
Nilima Goenka	13,56,500	13.25	13,28,500	12.98
Radhakrishna Advisors LLP	5,91,525	5.78	5,91,525	5.78
Vansh Goenka	5,70,000	5.57	5,70,000	5.57

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of share.

Notes on Financial Statements for the year ended 31st March, 2019

Note: 4 - Surplus

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
4.1 Securities Premium		
Balance as at the beginning of the year	6,35,02,374	8,18,93,750
<u>Add:</u> Premium received on issue of shares under Initial Public Offer (27,60,000 Shares issued at premium of ₹18/- each, F.V. ₹10/-)	-	4,96,80,000
<u>Less:</u> Amount utilized for Issue of Bonus Shares in ratio of 4:1	-	(5,98,25,000)
<u>Less:</u> Expenses relating to Initial Public Offer	-	(82,46,376)
Balance at the end of the year	6,35,02,374	6,35,02,374
4.2 Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	9,12,44,026	5,16,22,141
<u>Add:</u> Profit during the year	2,78,87,700	3,97,52,105
<u>Less:</u> Appropriations		
Adjustment relating to Gratuity	2,31,878	(1,30,220)
Adjustment relating to Property, Plant & Equipment	(1)	-
	11,93,63,603	9,12,44,026
Total	18,28,65,977	15,47,46,400

Note :

Securities Premium was used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31st March, 2018, the company had made Initial Public Offer (IPO) and issued 27,60,000 equity shares at a premium of ₹18/- per share. As per the requirement of Section 52 of the Companies Act, 2013, the company had utilised the securities premium for the expenses incurred in connection with the Initial Public Offer (IPO) amounting to ₹82,46,375/89.

Note: 5 - Long Term Borrowings

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
5.1 Secured		
Car Loan from Bank	3,16,566	4,08,585
Total	3,16,566	4,08,585

5.2 Security

Car Loans from Bank for purchase of Vehicle is secured against the Vehicle purchased out of the said loan.

5.3 Repayment Terms and the applicable rate of interest on the above car loans during the year

HDFC Bank Limited

Loan from Bank was repayable in 36 equated monthly installments of ₹25,641/- starting from 07.12.2015 and the last instalment was due on 07.11.2018.

ICICI Bank Limited

Loan from Bank is repayable in 60 equated monthly installments of ₹10,222/- starting from 01.03.2018 and the last installment will be falling due on 01.02.2023. Interest rate as at 31.03.2019 - 8.34% p.a.

Notes on Financial Statements for the year ended 31st March, 2019

Note: 6 - Short Term Borrowings

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
6.1 Secured		
Cash Credit From Bank	13,85,696	21,51,003
6.2 Unsecured		
Loans From Body Corporates	-	54,00,000
Total	13,85,696	75,51,003

6.3 Security

Cash Credit facility from bank is secured by way of hypothecation of stock of raw materials, finished goods and book debts (both present & future) and also by the personal guarantee of the directors of the Company.

Note: 7 - Trade Payables

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Trade Payables (Including Acceptances)	3,66,23,725	3,63,73,234
Total	3,66,23,725	3,63,73,234

Note: 8 - Other Current Liabilities

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Long Term Debts (Above amount is repayable within a year)	92,018	2,82,652
Interest Accrued and due on Borrowings	-	6,25,238
Statutory Dues Payables	9,76,097	19,31,158
Payables for Expenses	89,38,224	1,08,75,687
Security Deposits	1,96,594	1,39,918
Bank Balance in Current Account (Cheques Overdrawn)	-	26,74,804
Total	1,02,02,933	1,65,29,457

Note: 9 - Short Term Provisions

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Income Tax	1,03,00,000	1,32,80,000
Total	1,03,00,000	1,32,80,000

Notes on Financial Statements for the year ended 31st March, 2019

Note: 10 - Property, Plant & Equipment

Sl No.	Description	Gross Block			Depreciation			Net Block		
		As at 01/04/2018	Addition	Deductions/ Adjustments	As at 31/03/2019	As at 01/04/2018	For the Year	Deductions/ Adjustments	Upto 31/03/2019	As at 31/03/2019
Tangible Assets :										
1.	Freehold Land	44,52,661	-	-	44,52,661	-	-	-	-	44,52,661
2.	Building	9,21,854	-	-	9,21,854	7,74,282	13,544	-	7,87,826	1,34,028
3.	Factory Shed	13,38,059	14,524	-	13,52,583	7,46,337	55,169	-	8,01,506	5,51,077
4.	Office	18,17,683	-	-	18,17,683	10,50,163	71,186	-	11,21,349	6,96,334
5.	Furniture & Fixtures	1,80,744	-	-	1,80,744	1,47,457	9,977	-	1,57,434	23,310
6.	Plant & Machinery	56,83,534	4,97,120	-	61,80,654	32,00,341	4,72,223	-	36,72,564	25,08,090
7.	Motor Car	55,15,766	-	(5,54,413)	49,61,353	38,64,205	5,25,070	(5,26,550)	38,62,725	10,98,628
8.	Motor Cycle	1,48,088	-	-	1,48,088	1,32,826	4,346	-	1,37,172	10,916
9.	Electrical Installations	6,05,494	-	-	6,05,494	4,92,260	28,859	-	5,21,119	84,375
10.	Laboratory Equipments	1,53,901	-	-	1,53,901	1,18,518	9,768	-	1,28,286	25,615
11.	Office Equipments	13,39,489	64,100	-	14,03,589	8,78,297	1,31,357	-	10,09,654	3,93,935
12.	Computer & Accessories	2,87,130	37,436	-	3,24,566	2,48,103	22,559	-	2,70,662	53,904
13.	Fire Safety Equipments	31,430	-	-	31,430	15,445	2,897	-	18,342	13,088
	Total	2,24,75,833	6,13,180	(5,54,413)	2,25,34,600	1,16,68,234	13,46,955	(5,26,550)	1,24,88,639	1,00,45,961
	Previous Year	2,53,23,255	16,94,817	(45,42,238)	2,24,75,834	1,42,13,117	14,46,140	(39,91,022)	1,16,68,235	1,08,07,599

(Amount in ₹)

Notes on Financial Statements for the year ended 31st March, 2019

Note: 11 - Non-Current Investments

(Amount in ₹)

	Face Value	As at 31st March, 2019 (No.)*	As at 31st March, 2018 (No.)*	As at 31st March, 2019 (Amount)	As at 31st March, 2018 (Amount)
Long Term Investments Other than Trade (Valued at Weighted Average Cost unless stated Otherwise)					
<u>Investment in Equity Instruments</u>					
<u>Quoted:</u>					
Aditya Birla Capital Ltd	10	4,500	3,000	7,85,122	5,74,312
Ashapura Minechem Ltd	2	6,000	2,000	4,13,339	1,98,200
Automotive Axles Ltd	10	50	50	31,859	31,859
Dollar Industries Ltd	2	40,000	25,000	1,52,68,270	96,47,640
Emami Infrastructure Ltd	2	7,000	7,000	11,19,140	11,19,140
Emami Ltd	1	3,200	1,600	17,88,133	17,88,133
Ejecta Marketing Ltd	10	25,000	25,000	2,50,000	2,50,000
Gati Ltd	2	1,000	1,000	1,92,985	1,92,985
Granules India Ltd	2	5,000	-	5,76,100	-
Himadri Speciality Chemicals Ltd	1	2,000	2,000	1,69,456	1,69,456
Hindustan Construction Company Ltd	1	3,000	3,000	82,767	82,767
ICICI Bank Ltd	2	1,500	1,600	5,26,873	5,61,998
Jain Irrigation Systems Ltd	2	4,000	2,000	4,55,603	2,76,374
Jindal Saw Ltd	2	13,000	-	11,81,165	-
Jaiprakash Associates Ltd	2	1,00,000	1,00,000	24,61,250	24,61,250
Jaiprakash Power Ventures Ltd	10	25,000	25,000	2,35,250	2,35,250
JSW Energy Ltd	10	5,000	-	3,55,100	-
JK Paper Ltd	10	3,000	3,000	4,29,670	4,29,670
Lanco Infratech Ltd	1	1,35,000	1,35,000	13,55,200	13,55,200
Mcnally Bharat Engineering Ltd	10	74,410	74,410	51,76,803	51,76,803
Mothersumi Systems Ltd	1	1,350	900	2,05,104	2,05,104
NOCIL Ltd	10	5,000	-	7,06,700	-
Rupa & Co. Ltd	1	1,200	1,200	5,60,990	5,60,990
Sanghvi Movers Ltd	2	-	4,500	-	7,45,740
Sasta Sundar Ventures Ltd	10	6,025	6,025	7,33,467	7,33,467
Shree Cements Ltd	10	10	10	1,15,329	1,15,329
Welspun India Ltd	1	3,000	2,000	1,90,187	1,35,963
<u>Unquoted</u>					
Padmalaya Vinimay Pvt Ltd	10	3,93,500	3,93,500	39,35,000	39,35,000
Investment in Mutual Funds					
<u>Quoted</u>					
Kotak FMP Series 183 Regular Plan	10	20,000	20,000	2,00,000	2,00,000
Reliance Tax Saver (ELSS) - Growth	10	24,931	24,931	12,50,000	12,50,000
Total				4,07,50,862	3,24,32,630
Aggregate Cost of Quoted Investments				3,68,15,862	2,84,97,630
Aggregate Cost of Unquoted Investments				39,35,000	39,35,000
Market Value of Quoted Investments				2,47,16,314	2,70,48,182

* Quantity is after adjusting for Bonus Shares, Merger, Demerger and split of face value.

