

**Hindcon
Chemicals Limited**



Strength Upon Strength

**20th
Annual
Report
2017-18**

Our Products



Water Proofing Compound



Sheeting



Concreting Aids



Sodium Silicate



Coating/Impregnation



Concrete & Mortar
Admixtures



Epoxy Grout & Mortar



Expansion & Contraction
Joint System



Green Products for
Building Sector



Grouts & Repairing
Mortars



Foundry Aids



Remover/ Cleaning
Compounds



Sealants



Shot Crete Aids



Floor Toppings



Tile Adhesives

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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 Surbhi Saraf

Chief Financial Officer

Mr Kashi Nath Dey

Main Banker

Kotak Mahindra Bank Limited

Auditors

M/s Pawan Gupta & Co.
Chartered Accountants
22, B.R.B. Basu Road
Kolkata 700001

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

62B, Braunfeld Row, 1st Floor
Kolkata – 700027

Manufacturing Facilities

Jalan Complex, Gate No. 3, Baniyara, Domjur
Howrah 711411



BOARD OF DIRECTORS



Mr Sanjay Goenka is the Managing Director and Promoter of the Company. He has a rich experience of over 25 years in the business of chemical industry. He has graduated in Commerce from reputed St. Xavier's College of Calcutta. He joined the Company as Director in the year 1999. He has been awarded with "National Award – 2010" in the year 2011 from Ministry of Micro, Small & Medium Enterprises for Outstanding Entrepreneurship. He is a visionary entrepreneur who is well versed with chemicals industry. He has played a pivotal role in setting up of business of the Company and is responsible for the overall management and expansion of the Company. Under his guidance, the Company has witnessed continuous growth. He holds many prestigious positions in both industry as well as social circles.



Mr Ramsanatan Banerjee is the Whole Time Director of the Company. He has completed his second year Bachelor of Commerce from University of Burdwan. He has been associated with the Company at various managerial positions from 2006 and appointed as Director in 2012. He possesses 35 years of rich work experience in various fields such as purchase, production, marketing, finance and accounts. Presently, he is entrusted with the responsibility to oversee raw material procurement and logistics function in the Company.



Mr Binay Kumar Agarwal is the Independent Director of the Company. He has 25 years of experience in various business fields. He is professionally qualified Chartered Accountant. As an Independent Director, his vast business acumen provide the requisite value addition to the Company. He has been appointed in the Company for five years with effect from August 08, 2017. He is on the Boards of Dollar Industries Ltd, Fast Capital Markets Ltd and Shivam Industrial Parks & Estates Ltd, among others.



Mrs Nilima Goenka is the Executive Director and Promoter of the Company. She is one of the subscribers of MOA and has been on company's Board since incorporation to the year 2012 and re-joined the Board as Executive Director from June 2017. She has over 20 years of experience in Administration and Human Resource Development and Management. She is entrusted with the responsibility to oversee administration and Human Resource function in the Company.



Mr Girdhari Lal Goenka is the Independent Director of the Company. He has around 30 years of experience in various business fields. He is a professionally qualified Chartered Accountant and has gained his expertise in specific functional areas of Corporate Finance, Investments, Taxation, Audit & Corporate Laws and real estate business. He has a rich experience in the field of Capital and Commodity Market. He has been appointed in the Company for five years with effect from August 08, 2017. He is also on the Boards of N. C. Shaw & Co. Beverages Pvt Ltd and Cornerstone Developers Pvt Ltd, among others.



Mr Krishna Kumar Tantia is the Independent Director of the Company. He has graduated in Commerce. He has 30 years of experience in various business fields. He has been appointed in the Company for five years with effect from August 08, 2017. He also holds directorship in Chemico International Pvt Ltd.



HINDCON CHEMICALS LIMITED

CIN: U24117WB1998PLC087800

Regd. Off. : 62B, Braunfeld Row 1st Floor, Kolkata 700027

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

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

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of **M/s HINDCON CHEMICALS LIMITED** will be held at Merchant Chamber of Commerce & Industry, Conference Hall, 15B, Hemanta Basu Sarani, Kolkata- 700 001 on Friday, the 24th day of August, 2018 at 1.00 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, 2018, 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 appoint a Director in place of Mrs Nilima Goenka (DIN 00848225), Director who retires by rotation and being eligible, offers herself for re-appointment.
3. **To modify the terms of appointment of Statutory Auditors and to fix their remuneration and in this respect to pass with or without modification the following resolution as an Ordinary resolution :**

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 and Rule 3(7) of The Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 effective from 7th May, 2018 and all other applicable provisions of the Act (including any Statutory modifications or re-enactment thereof for the time being in force), the existing terms of appointment of M/s Pawan Gupta & Co., Chartered Accountants (Firm Registration No. 318115E), Statutory Auditors of the Company be and is hereby modified to the extent that their appointment shall not be subjected to ratification by the Shareholders in the Annual General meeting for remaining duration of their terms of appointment and the Board be and is hereby authorized to fix the remuneration, if any, to be paid to the Auditors in each of the financial years on the recommendation of the Audit Committee."

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:

62B, Braunfeld Row
Kolkata 700 027

Dated: 10th July, 2018

Sd/-
Surbhi Saraf
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 18th August, 2018 i.e. Saturday to 24th August, 2018 i.e. Friday (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 21st August, 2018 at 10:00 A.M. (IST) and ends on 23rd August, 2018 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 17th August, 2018 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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. Eg. 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	Enter the Bank Account Number as recorded in your demat account with the depository or in the Company records for your folio. <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 Corporates.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.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 17th day of August, 2018 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 17th August, 2018.** A person who is not a member as on cut-off date should treat this notice for 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 20.07.2018.
20. **The shareholders shall have one vote per equity share held by them as on the cut-off date of 17th August, 2018. 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	Mrs. Nilima Goenka
1.	DIN	00848225
2.	Date of Birth and Age	24.08.1969 (49 years)
3.	Nationality	Indian
4.	Date of appointment on Board	01.06.2017
5.	Remuneration last drawn / Past Remuneration	₹ 3,00,000/= P.M. plus Perquisites
6.	No. of shares held in the Company	13,28,500
7.	Qualification & Expertise in specific functional area / Background details /Job profile and his suitability	H.S. in Commerce and Expertise in Administration of Company.
8.	Recognitions / Awards	NIL
9.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Board is of the opinion that the proposed remuneration is commensurate with her role and responsibility as an Executive Director of the Company.
10.	Pecuniary relationship directly or indirectly with the Company	No pecuniary relationship with the Company except Managerial Remuneration.
11.	No. of Board Meetings Attended	8 (Eight)
12.	List of other listed Companies in which Directorships held as on 31st March, 2018	NIL
13.	List of other Companies in which Directorships held as on 31st March, 2018	NIL
14.	Chairman/ Member of the Committee of the Board of other Companies in which she is a Director as on 31st March, 2018	NIL
15.	Disclosure of relationship between Directors inter-se/Managerial Personnel	Mr Sanjay Goenka, Managing Director Spouse



BOARD'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 20th (Twentieth) Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2018.

Financial Results

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
i. Gross Turnover	3507.74	3394.80	3507.74	3394.80
ii. Other Income	119.64	29.96	195.58	34.67
iii. Total Revenue	3627.38	3424.76	3703.32	3429.47
iv. Expenses other than Finance Cost and Depreciation	3054.34	3038.20	3058.70	3038.79
v. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	573.04	386.56	644.62	390.68
vi. Finance Cost	47.60	61.48	47.60	61.48
vii. Depreciation	14.46	17.94	14.46	17.94
viii. Profit/(Loss) before Tax & Exceptional Item	510.98	307.14	582.56	311.26
ix. Exceptional Items	0.00	0.00	0.00	0.00
x. Profit before Taxation (PBT)	510.98	307.14	582.56	311.26
xi. Tax including Deferred Tax	(113.46)	(101.42)	(115.55)	(101.52)
xii. Profit after Taxation (PAT)	397.52	205.72	467.01	209.74
xiii. Profit / (Loss) of minority interest	-	-	(3.12)	(2.43)