Notes on Financial Statements for the year ended 31st March, 2019

Note: 12 - Deferred Tax Asset

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Asset		
<i>Fixed Assets</i> : Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	7,50,088	7,79,896
Impact of Unabsorbed Expenses	13,76,485	18,35,313
Total	21,26,573	26,15,209

Note: 13 - Long Term Loans & Advances

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Deposits	9,94,065	19,04,814
Other Loans & Advances	30,00,000	30,00,000
Total	39,94,065	49,04,814

Note: 14 - Inventories

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
As taken, valued and certified by the Management		
Raw Materials	2,59,42,622	2,80,53,500
Work In Progress	11,33,277	5,66,638
Stock-in-Trade (Traded Goods)	27,241	8,320
Total	2,71,03,140	2,86,28,458

Note: 15 - Trade Receivables

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the date they became due for payment	7,58,14,300	8,05,95,458
Other debts	11,82,65,644	10,25,50,379
Total	19,40,79,944	18,31,45,837

Note: 16 - Cash and Cash Equivalents

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	2,35,011	87,607
Balances with Banks		
- Current Accounts	1,57,979	52,104
Other Bank Balances		
- Deposits with remaining maturity of less than 3 months	66,64,194	62,75,862
- Deposits with remaining maturity for more than 3 months but less than 12 months	49,20,000	3,63,90,000
Total	1,19,77,184	4,28,05,573

Notes on Financial Statements for the year ended 31st March, 2019

Note: 17 - Short Term Loans and Advances

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Loan and Advances to Others	3,10,00,000	-
Advances (Recoverable in cash or in kind or for value to be received) :		
Income Tax	1,20,11,253	1,38,39,573
Excise Duty/Cenvat & Service Tax Credit	1,11,859	-
Goods & Service Tax Credit	59,53,159	97,15,768
Goods & Service Tax (Refundable)	10,35,943	-
Compensation Cess Credit	33,840	4,26,328
Duty Drawback Receivable	-	4,171
Advance to Employees	1,27,482	2,22,500
Advance to Suppliers	17,54,193	6,50,331
Excess Payment to Gratuity Fund	3,69,104	13,454
Pre-paid Expenses	1,79,833	6,03,813
Provident Fund Subsidy Receivable	6,861	-
Total	5,25,83,527	2,54,75,938

Note: 18 - Other Current Assets

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Interest Accrued and due		
- On Loans and Advances to Others	10,35,740	-
- On Bank's Fixed Deposits	3,79,151	4,53,871
Total	14,14,891	4,53,871

Note: 19 - Revenue From Operations

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Sale of Products	42,78,74,852	34,68,10,341
Less: Excise Duty*	-	(89,94,131)
Sale of Services	41,50,170	20,81,266
<u>Other Operating Revenue</u>		
Freight Received	84,52,752	1,08,56,956
Insurance Received	-	641
Duty Drawback	5,646	18,994
Bad Debts/Sundry Balances Recovery	46,70,543	21,81,958
Subsidy On Provident Fund	87,808	-
Total	44,52,41,771	35,29,56,025

* Represents Excise Duty Charged on sale bills during the period from 01.04.2017 to 30.06.2017.

Note: 20 - Other Income

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Interest Income	39,70,849	21,25,023
Profit On Sale of Fixed Assets	99,638	-
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	-	9,69,078
Investment Income (including Dividend Income)	5,19,085	66,87,650
Total	45,89,572	97,81,751

Notes on Financial Statements for the year ended 31st March, 2019

Note: 21 - Cost of Materials Consumed

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Inventory at the beginning of the year	2,80,53,500	80,86,312
<u>Add:</u> Purchases (Net of Returns)	26,22,28,780	24,97,50,251
<u>Less:</u> Inventory at the end of the year	2,59,42,622	2,80,53,500
Total	26,43,39,658	22,97,83,063

Note: 22 - Changes in Inventory of Finished Goods, Stock-in-Process and Stock-in-Trade

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Inventories at the beginning of the year		
Work-in-Progress	5,66,638	2,12,489
Finished Goods	-	1,25,204
Stock-in-Trade (Traded Goods)	8,320	15,695
Total (A)	5,74,958	3,53,388
Inventories at the end of the year		
Work-in-Progress	11,33,277	5,66,638
Stock-in-Trade (Traded Goods)	27,241	8,320
Total (B)	11,60,518	5,74,958
Total (A-B)	(5,85,560)	(2,21,570)

Note: 23 - Employee Benefits Expense

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Salary, Wages & Bonus	2,10,51,034	2,24,75,644
Managerial Remuneration	1,30,46,800	1,24,36,800
Staff Welfare Expenses	68,405	1,36,649
Gratuity Insurance Premium	2,37,337	4,38,204
Total	3,44,03,576	3,54,87,297

Note: 24 - Finance Costs

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Interest Expense		
- On Bank Borrowings	4,97,983	14,79,401
- On Car Loans	45,140	36,750
- On Unsecured Loans	1,47,609	32,44,297
- On Statutory Payments	1,15,123	-
Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	6,96,991	-
Total	15,02,846	47,60,448

Notes on Financial Statements for the year ended 31st March, 2019

Note: 25 - Other Expenses

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
25.1 Manufacturing Expenses		
Calibration Charges	29,025	35,968
Consumable Stores	35,234	55,711
Clearing & Forwarding Charges	20,13,253	20,39,874
Works Contract Charges	22,20,930	27,69,963
Selling & Distribution Expenses		
Advertisement Expenses	1,40,650	2,18,950
Carriage Outward	1,59,08,184	1,46,28,592
Sales Promotion Expenses	13,23,000	4,45,582
Rebates & Discounts	11,56,111	1,06,447
Seminar Expenses	1,27,540	66,200
Establishment Expenses		
Telephone Expenses	1,70,365	1,80,180
Printing & Stationery	2,82,079	3,12,387
Electricity Charges	4,46,011	4,44,822
Tender Expenses	19,700	3,466
Membership & Subscription	1,52,078	1,49,168
Donation & Corporate Social Responsibility	6,93,151	1,60,963
Director Sitting Fees	47,500	-
Postage & Telegram	52,722	35,533
Travelling & Conveyance	7,00,013	10,70,201
Computer Consumables	53,502	64,579
Motor Car Expenses	2,80,791	3,61,853
Motor Cycle Expenses	9,370	16,318
Generator Expenses	31,760	40,573
Repairs & Maintenance	4,90,947	6,98,024
Office Maintenance Charges	51,219	52,896
Website Expenses	11,850	41,952
Office Rent	3,00,000	3,22,500
Commission	1,26,789	53,586
Bank Charges	8,14,112	4,88,937
Security Charges	3,15,083	3,27,003
Insurance Charges	1,06,575	1,15,184
Testing Charges	1,00,156	1,47,100
General Expenses	4,71,812	5,53,524
Registration Charges	1,84,337	3,94,809
Rates & Taxes	13,33,479	9,99,530
Filing Fees	7,800	46,000
Professional Fees	13,43,211	9,12,502
Listing/Registrar Fees	88,204	-
CST/VAT (Asst. Dues)	-	1,46,256
Fixed Assets Written off	-	5,51,214
Bad Debts	-	13,16,057
Internal Audit Fees	2,40,000	-
Auditors Remuneration	2,50,000	2,63,000
Total	3,21,28,543	3,06,37,404

Notes on Financial Statements for the year ended 31st March, 2019

25.2 Payment to Auditors includes :

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
a) Audit Fees		
- Statutory & Tax Audit Fees	2,00,000	2,00,000
b) Others		
- Other Matters	50,000	63,000
Total	2,50,000	2,63,000

26 Details of Transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as under:

a) Key Management Personnel

Mr Sanjay Goenka, Managing Director
 Mrs Nilima Goenka, Whole-Time Director
 Mr Ramsanatan Banerjee, Whole-Time Director
 Mr Krishna Kumar Tantia, Independent Director
 Mr Kashinath Dey, Chief Financial Officer
 Ms Jaya Bajpai, Company Secretary (appointed w.e.f. 10.12.2018)
 Ms Surbhi Saraf, Company Secretary (resigned w.e.f. 10.12.2018)

b) Relatives of Key Management Personnel

Miss Vidisha Goenka
 Miss Shristi Goenka
 Mr Ravi Goenka

c) Enterprises owned or significantly influenced by the Key Management Personnel or their relatives

M/s Padmalaya Vinimay Pvt Ltd
 M/s Bengal Traders Pvt Ltd
 M/s RG's Fashions Pvt Ltd
 M/s Sanjay Goenka & Others (HUF)
 M/s Chemico International Pvt Ltd

d) Details of transactions with related parties during the year/previous year :

(Amount in ₹)

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Income						
Sales	-	-	-	-	12,10,04,910	5,59,28,321
Purchases	-	-	-	-	15,74,888	-
Expenditure						
Managerial Remuneration	1,30,46,800	1,24,36,800	-	-	-	-
Salary	1,82,000	1,20,000	37,11,634	48,20,000	-	-
Interest On Unsecured Loans	-	3,898	-	34,219	-	-
Rent	3,00,000	3,00,000	-	-	-	-
Others						
Loan Repayment Received	-	3,90,000	-	-	-	-
Loan Taken Repaid Back	-	96,401	-	-	-	20,04,734

Notes on Financial Statements for the year ended 31st March, 2019

26 Details of Transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as under: (contd.)

e) Details of closing balances with related parties during the year/previous year : (Amount in ₹)

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Others						
Investment in Shares	-	-	-	-	39,35,000	39,35,000
Debtors	-	-	-	-	1,85,01,132	97,54,465
Director Remuneration Payable	86,016	83,810	-	-	-	-

Notes:

- The related party relationship is as identified by the Company and relied upon by the Auditors.
- Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.