State of Company's Affairs and Operations

During the year under review, your Company has achieved a Total Turnover of ₹ 3507.74 lakhs which is 3.33% higher as compared with the corresponding previous financial year. The EBIDTA of the Company has increased by 48.24% as compared with the previous financial year. Further, the Company has earned a net profit of ₹ 397.52 lakhs i.e. 93.23% higher as compared with the previous financial year. The Company has produced 13,678.05 MT of Sodium Silicate and Construction Chemicals during the financial year as compared to 12,326.44 MT of Sodium Silicate and Construction Chemicals in the previous financial year which is 10.97% higher as compared with the corresponding previous financial year.

There is no change in the nature of business of the Company during the financial year 2017-18.

Outlook

Our Company has a varied product base to cater to the requirements of our customers. We have developed a wide portfolio of over 100 products which has made us one stop-shop provider of construction chemicals. Our Product



portfolio includes protective water proofing coatings, Sodium Silicates, etc. Our strength lies in understanding the requirements of the customer and our execution capabilities. As a certification of the quality assurance and standardization of the products, Our Company has maintained ISO 9001: 2015 certification from UKAS Management Systems. Our Company has also received an ISO 22716: 2007 certificate for Manufacturing & Dispatch of Sodium Silicate and Cement Additive (Construction Chemicals). Our focus on quality has enabled us to sustain and grow our business model to benefit our customers. Our Company is managed by a team of experienced personnel having experience in different aspects of chemical industry. We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. We believe our track record of timely delivery of quality products and demonstrated technical expertise has helped in forging strong relationships with our customers. The Company is focusing on increasing the production to achieve at least 18000 MT of Sodium Silicates and Construction Chemicals in the financial year 2018-19.

Dividend

In order to conserve the financial resources to meet the working capital requirements of the Company, your Board considers it prudent not to recommend any dividend on the Equity shares of the Company for the Financial Year 2017-18.

Deposits

The Company has not accepted any deposit during the year under review.

Increase of Authorized Share Capital

To facilitate issue and allotment of the bonus shares and Initial Public Offer, the authorized share capital of the Company was increased from ₹ 1,50,00,000/- to ₹ 11,00,00,000/- with due approval of the shareholders in Extra-Ordinary General Meeting of the Company held on 30th June, 2017.

Bonus Issue

In view of consistent growth in the profitability of the Company over the years, the Board of Directors of the Company decided to reward the Stakeholders of the Company by capitalizing a part of the accumulated profits standing to the credit of reserve and surplus of the Company. Accordingly, with the approval of the shareholders, the Board has issued Bonus Shares in the proportion of four Equity Shares for every one fully paid Equity Shares to the existing shareholders of the Company. Therefore, after the issue and allotment of Bonus Shares on 8th August, 2017, the paid up equity share capital of the Company has been increased to ₹ 7,47,81,250/-.

Initial Public Offer and Listing of Shares of The Company in National Stock Exchange of India Limited - SME Platform

With the objective to meet the working capital requirements and also to meet general Corporate expenses, the Management of the Company with prior approval of the shareholders in its last Annual General Meeting held on 22nd September, 2017 had come out with public issue of equity shares for 27,60,000 equity shares of ₹ 10/- each for cash at a premium of ₹ 18/- aggregating to ₹ 7,72,80,000/-. It was an immense pleasure to the Company that its shares were over-subscribed by 132 times at the time when issue was open to the public.

Further, the Company got its shares listed on National Stock Exchange of India Limited- SME platform on 9th March, 2018. The post public issue of equity, the share capital stood at ₹ 10,23,81,250/- divided into 1,02,38,125 equity shares of ₹ 10/- each.

Transfer To Reserve

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



Alteration of Articles of Association

The Company has altered & replaced its Articles of Association (AOA) as per the requirements of the Companies Act, 2013 by passing special resolution in Extra Ordinary General Meeting.

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, 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, 2018;
- 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 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.

Personnel

The particulars and information of the employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 has been set out as '**Annexure - C**' to 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 - A**' 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:

Mrs Nilima Goenka (DIN: 00848225), 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 herself for re-appointment.

ii) Resignation of Directors:

Mr Kashi Nath Dey (DIN: 05191586), Whole-time Director had resigned from his office of the Directors of the Company w.e.f. June 1, 2017, during the FY. 2017-18. Your Board took on record the valuable services rendered by him during his tenure.

iii) Appointment /Re-appointment of Executive Directors/ Independent Directors:

- a) Mrs Nilima Goenka (DIN: 00848225) was appointed as an Executive Director of the Company by the Board of Directors in its meeting held on June 1, 2017 for a period of 3 (three) years with immediate effect at a remuneration and on such terms and conditions pursuant to the provisions of sections 196, 197, 198 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and her appointment was approved by members by passing a special resolution in the Extra - Ordinary General Meeting held on 30th June, 2017.
- b) Mr Binay Kumar Agarwal (DIN: 01342065) was appointed as an Additional Independent Director of the Company by the Board in its meeting held on August 8, 2017 for a period of 5 (five) years with immediate effect on such terms and conditions as approved by the Board and the same was approved by the shareholders in the Annual General Meeting held on 22nd September, 2017.
- c) Mr Girdhari Lal Goenka (DIN: 00613725) was appointed as an Additional Independent Director of the Company by the Board in its meeting held on August 8, 2017 for a period of 5 (five) years with immediate effect on such terms and conditions as approved by the Board and the same was approved by the shareholders in the Annual General Meeting held on 22nd September, 2017.
- d) Mr Krishna Kumar Tantia (DIN: 00315796) was appointed as an Additional Independent Director of the Company by the Board in its meeting held on August 8, 2017 for a period of 5 (five) years with immediate effect on such terms and conditions as approved by the Board and the same was approved by the shareholders in the Annual General Meeting held on 22nd September, 2017.

iv) 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 Surbhi Saraf – Company Secretary & Compliance Officer

Ms Surbhi Saraf was appointed as the Company Secretary & Compliance Officer (designated as the Wholetime Key Managerial Personnel) of the Company by the Board in its meeting held on June 1, 2017 with effect from that date, 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.



Mr Kashi Nath Dey was appointed as the Chief Financial Officer (designated as the Whole time Key Managerial Personnel) of the Company by the Board in its meeting held on June 1, 2017 with effect from that date, 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). In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company conforming that he 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. With the amendment of Section 139 of the Companies Act, 2013 and Rule 3(7) of The Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the ratification of the Auditors in each of the Annual general meeting has been done away with and they would not be subject to ratification during continuation of in the office of the Auditors' of the Company. Accordingly, requisite modification has been proposed for consideration of the shareholders in the ensuing Annual General Meeting. 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 2017-18 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 2018-19 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 2017-18 under the provisions of section 204 of the Companies Act, 2013.

The report of the Secretarial Auditor for the FY. 2017-18 is enclosed as '**Annexure - D**' 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 2018-19 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

A report on Management Discussion & Analysis is given as '**Annexure - E**' to this report.

Code of Conduct for Prevention of Insider Trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has already adopted the Code of Conduct for prevention of Insider Trading 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 has 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 FY. 2017-18 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 the annexed **Form AOC 2 'Annexure - F' 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, 2018, 9 (Nine) Board Meetings were held on June 1, 2017, August 8, 2017, September 15, 2017, December 15, 2017, January 23, 2018, February 8, 2018, February 14, 2018, March 7, 2018 and March 30, 2018. 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	9	9
2	Mr Kashi Nath Dey*	1	1
3	Mr Ramsanatan Banerjee	9	9
4	Mrs Nilima Goenka#	8	8
5	Mr Binay Kumar Agarwal##	7	5
6	Mr Girdhari Lal Goenka##	7	4
7	Mr Krishna Kumar Tantia ##	7	5

* Resigned from directorship of the Company w.e.f. June 1, 2017.