27 Provision is made for Income tax liability estimated to arise on the financial results for the year at the current rate of tax in accordance with the provisions of Income Tax Act, 1961.

28 Balances and transactions of parties appearing under the head Debtors, Creditors and Advances are subject to confirmations. In opinion of the Management, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business. The provision for depreciation and other known liabilities are adequate and not in excess of the amount reasonably necessary.

29. Earnings Per Share (EPS)

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	2,78,87,700	3,97,52,105
Weighted average number of Equity Shares of ₹10 each outstanding during the year:		
- Basic & Diluted	1,02,38,125	76,52,043
Earnings Per Share (Basic & Diluted)		
- Basic & Diluted	2.72	5.19
Face Value per equity shares	10.00	10.00

30 The Company has not received any memorandum as required to be filed by the suppliers with the notified authority and Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro small or medium enterprises. Consequently, the amounts paid/payable to such parties as at the year end together with interest paid/payable as required under the said Act have not been provided separately in the Balance Sheet.

31 Demands/Claims by various government authorities and others not acknowledged as debts by the Company:

- (i) Income Tax Matters ₹28.94 lakhs (Previous Year: ₹29.08 lakhs)

32 In accordance with the revised Accounting Standard-15 for Employee Benefits, the requisite disclosure are as follows:

(i) Defined Contribution Plan

The Company contributes to the Provident fund maintained by the Regional Provident Fund Commissioner. Contributions are made by the company to the Fund based on the current salaries. Employees' contribution are deducted from their remuneration on a monthly

Notes on Financial Statements for the year ended 31st March, 2019

32 (contd.)

basis and deposited by the Company to the Regional Provident Fund. Apart from making monthly contribution to the scheme, the Company has no other obligation. The amount recognised as expense for the Defined Contribution Plans and charged to the Statement of Profit & Loss are as under:

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Contribution to Provident Fund	2,74,737	2,90,756

(ii) Post Employment Defined Benefit Plan - Gratuity

The Company has a defined benefit employee retirement plan in the form of gratuity. Every employee, who has completed five years or more of service gets a gratuity on departure equivalent to 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of employee benefit expenses recognised in the Statement of Profit and Loss and Balance Sheet for the Gratuity plans:

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Current service cost	3,60,987	3,42,154
Interest cost	1,63,857	1,29,896
Net Actuarial Loss/(Gain) recognised in the year	(2,87,507)	(33,846)
Net Benefit Expense	2,37,337	4,38,204

Balance Sheet

Benefit Asset / Liability

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Present Value of the obligation at the end of the period	23,51,624	21,14,287
Fair Value of Plan assets at the end of the period	(27,20,728)	(21,27,741)
Net (Asset)/Liability recognised in the Balance Sheet	(3,69,104)	(13,454)

The Principal Assumptions used in determining Gratuity for the Company's plans is tabled as below:

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Discount Rate (based on macroeconomic trend)	7.75% p.a	7.75% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a
Mortality Rates	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE
Expected rate of return	-	-
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a
Normal Retirement Age	58	58
Salary	Last drawn qualifying salary	
Vesting Period	5 Years of Service	
Benefits of Normal Retirement	15/26 * Salary * Past Service (Yrs)	
Benefit on early exit due to death & disability	As above except no vesting condition apply	
Limit	20,00,000	20,00,000

Notes on Financial Statements for the year ended 31st March, 2019

32 (contd.)

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

- (iii) The Company is making annual contribution to LIC's Group Gratuity scheme towards gratuity and other retirement/termination benefits for the company's employees. The Company has provided for gratuity covering eligible employees. Company's gratuity policy provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

33 The amount of borrowing cost capitalized during the Year is ₹Nil (Previous Year: Nil)

34 The Company's business activities fall within single primary business segment viz. "Construction Chemicals", the disclosure requirement of Accounting Standard - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India are not applicable in respect of primary business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Sales Within India	38,60,11,357	24,28,11,272
Sales Outside India	4,18,63,495	9,50,04,938
Total Sales	42,78,74,852	33,78,16,210

35 (i) Foreign Exchange Earnings and Outgo :

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Earnings in Foreign Currency	50,22,525	92,01,559
Expenditure in Foreign Currency	3,44,85,631	5,67,03,127

(ii) Value of imported and indigenous raw materials and components, stores and spare parts consumed and percentage of each to the total consumption :-

	(Amount in ₹)		Percentage	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Raw Materials				
Indigenous	22,98,54,027	17,30,79,936	86.95	75.32
Imported	3,44,85,631	5,67,03,127	13.05	24.68
	26,43,39,658	22,97,83,063	100.00	100.00

36 Money raised through Public Issue & its utilization

During the preceding financial year ended 31st March, 2018, the company had completed the Initial Public Offering (IPO) and raised a total amount of ₹772.80 lakhs by issuing 27,60,000 equity shares of ₹10/- each at a premium of ₹18/- per equity share. The equity shares of the company got listed on the SME platform of the NSE, i.e. NSE Emerge effective from 9th March, 2018. The details of proceeds through Initial Public Offering and its utilization and money unutilized as on 31.03.2019 are as under :

Notes on Financial Statements for the year ended 31st March, 2019

36 Money raised through Public Issue & its utilization (contd.)

Proceeds raised through Public Issue

Particulars	(Amount in ₹)
Gross Proceeds from "Initial Public Offer" (27,60,000 Shares issued at premium of ₹18/- each, F.V. ₹10/-)	7,72,80,000
Less : Share Issue Expenses	
Net Proceeds from "Initial Public Offer"	(82,46,376)
	6,90,33,624

Use of Proceeds from "Initial Public Offer"

Particulars	Amount disclosed in the Prospectus	Amount Utilized (FY 2017-18)	Amount Utilized (FY 2018-19)
Working Capital Requirements	5,38,16,000	2,04,05,537	3,34,10,463
General Corporate Expenses	1,60,00,000	1,22,38,087	29,79,537
Issue Related Expenses	74,64,000	82,46,376	-
Total	7,72,80,000	4,08,90,000	3,63,90,000

37 As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold limit, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. A CSR committee has been formed by the company as per the Act. In accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility, the requisite disclosure are as follows:

- (a) Gross amount required to be spent by the company during the year : ₹6.32 lakhs (Previous Year: Not Applicable)
 (b) Amount spent during the year on :

Particulars	Amount Paid	Amount yet to be paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On Purposes other than (i) above	6,37,650	-	6,37,650

- (c) Details of related party transactions as per AS - 18 in relation to CSR Expenditure : ₹Nil (Previous Year: Not Applicable)
 (d) Provisions made in relation to CSR expenditure, if any : Nil

38 Comparative Financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **PAWAN GUPTA & CO.**
Chartered Accountants
ICAI Firm Regn. No.318115E

Sd/-
(CA. P. K. Gupta)
Proprietor
Membership No.053799

Kolkata
May 24, 2019

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

Sd/-
(Sanjay Goenka)
(Managing Director)
(DIN : 00848190)

Sd/-
(Kashinath Dey)
(Chief Financial Officer)

Sd/-
(Nilima Goenka)
(Whole Time Director)
(DIN : 00848225)

Sd/-
(Jaya Bajpai)
(Company Secretary)

Independent Auditors' Report

To
The Members of
Hindcon Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Hindcon Chemicals Limited (herein after referred to as "the Holding Company") and its subsidiary (Holding company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss and Consolidated statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the Company as at 31st March, 2019, its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Holding Company's Board of Directors is responsible for the

other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirement of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable, that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- 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.
- 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 the preparation of the consolidated financial statements.
- 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.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019, taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies are is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- In our opinion and to the best of our information and according to the explanations given to us, the

remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.

- With respect to 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) There were no pending litigations which would impact the consolidated financial position of the Group, subject to note 31 of the Consolidated Financial Statements.
 - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For PAWAN GUPTA & CO.
Chartered Accountants
Firm Regn. No.318115E

Sd/-
(CA. P. K. Gupta)
Proprietor
Membership No. 053799

Kolkata
May 24, 2019

Annexure - A to the Auditors' Report

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

Opinion

In conjunction with our audit of the consolidated financial statements of Hindcon Chemicals Limited ("herein after referred to as "the Holding Company") as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of date.

In our opinion, the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies have, in all material respects, an adequate internal financial controls with reference to consolidated financial

statements and such internal financial controls were operating effectively as at 31st March, 2019, based on the internal controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements

based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statement. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statement and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statement.

Meaning of Internal Financial Controls with reference to consolidated financial statement

A Company's internal financial control with reference to consolidated financial statement 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 with reference to consolidated financial statement 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 Group 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statement

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

For PAWAN GUPTA & CO.
Chartered Accountants
Firm Regn. No.318115E

Sd/-
(CA. P. K. Gupta)
Proprietor

Kolkata
May 24, 2019

Membership No. 053799

Consolidated Balance Sheet as at 31st March, 2019

(Amount in ₹)

	Note	As at 31st March, 2019	As at 31st March, 2018
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	7,67,20,250	7,67,20,250
b. Surplus	4	22,41,82,146	19,57,49,598
		30,09,02,396	27,24,69,848
2. Minority Interest		22,14,001	19,64,205
3. Non-Current Liabilities			
a. Long Term Borrowings	5	3,16,566	4,08,585
		3,16,566	4,08,585
4. Current Liabilities			
a. Short Term Borrowings	6	13,85,696	75,51,003
b. Trade Payables	7	3,66,23,724	3,63,73,234
c. Other Current Liabilities	8	1,02,54,264	1,66,16,735
d. Short Term Provisions	9	1,04,67,000	1,47,35,000
		5,87,30,684	7,52,75,972
	Total	36,21,63,647	35,01,18,610
II. ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	10	1,00,45,961	1,08,07,599
b. Non-Current Investments	11	4,31,59,382	3,48,08,737
c. Deferred Tax Asset	12	21,26,573	26,15,209
d. Long Term Loans and Advances	13	39,94,065	49,04,814
		5,93,25,981	5,31,36,359
2. Current Assets			
a. Inventories	14	2,71,03,140	2,86,28,458
b. Trade Receivables	15	19,40,79,944	18,31,45,838
c. Cash and Cash Equivalents	16	1,30,84,522	4,33,42,089
d. Short Term Loans and Advances	17	6,67,63,421	4,12,40,820
e. Other Current Assets	18	18,06,639	6,25,046
		30,28,37,666	29,69,82,251
	Total	36,21,63,647	35,01,18,610

Significant Accounting Policies

2

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **PAWAN GUPTA & CO.**

Chartered Accountants
ICAI Firm Regn. No.318115E

Sd/-
(Sanjay Goenka)
(Managing Director)
(DIN : 00848190)

Sd/-
(Nilima Goenka)
(Whole Time Director)
(DIN : 00848225)

Sd/-
(CA. P. K. Gupta)

Proprietor
Membership No.053799

Sd/-
(Kashinath Dey)
(Chief Financial Officer)

Sd/-
(Jaya Bajpai)
(Company Secretary)

Kolkata
May 24, 2019

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

(Amount in ₹)

	Note	Current Year 2018-2019	Previous Year 2017-2018
I. INCOME			
Revenue from Operations (Gross)	19	44,52,41,771	36,19,50,155
Less: Excise Duty		-	89,94,130
Revenue from Operations (Net)		44,52,41,771	35,29,56,025
Other Income	20	57,22,459	1,73,75,613
Total Revenue		45,09,64,230	37,03,31,638
II. EXPENDITURE			
Cost of Materials Consumed	21	26,43,39,658	22,97,83,063
Purchase of Stock-in-Trade		7,80,60,740	97,47,343
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	22	(5,85,560)	(2,21,570)
Employee Benefits Expense	23	3,45,43,576	3,55,53,297
Finance Costs	24	15,02,846	47,60,448
Depreciation and Amortisation Expense		13,46,955	14,46,140
Other Expenses	25	3,22,32,950	3,10,07,415
Total Expenses		41,14,41,165	31,20,76,136
Profit Before Tax		3,95,23,065	5,82,55,502
Tax Expenses			
Current Tax		(1,04,67,000)	(1,47,35,000)
MAT Credit		(1,61,088)	12,44,372
Deferred tax		(4,88,636)	20,06,626
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		44,125	(71,200)
Total Tax Expenses		(1,10,72,599)	(1,15,55,202)
Profit for the Year		2,84,50,466	4,67,00,300
Share of (Profit)/Loss of Minority Interest		(2,49,795)	(3,11,882)
Profit for the year		2,82,00,671	4,63,88,418
Earnings per equity share of face value of ₹10 each			
- Basic & Diluted (in ₹)		3.68	9.12
The number of shares used in computing Earnings per share			
- Basic & Diluted	29	76,72,025	50,85,943

Significant Accounting Policies

2

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **PAWAN GUPTA & CO.**

Chartered Accountants
ICAI Firm Regn. No.318115E

Sd/-

(CA. P. K. Gupta)

Proprietor

Membership No.053799

Kolkata

May 24, 2019

Sd/-

(Sanjay Goenka)

(Managing Director)

(DIN : 00848190)

Sd/-

(Kashinath Dey)

(Chief Financial Officer)

Sd/-

(Nilima Goenka)

(Whole Time Director)

(DIN : 00848225)

Sd/-

(Jaya Bajpai)

(Company Secretary)

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

(Amount in ₹)

	Current Year 2018-2019		Previous Year 2017-2018	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		3,95,23,065		5,82,55,502
Adjustments for :				
Depreciation	13,46,955		14,46,140	
Interest Income	(55,98,158)		(24,13,483)	
Dividend Income	(1,08,650)		(87,926)	
Profit on Sale of Investments	(4,40,391)		(1,37,01,270)	
Profit on Sale of Fixed Assets	(99,638)		-	
Fixed Assets Written off	-		5,51,214	
Gratuity (Adjusted with reserves & Gratuity Premium paid)	2,31,878		(1,30,220)	
Financial Charges	15,02,846	(31,65,158)	47,60,447	(95,75,098)
Operating profit before working capital changes		3,63,57,907		4,86,80,404
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	(1,09,34,107)		16,34,425	
(Increase)/Decrease in Inventories	15,25,319		(2,01,88,759)	
(Increase)/Decrease in Long Term Loans & Advances	9,10,749		(8,87,325)	
(Increase)/Decrease in Short Term Loans & Advances	(2,74,26,710)		(34,79,972)	
(Increase)/Decrease in Other Current Assets	(11,81,592)		23,470	
Increase/(Decrease) in Trade Payables	2,50,491		36,46,035	
Increase/(Decrease) in Other Current Liabilities	(63,62,471)		16,49,975	
Net changes in working capital		(4,32,18,321)		(1,76,02,151)
Cash generated from operations		(68,60,414)		3,10,78,253
Taxes (Payment)/Refund	(1,29,47,855)	(1,29,47,855)	(1,37,26,004)	(1,37,26,004)
Net cash used (in)/from operating activities		(1,98,08,269)		1,73,52,249
B. Cash flow from Investing activities :				
Additions to fixed assets (Nett)	(4,85,680)		(16,94,817)	
(Increase)/Decrease in Non Current Investments	(79,10,253)		(66,87,861)	
Dividend Received	1,08,650		87,927	
Interest Received	55,98,157		24,13,483	
Net cash used in/from investing activities		(26,89,126)		(58,81,268)

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
C. Cash flow from Financing activities :		
Interest & Financial Charges	(15,02,846)	(47,60,447)
Proceeds from Issue of Share Capital	-	6,90,33,624
Proceeds from Long Term Borrowings	(92,019)	2,10,604
Proceeds from Short Term Borrowings	(61,65,307)	(4,21,76,502)
Net cash used in/from financing activities	(77,60,172)	2,23,07,279
Net Increase/(Decrease) in Cash & Cash Equivalents	(3,02,57,567)	3,37,78,260
Cash and Cash Equivalents at the beginning of the year	4,33,42,089	95,63,829
Cash and Cash Equivalents at the end of the year	1,30,84,522	4,33,42,089

Note: i) The above Cash Flow has been prepared under " Indirect Method " as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

ii) This is the Cash Flow Statement referred to, in our report of even date.