Appointed as an Executive Director of the Company w.e.f. June 1, 2017.

Appointed as Independent Directors of the Company w.e.f. August 8, 2017.

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

iii) Committees of the Board:

As on March 31, 2018 the Board had three Committees: the audit committee, the nomination and remuneration committee and the stakeholder's relationship committee.

iv) Composition of Audit Committee:

The Audit Committee presently 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, 2018. During the financial year ended March 31, 2018, 1(one) Audit Committee meeting was held on March 30, 2018, The attendance details of each member at the Audit Committee meetings are given below:

Name of the Members	No. of meetings Attended
Mr Binay Kumar Agarwal	1
Mr Krishna Kumar Tantia	1
Mr Sanjay Goenka	1

v) Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee presently 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, 2018. No meeting of the Committee was held during the financial year 2017-18.

vi) Composition of Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee presently 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, 2018. No meeting of the Committee was held during the financial year 2017-18.



vii) Extracts of Annual Return:

The details forming part of the extract of the Annual Return in **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**' in Form **MGT-9**.

viii) 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.

ix) 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.

x) 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 all such loans, guarantees and investments are entered in the register maintained by the Company for the purpose.

xi) Subsidiaries, Associates or Joint Ventures:

As on 31st March, 2018 Company has only one Subsidiary Company – 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 - B**' to this Board's Report.

xii) 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.

xiii) Nomination, Remuneration and Evaluation Policy:

The Policy in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and the Listing Agreement entered with the stock exchanges (as amended from time to time) is formulated to provide a framework and set standards. The salient features of the policy are as follows :

- a) Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Executives of the Company.
- b) Remuneration payable to the Directors, KMPs and Senior Management Executives.
- c) Evaluation of the performance of the Directors.
- d) Criteria for determining qualifications, positive attributes and independence of a Director.

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>

xiv) 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.

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.

Post Balance Sheet Events

There is no material changes in commitments affecting the financial position of the Company occurred since the end of the financial year 2017-18.

Industrial Relations

The industrial relation during the year 2017-18 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

Registered Office:
62B, Braunfeld Row
Kolkata 700 027

Dated: 10th July, 2018.

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Executive Director
DIN: 00848225



ANNEXURE – ‘A’

TO THE DIRECTORS’ REPORT

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

(iv) The expenditure incurred on Research and Development

Expenses incurred are charged to respective heads are not allocated separately.

The Company is keeping a close watch on the new product Development in Chemical sector, Upgradation and Automation is being done wherever.

FOREIGN EXCHANGE EARNING 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 –

(₹ In Lakhs)

	2017-18	2016-17
Total foreign Exchange Used and Earned:		
Earned (F.O.B.)	92.02	104.20
Used	567.03	429.56

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

Registered Office:
62B, Braunfeld Row
Kolkata 700 027

Dated: 10th July, 2018.

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Executive Director
DIN: 00848225



ANNEXURE - 'B'

TO THE DIRECTORS' REPORT

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 31.03.2018.

(Amount in ₹)

Name of Subsidiary Company	Padmalaya Vinimay Private Limited
1. Latest audited Balance Sheet Date	31.03.2018
2. The date since when subsidiary was acquired	31st March, 2011
3. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.
4. Share Capital	40,35,000.00
5. Reserves and Surplus	4,25,84,003.47
6. Total Assets	4,81,61,280.87
7. Total Liabilities	81,61,280.87
8. Investments	3,16,88,708.34
9. Turnover	NIL
10. Profit before Taxation	71,57,850.75
11. Provision for Taxation	(2,09,656.00)
12. Profit after Taxation	69,48,194.75
13. Proposed Dividend	NIL
14. 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

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company has no Associate Companies and Joint Ventures as on 31.03.2018.