Significant Accounting Policies

2

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **PAWAN GUPTA & CO.**

Chartered Accountants
ICAI Firm Regn. No.318115E

Sd/-
(Sanjay Goenka)
(Managing Director)
(DIN : 00848190)

Sd/-
(Nilima Goenka)
(Whole Time Director)
(DIN : 00848225)

Sd/-
(CA. P. K. Gupta)

Proprietor
Membership No.053799

Sd/-
(Kashinath Dey)
(Chief Financial Officer)

Sd/-
(Jaya Bajpai)
(Company Secretary)

Kolkata
May 24, 2019

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 1 - Corporate Information

The consolidated financial statements comprise financial statements of Hindcon Chemicals Limited (the Company) and its subsidiary company M/s Padmalaya Vinimay Private Limited (collectively, "the Group") for the year ended 31st March, 2019. The Group is primarily engaged in the business of manufacturing & sale of Sodium Silicate & construction chemicals.

Hindcon Chemicals Limited is a public company incorporated in India on 25.08.1998. The shares of the Company has been listed on the SME Platform of the National Stock Exchange of India Ltd w.e.f. 9th March, 2018. The registered office of the Company is located at 62B, Braunfeld Row, 1st Floor, Kolkata - 700 027.

The particulars of subsidiary company, which is included in consolidation and the parent company's holding therein are:

Name of the Company	Country of Incorporation	Percentage of holding As at 31.03.2019	Percentage of holding As at 31.03.2018
Padmalaya Vinimay Private Limited	India	97.52%	97.52%

Note: 2 - Significant Accounting Policies

(A) Basis of preparation of Consolidated Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the applicable mandatory Accounting Standards as prescribed under section 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014

The preparation of consolidated financial statements in conformity with Indian GAAP requires judgement, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

(B) Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31st March, 2019. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, equity, incomes, expenses and cash flows after fully eliminating intra-group balances and intra-group transactions.
- (ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- (iii) Offset (eliminate) the carrying amount of parent's investment in subsidiary and the parent's portion of equity of the subsidiary.
- (iv) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit and loss on disposal of investment in subsidiary.
- (v) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (vi) Non-Controlling Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Group.
- (vii) Non-Controlling Interest's share of assets of the consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (viii) There is no Associate Company during the financial year ended 31.03.2019.
- (ix) There is no Joint Venture during the financial year ended 31.03.2019.
- (x) There is no foreign subsidiary during the financial year ended 31.03.2019.

(C) Other Significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 3 - Share Capital

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹10/- each	11,00,00,000	11,00,00,000
Issued, Subscribed & Paid Up Share Capital		
76,72,025 Equity Shares of ₹10/- each	7,67,20,250	7,67,20,250

3.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year

(Amount in ₹)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the Year	76,72,025	7,67,20,250	8,54,100	85,41,000
<u>Movement during the year</u>				
Increase in share capital on account of Issue of Bonus Shares	-	-	34,16,400	3,41,64,000
Increase in share capital on account of Issue of Shares by way of Initial Public Offer	-	-	27,60,000	2,76,00,000
Movement during the year	-	-	6,41,525	64,15,250
Equity Shares at the end of the Year	76,72,025	7,67,20,250	76,72,025	7,67,20,250

3.3 Terms/Rights, Preferences and Restrictions attached to the Equity Shares

The company has only one class of equity shares having a par value of ₹10/- per share which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. Each holder of equity shares is entitled to one vote per share.

3.4 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31st March, 2019	As at 31st March, 2018
	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares **	-	34,16,400
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

** The Company has issued 59,82,500 Bonus Shares on 08/08/2017 in the ratio 4:1.

Note: 4 - Surplus

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
4.1 Securities Premium		
Balance as at the beginning of the year	6,35,02,374	8,18,93,750
<u>Add:</u> Premium received on issue of shares under Initial Public Offer (27,60,000 Shares issued at premium of ₹18/- each, F.V. ₹10/-)	-	4,96,80,000
<u>Less:</u> Amount utilized for Issue of Bonus Shares in ratio of 4:1	-	(5,98,25,000)
<u>Less:</u> Expenses relating to Initial Public Offer	-	(82,46,376)
Balance at the end of the year	6,35,02,374	6,35,02,374
4.2 Capital Reserve On Consolidation	3,80,64,058	3,80,64,058
4.3 General Reserve	66,98,722	66,98,722

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 4 - Surplus

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
4.2 Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	8,74,84,444	4,12,26,246
<u>Add:</u> Profit during the year	2,82,00,671	4,63,88,418
<u>Less:</u> Appropriations		
Adjustment relating to Gratuity	2,31,878	(1,30,220)
Adjustment relating to Property, Plant & Equipment	(1)	-
	11,59,16,992	8,74,84,444
Total	22,41,82,146	19,57,49,598

Note :

Securities Premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31st March, 2018, the company has made Initial Public Offer (IPO) and issued 27,60,000 equity shares at a premium of ₹18/- per share. As per the requirement of Section 52 of the Companies Act, 2013, the company has utilised the securities premium for the expenses incurred in connection with the Initial Public Offer (IPO) amounting to ₹82,46,375/89.

Note: 5 - Long Term Borrowings

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
5.1 Secured		
Car Loan from Bank	3,16,566	4,08,585
Total	3,16,566	4,08,585

5.2 Security

Car Loans from Bank for purchase of Vehicle is secured against the Vehicle purchased out of the said loan.

5.3 Repayment Terms and the applicable rate of interest on the above car loans during the year

HDFC Bank Limited

Loan from Bank was repayable in 36 equated monthly installments of ₹25,641/- starting from 07.12.2015 and the last instalment was due on 07.11.2018.

ICICI Bank Limited

Loan from Bank is repayable in 60 equated monthly installments of ₹10,222/- starting from 01.03.2018 and the last instalment will be falling due on 01.02.2023. Interest rate as at 31.03.2019 - 8.34% p.a.

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 6 - Short Term Borrowings

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
6.1 Secured		
Cash Credit From Bank	13,85,696	21,51,003
6.2 Unsecured		
Loans From Body Corporates	-	54,00,000
Total	13,85,696	75,51,003

6.3 Security

Cash Credit facility from bank is secured by way of hypothecation of stock of raw materials, finished goods and book debts (both present & future) and also by the personal guarantee of the directors of the Company.

Note: 7 - Trade Payables

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Trade Payables (Including Acceptances)	3,66,23,724	3,63,73,234
Total	3,66,23,724	3,63,73,234

Note: 8 - Other Current Liabilities

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Long Term Debts (Above amount is repayable within a year)	92,019	2,82,652
Interest Accrued and due on Borrowings	-	6,25,238
Payables for Expenses	89,38,224	98,07,741
Statutory Dues Payables	9,80,447	19,21,413
Other Payables	46,980	87,277
Security Deposits	1,96,594	1,39,918
Advance From Customers	-	10,77,692
Bank Balance in Current Account (Cheques Overdrawn)	-	26,74,804
Total	1,02,54,264	1,66,16,735

Note: 9 - Short Term Provisions

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Income Tax	1,04,67,000	1,47,35,000
Total	1,04,67,000	1,47,35,000

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 10 - Property, Plant & Equipment

(Amount in ₹)

Sl No.	Description	Gross Block		Depreciation		Net Block					
		As at 01/04/2018	Addition	Deductions/ Adjustments	As at 31/03/2019	For the Year	Deductions/ Adjustments	Upto 31/03/2019	As at 31/03/2019	As at 31/03/2018	
Tangible Assets :											
1.	Freehold Land	44,52,661	-	-	-	-	-	-	-	44,52,661	44,52,661
2.	Building	9,21,854	-	-	7,74,282	13,544	-	7,87,826	-	1,34,028	1,47,572
3.	Factory Shed	13,38,059	14,524	-	7,46,337	55,169	-	8,01,506	-	5,51,077	5,91,722
4.	Office	18,17,683	-	-	10,50,163	71,186	-	11,21,349	-	6,96,334	7,67,520
5.	Furniture & Fixtures	1,80,744	-	-	1,47,457	9,977	-	1,57,434	-	23,310	33,287
6.	Plant & Machinery	56,83,534	4,97,120	-	32,00,341	4,72,223	-	36,72,564	-	25,08,090	24,83,193
7.	Motor Car	55,15,766	-	(5,54,413)	38,64,205	5,25,070	(5,26,550)	38,62,725	-	10,98,628	16,51,561
8.	Motor Cycle	1,48,088	-	-	1,32,826	4,346	-	1,37,172	-	10,916	15,262
9.	Electrical Installations	6,05,494	-	-	4,92,260	28,859	-	5,21,119	-	84,375	1,13,234
10.	Laboratory Equipments	1,53,901	-	-	1,18,518	9,768	-	1,28,286	-	25,615	35,383
11.	Office Equipments	13,39,489	64,100	-	8,78,297	1,31,357	-	10,09,654	-	3,93,935	4,61,192
12.	Computer & Accessories	2,87,130	37,436	-	2,48,103	22,559	-	2,70,662	-	53,904	39,027
13.	Fire Safety Equipments	31,430	-	-	15,445	2,897	-	18,342	-	13,088	15,985
	Total	2,24,75,833	6,13,180	(5,54,413)	1,16,68,234	13,46,955	(5,26,550)	1,24,88,639	(39,91,022)	1,00,45,961	1,08,07,599
	Previous Year	2,53,23,255	16,94,817	(45,42,238)	1,42,13,117	14,46,140	(39,91,022)	1,16,68,235	(39,91,022)	1,08,07,599	1,11,10,137