OTHER INFORMATION:

1. Names of associates or joint ventures which are yet to commence operations - Not Applicable
2. 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

Registered Office:

62B, Braunfeld Row
Kolkata 700 027

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Executive Director
DIN: 00848225

Dated: 10th July, 2018

Sd/-
Kashi Nath Dey
Chief Financial Officer

Sd/-
Surbhi Saraf
Company Secretary



ANNEXURE – ‘C’

TO THE DIRECTORS’ REPORT

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 2017-18 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2017-18 (₹ in lakhs)	% increase in Remuneration in the financial year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr Sanjay Goenka Managing Director	84.00	16.67	84.84:1
2	Mrs Nilima Goenka Executive Director*	30.00	N.A.	36.36:1
3	Mr Ramsanatan Banerjee Whole-time Director	6.72	4.67	6.78:1
4	Mr Kashi Nath Dey Whole-time Director *	0.61	19.68	3.68:1
5	Mr Kashi Nath Dey Chief Financial Officer**	3.04	N.A.	N.A.
6	Ms Surbhi Saraf Company Secretary**	1.30	N.A.	N.A.

* Till 31.5.2017

** Appointed w.e.f. 1.6.2017

Note:

- i) No other Director other than the Managing Director and Whole-time Director received any remuneration during the financial year 2017-18.
- ii) The median remuneration of employees of the Company during the financial year was ₹ 99,000/- compared to the previous year of ₹ 86,400/-.
- iii) In the financial year 2017-18, there was an increase of **14.58%** in the median remuneration of employees;
- iv) There were **98** permanent employees on the rolls of Company as on March 31, 2018;
- v) Average percentage increase in the salaries of the employees other than the managerial personnel in the financial year 2017-18 was **7.67** whereas the increase in the managerial remuneration for the same financial year was **20.04**;
- vi) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2018 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.	Name of the employee	Designation of the employee	Remuneration drawn during the financial year 2017-18 (₹ 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	22.10	Permanent	Post Graduate	01.04.2016	29 years	NA	NO	Sanjay Goenka and Nilima Goenka
2	Shristi Goenka	Marketing Manager	22.10	Permanent	Post Graduate	01.04.2016	25 years	NA	NO	Sanjay Goenka and Nilima Goenka
3	Mukesh Kumar Sharma	Asst. General Manager	6.37	Permanent	B. Sc	01.11.2014	37 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	5.33	Permanent	B. Com	01.12.2002	43 Years	NA	NO	NO
6	Chayan Lodh	Sr. Manager - Contracts	4.75	Permanent	B. Sc	01.04.2013	58 years	NA	NO	NO
7	Bijaya Kumar Sahoo	Asst. Manager- Production & QC	4.68	Permanent	B. Sc	01.12.2002	39 years	NA	NO	NO
8	Prabhat Jha	Asst. General Manager	4.20	Permanent	B. Sc	01.03.2017	53 years	NA	NO	NO
9	Somnath Kar	Sales Engineer	4.08	Permanent	Diploma Civil Engineering	01.06.2008	53 years	NA	NO	NO
10	Subrat Kumar Kuanr	Manager Marketing	3.87	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.

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

Registered Office:
62B, Braunfeld Row
Kolkata 700 027

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Executive Director
DIN: 00848225

Dated: 10th July, 2018.



ANNEXURE –‘D’ TO THE DIRECTORS’ REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[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
62B, 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:U24117WB1998PLC087800**. 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, 2018, 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, 2018, **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, 2009;
 - (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, 1998; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) 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. 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. 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 subject to our observation above 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 –

- i. the Company has increased its authorized share capital to ₹ 11.00 Crores;
- ii. the Company has issued and allotted bonus shares to the existing shareholders on 8th August, 2017 in the ratio of 4:1 equity shares to each of shareholders. Accordingly, the paid-up share capital of the Company was increased to ₹ 7,47,81,250/-;
- iii. the Company has made Initial Public Issue (IPO) of 27,60,000 equity shares at ₹ 10/- each for cash at a premium of ₹ 18/- per share aggregating to ₹ 7,72,80,000/-. Accordingly, the paid-up share Capital of the Company was increased to ₹ 10,23,81,250/- as on 7th March, 2018;
- iv. The Shares of the Company got listed on National Stock Exchange of India Limited –SME platform on 9th March, 2018.