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 11 - Non-Current Investments

(Amount in ₹)

	Face Value	As at 31st March, 2019 (No.)*	As at 31st March, 2018 (No.)*	As at 31st March, 2019 (Amount)	As at 31st March, 2018 (Amount)
Long Term Investments Other than Trade (Valued at Weighted Average Cost unless stated Otherwise)					
Investment in Equity Instruments					
<u>Quoted :</u>					
Aditya Birla Capital Ltd	10	8,500	5,000	14,31,203	9,58,472
Ejecta Marketing Ltd	10	25,000	25,000	2,50,000	2,50,000
Ashapura Minechem Ltd	2	14,000	4,000	9,40,107	3,81,964
Automotive Axles Ltd	10	50	50	31,859	31,859
Avadh Sugar & Energy Ltd	10	-	596	-	6,28,693
Dollar Industries Ltd	2	40,000	25,000	1,52,68,269	96,47,639
Emami Infrastructure Ltd	2	8,700	8,000	15,21,215	13,03,320
Emami Ltd	1	3,200	1,600	17,88,133	17,88,133
Gati Ltd	2	1,000	1,000	1,92,985	1,92,985
Granules India Ltd	2	5,000	-	5,76,100	-
U. Y. Fincorp Ltd	5	50,000	50,000	3,47,435	3,47,435
GTL Infrastructure Ltd	10	1,00,000	1,00,000	7,06,000	7,06,000
HDFC Bank Ltd	2	50	50	93,233	93,233
Himadri Speciality Chemicals Ltd	1	3,000	3,000	2,85,895	2,85,895
Hindustan Construction Company Ltd	1	3,000	3,000	82,767	82,767
ICICI Bank Ltd	2	1,500	1,600	5,26,873	5,61,998
Jain Irrigation Systems Ltd	2	4,000	2,000	4,55,603	2,76,374
Jaiprakash Associates Ltd	2	1,00,000	1,00,000	24,61,250	24,61,250
Jaiprakash Power Ventures Ltd	10	25,000	25,000	2,35,250	2,35,250
Jindal Saw Ltd	2	13,000	-	11,81,165	-
JSW Energy Ltd	10	5,000	-	3,55,100	-
JK Paper Ltd	10	3,000	3,000	4,29,670	4,29,670
Lanco Infratech Ltd	1	1,35,000	1,35,000	13,55,200	13,55,200
Magadh Sugar & Energy Ltd	10	-	500	-	1,22,120
Mcnally Bharat Engineering Ltd	10	74,410	74,410	51,76,803	51,76,803
Minda Corporation Ltd	2	4,500	3,500	8,58,490	7,40,668
Mothersumi Systems Ltd	1	1,350	900	2,05,104	2,05,104
NOCIL Ltd	10	5,000	-	7,06,700	-
Power Finance Corporation Ltd	10	2,000	2,000	2,17,435	2,72,320
Rupa & Co. Ltd	1	1,200	1,200	5,60,990	5,60,990
Sanghvi Movers Ltd	2	-	6,500	-	11,15,300
Sasta Sundar Ventures Ltd	10	6,025	6,025	7,33,467	7,33,467
Shree Cements Ltd	10	10	10	1,15,329	1,15,329
Sintex Plastics Technology Ltd	1	5,000	2,000	2,52,450	1,58,460
Star Cements Ltd	1	1,000	1,000	1,11,664	1,11,664
The Indian Hume Pipe Company Ltd	2	4,500	4,000	20,65,451	18,92,412
Welspun India Ltd	1	3,000	2,000	1,90,187	1,35,963
Investment in Mutual Funds					
<u>Quoted</u>					
Kotak FMP Series 183 Regular Plan	10	20,000	20,000	2,00,000	2,00,000
Reliance Tax Saver (ELSS) - Growth	10	24,931	24,931	12,50,000	12,50,000
Total				4,31,59,382	3,48,08,737
Aggregate Cost of Quoted Investments				6,85,36,981	2,35,90,259
Market Value of Quoted Investments				8,54,01,609	3,15,28,243

* Quantity is after adjusting for Bonus Shares, Merger, Demerger and split of face value.

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 12 - Deferred Tax Asset

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Asset		
<u>Fixed Assets</u> : Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	7,50,088	7,79,896
Impact of Unabsorbed Expenses	13,76,485	18,35,313
Total	21,26,573	26,15,209

Note: 13 - Long Term Loans & Advances

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Deposits	9,94,065	19,04,814
Other Loans & Advances	30,00,000	30,00,000
Total	39,94,065	49,04,814

Note: 14 - Inventories

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
As taken, valued and certified by the Management		
Raw Materials	2,59,42,622	2,80,53,500
Work In Progress	11,33,277	5,66,638
Stock-in-Trade (Traded Goods)	27,241	8,320
Total	2,71,03,140	2,86,28,458

Note: 15 - Trade Receivables

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the date they became due for payment	7,58,14,300	8,05,95,459
Other debts	11,82,65,644	10,25,50,379
Total	19,40,79,944	18,31,45,838

Note: 16 - Cash and Cash Equivalents

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	3,88,335	4,04,176
Balances with Banks		
- Current Accounts	3,61,993	2,62,051
Other Bank Balances		
- Deposits with remaining maturity of less than 3 months	66,64,194	62,75,862
- Deposits with remaining maturity for more than 3 months but less than 12 months	56,70,000	3,64,00,000
Total	1,30,84,522	4,33,42,089

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 17 - Short Term Loans and Advances

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Loan and Advances to Others	4,38,00,000	1,43,00,000
Advances (Recoverable in cash or in kind or for value to be received) :		
Income Tax	1,22,23,477	1,39,66,497
MAT Credit Entitlement	11,67,670	13,28,758
Excise Duty/Cenvat & Service Tax Credit	1,11,859	-
Goods & Service Tax Credit	59,53,159	97,15,768
Goods & Service Tax (Refundable)	10,35,943	-
Compensation Cess Refundable	33,840	4,26,328
Duty Drawback Receivable	-	4,171
Advance to Employees	1,27,482	2,22,500
Advance to Suppliers	17,54,193	5,03,469
Advance for Expenses	-	1,56,062
Excess Payment to Gratuity Fund	3,69,104	13,454
Pre-paid Expenses	1,79,833	6,03,813
Provident Fund Subsidy Receivable	6,861	-
Total	6,67,63,421	4,12,40,820

Note: 18 - Other Current Assets

(Amount in ₹)

	As at 31st March, 2019	As at 31st March, 2018
Interest Accrued and due		
- On Loans and Advances to Others	14,22,698	1,71,173
- On Bank's Fixed Deposits	3,83,941	4,53,873
Total	18,06,639	6,25,046

Note: 19 - Revenue From Operations

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Sale of Products	42,78,74,852	34,68,10,341
<u>Less: Excise Duty*</u>	-	(89,94,131)
Sale of Services	41,50,170	20,81,266
<u>Other Operating Revenue</u>		
Freight Received	84,52,752	1,08,56,956
Insurance Received	-	641
Duty Drawback	5,646	18,994
Bad Debts/Sundry Balances Recovery (Written Off in Earlier Years)	46,70,543	21,81,958
Subsidy On Provident Fund	87,808	-
Total	44,52,41,771	35,29,56,025

* Represents Excise Duty Charged on sale bills during the period from 01.04.2017 to 30.06.2017.

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 20 - Other Income

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Interest Income	55,98,157	24,13,483
Profit On Sale of Fixed Assets	99,638	-
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	-	9,69,078
Other Non-Operating Income	24,664	1,39,93,052
Total	57,22,459	1,73,75,613

Note: 21 - Cost of Materials Consumed

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Inventory at the beginning of the year	2,80,53,500	80,86,312
<u>Add:</u> Purchases (Net of Returns)	26,22,28,780	24,97,50,251
<u>Less:</u> Inventory at the end of the year	2,59,42,622	2,80,53,500
Total	26,43,39,658	22,97,83,063

Note: 22 - Changes in Inventory of Finished Goods, Stock-in-Process and Stock-in-Trade

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Inventories at the beginning of the year		
Work-in-Progress	5,66,638	2,12,489
Finished Goods	-	1,25,204
Stock-in-Trade (Traded Goods)	8,320	15,695
Total (A)	5,74,958	3,53,388
Inventories at the end of the year		
Work-in-Progress	11,33,277	5,66,638
Stock-in-Trade (Traded Goods)	27,241	8,320
Total (B)	11,60,518	5,74,958
Total (A-B)	(5,85,560)	(2,21,570)

Note: 23 - Employee Benefits Expense

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Salary, Wages & Bonus	2,11,91,034	2,25,41,644
Managerial Remuneration	1,30,46,800	1,24,36,800
Staff Welfare Expenses	68,405	1,36,649
Gratuity Insurance Premium	2,37,337	4,38,204
Total	3,45,43,576	3,55,53,297

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 24 - Finance Costs

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Interest Expense		
- On Bank Borrowings	4,97,983	14,79,401
- On Car Loans	45,140	36,750
- On Unsecured Loans	1,47,609	32,44,297
- On Statutory Payments	1,15,123	-
Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	6,96,991	-
Total	15,02,846	47,60,448

Note: 25 - Other Expenses

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
25.1 Manufacturing Expenses		
Calibration Charges	29,025	35,968
Consumable Stores	35,234	55,711
Clearing & Forwarding Charges	20,13,253	20,39,874
Works Contract Charges	22,20,930	27,69,963
Selling & Distribution Expenses		
Advertisement Expenses	1,40,650	2,18,950
Carriage Outward	1,59,08,184	1,46,28,592
Sales Promotion Expenses	13,23,000	4,45,582
Rebates & Discounts	11,56,111	1,06,447
Seminar Expenses	1,27,540	66,200
Establishment Expenses		
Telephone Expenses	1,70,365	1,80,180
Printing & Stationery	2,82,079	3,12,387
Electricity Charges	4,46,011	4,44,822
Tender Expenses	19,700	3,466
Membership & Subscription	1,52,078	1,49,168
Donation & Corporate Social Responsibility	6,93,151	4,10,963
Director Sitting Fees	47,500	-
Postage & Telegram	52,722	35,533
Travelling & Conveyance	7,09,553	10,79,729
Computer Consumables	53,502	64,579
Motor Car Expenses	2,80,791	3,61,853
Motor Cycle Expenses	9,370	16,318
Generator Expenses	31,760	40,573
Repairs & Maintenance	4,90,947	6,98,024
Office Maintenance Charges	51,219	52,896
Website Expenses	11,850	41,952
Office Rent	3,00,000	3,22,500

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

Note: 25 - Other Expenses (contd.)

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
Commission	1,26,789	53,586
Bank Charges	8,14,112	4,90,318
Demat Charges	1,262	584
Security Charges	3,15,083	3,27,003
Insurance Charges	1,06,575	1,15,184
Testing Charges	1,00,156	1,47,100
General Expenses	4,83,367	5,65,022
Registration Charges	1,84,337	3,94,809
Rates & Taxes	13,38,129	10,04,180
Filing Fees	20,800	77,500
Professional Fees	13,43,211	9,43,372
Listing/Registrar Fees	88,204	-
CST/VAT (Asst. Dues)	-	1,46,256
Fixed Assets Written off	-	5,51,214
Bad Debts	-	13,16,057
Internal Audit Fees	2,40,000	-
Auditors Remuneration	3,14,400	2,93,000
Total	3,22,32,950	3,10,07,415

25.2 Payment to Auditors includes :

(Amount in ₹)

	Current Year 2018-2019	Previous Year 2017-2018
a) Audit Fees		
- Statutory & Tax Audit Fees	2,35,400	2,30,000
b) Others		
- Other Matters	79,000	63,000
Total	3,14,400	2,93,000

26 Details of Transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as under:

a) Key Management Personnel

Mr Sanjay Goenka, Managing Director
 Mrs Nilima Goenka, Whole-Time Director
 Mr Ramsanatan Banerjee, Whole-Time Director
 Mr Krishna Kumar Tantia, Independent Director
 Mr Kashinath Dey, Chief Financial Officer
 Ms Jaya Bajpai, Company Secretary (appointed w.e.f. 10.12.2018)
 Ms Surbhi Saraf, Company Secretary (resigned w.e.f. 10.12.2018)

b) Relatives of Key Management Personnel

Miss Vidisha Goenka
 Miss Shristi Goenka
 Mr Ravi Goenka

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

26 Details of Transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as under: (contd.)

c) Enterprises owned or significantly influenced by the Key Management Personnel or their relatives

M/s Bengal Traders Pvt Ltd
M/s RG's Fashions Pvt Ltd
M/s Sanjay Goenka & Others (HUF)
M/s Chemico International Pvt Ltd

d) Details of transactions with related parties during the year/previous year : (Amount in ₹)

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Income						
Sales	-	-	-	-	12,10,04,910	5,59,28,321
Purchases	-	-	-	-	15,74,888	-
Expenditure						
Managerial Remuneration	1,30,46,800	1,24,36,800	-	-	-	-
Salary	1,82,000	1,20,000	37,11,634	48,20,000	-	-
Interest On Unsecured Loans	-	3,898	-	34,219	-	-
Rent	3,00,000	3,00,000	-	-	-	-
Others						
Loan Repayment Received	-	3,90,000	-	-	-	-
Loan Taken Repaid Back	-	96,401	-	-	-	20,04,734

e) Details of closing balances with related parties during the year/previous year : (Amount in ₹)

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Others						
Debtors	-	-	-	-	1,85,01,132	97,54,465
Director Remuneration Payable	86,016	83,810	-	-	-	-

Notes:

- The related party relationship is as identified by the Company and relied upon by the Auditors.
- Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.

27 Provision is made for Income tax liability estimated to arise on the financial results for the year at the current rate of tax in accordance with the provisions of Income Tax Act, 1961.

28 Balances and transactions of parties appearing under the head Debtors, Creditors and Advances are subject to confirmations. In opinion of the Management, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business. The provision for depreciation and other known liabilities are adequate and not in excess of the amount reasonably necessary.

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

29. Earnings Per Share (EPS)

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	2,82,00,671	4,63,88,418
Weighted average number of Equity Shares of ₹10 each outstanding during the year:		
- Basic & Diluted	76,72,025	50,85,943
Earnings Per Share (Basic & Diluted)		
- Basic & Diluted	3.68	9.12
Face Value per equity shares	10	10

30 The Company has not received any memorandum as required to be filed by the suppliers with the notified authority and Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro small or medium enterprises. Consequently, the amounts paid/payable to such parties as at the year end together with interest paid/payable as required under the said Act have not been provided separately in the Balance Sheet.

31 Demands/Claims by various government authorities and others not acknowledged as debts by the Company:

- (i) Income Tax Matters ₹28.94 lakhs (Previous Year: ₹29.08 lakhs)

32 In accordance with the revised Accounting Standard-15 for Employee Benefits, the requisite disclosure are as follows:

(i) Defined Contribution Plan

The Company contributes to the Provident fund maintained by the Regional Provident Fund Commissioner. Contributions are made by the company to the Fund based on the current salaries. Employees' contribution are deducted from their remuneration on a monthly basis and deposited by the Company to the Regional Provident Fund. Apart from making monthly contribution to the scheme, the Company has no other obligation. The amount recognised as expense for the Defined Contribution Plans and charged to the Statement of Profit & Loss are as under:

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Contribution to Provident Fund	2,74,737	2,90,756

(ii) Post Employment Defined Benefit Plan - Gratuity

The Company has a defined benefit employee retirement plan in the form of gratuity. Every employee, who has completed five years or more of service gets a gratuity on departure equivalent to 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of employee benefit expenses recognised in the Statement of Profit and Loss and Balance Sheet for the Gratuity plans:

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Current service cost	3,60,987	3,42,154
Interest cost	1,63,857	1,29,896
Net Actuarial Loss/(Gain) recognised in the year	(2,87,507)	(33,846)
Net Benefit Expense	2,37,337	4,38,204

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

32 (contd.)

Balance Sheet

Benefit Asset / Liability

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Present Value of the obligation at the end of the period	23,51,624	21,14,287
Fair Value of Plan assets at the end of the period	(27,20,728)	(21,27,741)
Net (Asset)/Liability recognised in the Balance Sheet	(3,69,104)	(13,454)

The Principal Assumptions used in determining Gratuity for the Company's plans is tabled as below:

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Discount Rate (based on macroeconomic trend)	7.75% p.a	7.75% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a
Mortality Rates	IALM 2006-2008	IALM 2006-2008
	ULTIMATE	ULTIMATE
Expected rate of return	-	-
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a
Normal Retirement Age	58	58
Salary	Last drawn qualifying salary	
Vesting Period	5 Years of Service	
Benefits of Normal Retirement	15/26 * Salary * Past Service (Yrs)	
Benefit on early exit due to death & disability	As above except no vesting condition apply	
Limit	20,00,000	20,00,000

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

- (iii) The Company is making annual contribution to LIC's Group Gratuity scheme towards gratuity and other retirement/termination benefits for the company's employees. The Company has provided for gratuity covering eligible employees. Company's gratuity policy provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

33 The amount of borrowing cost capitalized during the Year is ₹ Nil (Previous Year: Nil)

34 The Company's business activities fall within single primary business segment viz. "Construction Chemicals", the disclosure requirement of Accounting Standard - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India are not applicable in respect of primary business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Sales Within India	38,60,11,357	24,28,11,271
Sales Outside India	4,18,63,495	9,50,04,938
Total Sales	42,78,74,852	33,78,16,209

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

35 (i) Foreign Exchange Earnings and Outgo :

(Amount in ₹)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Earnings in Foreign Currency	50,22,525	92,01,559
Expenditure in Foreign Currency	3,44,85,631	5,67,03,127

(ii) Value of imported and indigenous raw materials and components, stores and spare parts consumed and percentage of each to the total consumption :-

	(Amount in ₹)		Percentage	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Raw Materials				
Indigenous	22,98,54,027	17,30,79,936	86.95	75.32
Imported	3,44,85,631	5,67,03,127	13.05	24.68
	26,43,39,658	22,97,83,063	100.00	100.00

36 Money raised through Public Issue & its utilization

During the preceding financial year ended 31st March, 2018, the company had completed the Initial Public Offering (IPO) and raised a total amount of ₹772.80 lakhs by issuing 27,60,000 equity shares of ₹10/- each at a premium of ₹18/- per equity share. The equity shares of the company got listed on the SME platform of the NSE, i.e. NSE Emerge effective from 9th March, 2018. The details of proceeds through Initial Public Offering and its utilization and money unutilized as on 31.03.2019 are as under :

Proceeds raised through Public Issue

Particulars	(Amount in ₹)
Gross Proceeds from "Initial Public Offer" (27,60,000 Shares issued at premium of ₹18/- each, F.V. ₹10/-)	7,72,80,000
<u>Less</u> : Share Issue Expenses	(82,46,376)
Net Proceeds from "Initial Public Offer"	6,90,33,624

Use of Proceeds from "Initial Public Offer"

Particulars	Amount disclosed in the Prospectus	Amount Utilized (FY 2017-18)	Amount Utilized (FY 2018-19)
Working Capital Requirements	5,38,16,000	2,04,05,537	3,34,10,463
General Corporate Expenses	1,60,00,000	1,22,38,087	29,79,537
Issue Related Expenses	74,64,000	82,46,376	-
Total	7,72,80,000	4,08,90,000	3,63,90,000

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

37 As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold limit, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. A CSR committee has been formed by the company as per the Act. In accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility, the requisite disclosure are as follows:

- (a) Gross amount required to be spent by the company during the year : ₹6.32 lakhs (Previous Year: Not Applicable)
 (b) Amount spent during the year on :

Particulars	Amount Paid	Amount yet to be paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On Purposes other than (i) above	6,37,650	-	6,37,650

- (c) Details of related party transactions as per AS - 18 in relation to CSR Expenditure : ₹Nil (Previous Year: Not Applicable)
 (d) Provisions made in relation to CSR expenditure, if any : Nil

38 Additional Information under general instructions for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013

Sl. No.	Name of the Entity	Net Assets i.e. total assets minus liabilities as at				Share in Profit or Loss for the year ended			
		31st March, 2019		31st March, 2018		31st March, 2019		31st March, 2018	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Profit & Loss	Amount
Parent									
1	Hindcon Chemicals Ltd	93.00%	28,13,12,227	93.00%	25,31,92,650	99.00%	2,78,87,700	86.00%	3,97,52,105
Subsidiaries									
1	Padmalaya Vinimay Pvt Ltd	7.00%	1,95,90,168	7.00%	1,92,77,198	1.00%	3,12,970	14.00%	66,36,313
	Total	100.00%	30,09,02,395	100.00%	27,24,69,848	100.00%	2,82,00,670	100.00%	4,63,88,418

39 Comparative Financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current years financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **PAWAN GUPTA & CO.**
 Chartered Accountants
 ICAI Firm Regn. No.318115E

Sd/-
(CA. P. K. Gupta)
 Proprietor
 Membership No.053799

Kolkata
 May 24, 2019

For and on behalf of Board of Directors
 of **Hindcon Chemicals Limited**

Sd/-
(Sanjay Goenka)
 (Managing Director)
 (DIN : 00848190)

Sd/-
(Kashinath Dey)
 (Chief Financial Officer)

Sd/-
(Nilima Goenka)
 (Whole Time Director)
 (DIN : 00848225)

Sd/-
(Jaya Bajpai)
 (Company Secretary)

ROUTE MAP TO THE VENUE OF THE 21ST AGM OF HINDCON CHEMICALS LIMITED





HINDCON CHEMICALS LIMITED

CIN: L24117WB1998PLC087800

Regd. Office : 62/B, Braunfeld Row, 1st Floor, Kolkata – 700027

Phone No.: 033-24490835/39. Fax No.: 033-24490849

Website: www.hindcon.com, e-mail: contactus@hindcon.com

FORM NO: MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24117WB1998PLC087800
Name of the Company : HINDCON CHEMICALS LIMITED
Registered office : 62/B, BRAUNFELD ROW 1ST FLOOR KOLKATA -700027

Name of the member (s) :

Registered Address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of _____ shares of Hindcon Chemicals Limited, hereby appoint;

1. Name : _____
Address : _____
E-mail Id : _____
Signature: _____, or failing him
2. Name : _____
Address : _____
E-mail Id : _____
Signature: _____, or failing him
3. Name : _____
Address : _____
E-mail Id : _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, the **12th day of September, 2019** at 'Hindusthan Club Limited', Conference Hall, 4/1, Sarat Bose Road, Kolkata-700020 at 04:00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Resolution Proposed
1.	To receive, consider and adopt the Standalone Financial Statement and Consolidated Financial Statement of the Company including Audited Balance Sheet as at 31st March, 2019, Audited Statement of Profit And Loss and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2.	To declare a Dividend on Equity Shares for the financial year ended 31st March, 2019.
3.	To appoint a Director in place of Mr. Ramsanatan Banerjee (DIN: 05191594), Director who retires by rotation and being eligible, offers himself for re-appointment.
4.	To appoint M/s R. B. Roy & Co., Chartered Accountants (Firm Registration No. 322805E) as the Statutory Auditor of the Company in place of M/s. Pawan Gupta & Co., Chartered Accountants and to fix their remuneration.

Affix a
Revenue
Stamp of

Signed this _____ day of _____, 2019

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the full text of the aforesaid resolutions, statements and notes, please refer to the Notice including the explanatory statement, convening this Annual General Meeting of the Company.

E – MAIL ID REGISTRATION FORM

To
Hindcon Chemicals Limited
62/B, Braunfeld Row
1st Floor, Kolkata - 700027

Dear Sir(s),

I hereby give my consent to receive all future communication from Hindcon Chemicals Limited at my below email id and/or at my E-mail/SMS registered with my/our depository:-

DPID _____ CLIENTID _____ FOLIONO. _____

E – mail Id _____ Alternative Id _____

Mobile No. _____

Thanking You.

Yours faithfully,

Signature of Sole / 1st Holder

Name

Date

Note: You are requested to register your email address with your depositories or by signing and returning this slip to the Company or to the Registrar & Transfer Agent M/s. Link Intime India Pvt. Ltd. or by way of an email to contactus@hindcon.com at the earliest.





HINDCON CHEMICALS LIMITED

CIN: L24117WB1998PLC087800

Regd. Office : 62/B, Braunfeld Row, 1st Floor, Kolkata – 700027

Phone No.: 033-24490835/39. Fax No.: 033-24490849

Website: www.hindcon.com, e-mail: contactus@hindcon.com

ATTENDANCE SLIP

Name & Address of the Shareholder	
Joint-holder(s) (if any)	
Regd. Folio/DP ID & Client ID	
No. of Shares Held	

1. I hereby record my presence at the Annual General Meeting of the Company, to be held on Thursday, the 12th day of September, 2019 at 'Hindusthan Club Limited', Conference Hall, 4/1, Sarat Bose Road, Kolkata-700020, at 4:00 P.M.
2. Signature of the Shareholder/Proxy Present.

3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.
5. Please read the instructions carefully before exercising your vote.



CORPORATE INFORMATION

Board of Directors

Mr. Sanjay Goenka	Managing Director
Mrs. Nilima Goenka	Whole Time Director
Mr. Ramsanatan Banerjee	Whole Time Director
Mr. Binay Kumar Agarwal	Independent Director
Mr. Girdhari Lal Goenka	Independent Director
Mr. Krishna Kumar Tantia	Independent Director

Company Secretary

Ms. Jaya Bajpai

Chief Financial Officer

Mr. Kashi Nath Dey

Main Banker

Kotak Mahindra Bank Limited

Auditors

M/s Pawan Gupta & Co.
Chartered Accountants
4th floor, 22, B.R.B. Basu Road
Kolkata-700 001

Secretarial Auditor & Legal Advisor

Mr. Santosh Kumar Tibrewalla
Practicing Company Secretary
5A, N.C. Dutta Sarani, 3rd Floor
Kolkata-700 001

Registrar & Share Transfer Agents

Link Intime India Pvt Ltd
59C, Chowringhee Road,
Kolkata-700 020

Registered Office

62/B, Braunfeld Row, 1st Floor
Kolkata-700 027

Manufacturing Facilities

Jalan Complex, Gate No. 3, Baniyara, Domjur
Howrah-711 411



HINDCON CHEMICALS LIMITED

Registered office:

Vasudha, 62/B, Braunfeld Row,
Mominpore, Kolkata, West Bengal 700027

P: 91 33 24490835/39 **F:** 91 33 24490849

E: contactus@hindcon.com

W: www.hindcon.com