Place: Kolkata
Date: 22.06.2018

Sd/-
Santosh Kumar Tibrewalla
Practicing Company Secretary
Membership No.381 1
Certificate of Practice No. 3982



ANNEXURE - E

TO THE DIRECTORS' REPORT

Management Discussion and Analysis Report

This Management Discussion and Analysis report has been prepared in compliance with the requirements of Listing Agreement/ Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contains expectations and projections about the strategy for growth, product development, market position, expenditures and financial results. The Company's actual results, performance or achievements could differ from those projected in such forward looking statements on the basis of any subsequent development, information or events for which the Company do not bear any responsibility.

a) Industry Structure and Development:

Global Economic Outlook

The global pick-up in economic activity that started in the second half of 2016 gained further momentum in the first half of 2017. According to the International Monetary Fund ('IMF'), growth is projected to rise over 2018 and 2019 in emerging markets and developing economies, supported by improved external factors - a benign global financial environment and a recovery in advanced economies.

Domestic Economic Outlook

A gradual increase in India's growth rate is expected resulting from implementation of important structural reforms. GST, which promises the unification of India's domestic market, is among several measures which is expected to push India's growth above 8% in the medium term.

The Union Budget's major push is on growth stimulation, providing relief to the middle and lower middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

The coming year is set to strengthen the Indian economy further on the back of increased government spending in infrastructure. A good monsoon, higher private investment and expected surge in consumer spending led by pent up demand are other catalysts which will benefit the health of the economy. The demand for company's products i.e. Sodium Silicates, construction chemicals may continue to be driven further by the pick-up in the infrastructure projects viz. bridges, roads, ports, metro rails and low budget housing segment, bringing opportunities for growth in this sector. The long term outlook for construction chemical is expected to be positive. In view of the global and domestic growth, demand for and prices of company's products may improve in the coming years.

Structure of Chemical Industry

Construction Chemicals, as the name suggests, are the chemical compounds used in construction activities, be it residential, non-residential or non-building. These compounds belong to a niche specialty segment of the chemical industry and can be used either in existing construction projects to speed up the work or in new construction projects to impart durability and strengthen the structures.

Construction chemicals increase the cost of the project by 2-5% but the benefits are multi-fold. Certain chemical products help in minimizing the quantities of cement and water used in the construction. These compounds impart chemical as well as physical properties in applications such as cross-linking or phase change (from liquid to solid). Construction chemicals are essential for high quality concrete and for promoting the improvement of concrete performance. They also increase the life of construction work and impart additional protection from environmental hazards.



Growth & Development of Chemical Industry

Indian Chemical industry is expected to register a growth of 8-9% in the next decade and is expected to double its share in global chemical industry to 15-20% by 2021. Indian Chemical industry has the potential to grow significantly provided some of the key growth imperatives are taken care of.

Some of the Major growth drivers of Chemical Industry are:

- a. **Structural Advantage** – With a growing market and purchasing power, the domestic industry is likely to growth at over 10-13% in the coming years.
- b. **High domestic consumption** – The chemicals industry in India is the largest consumer of its own products, consuming 33% of its output.
- c. **Diversified Industry** – The Indian chemicals industry has a diversified manufacturing base that produces world-class products. Further, this large and expanding domestic chemicals market also boasts of a large pool of highly-trained scientific manpower.
- d. **Promising export potential** – Chemicals constitute 5.4% of India's total exports. India already has a strong presence in the export market in the sub-segments of dyes, pharmaceuticals and agro chemicals.

Government recognizes Chemical industry as a key growth element of Indian economy. In Chemical Sector, 100% FDI is permissible. Manufacture of most of chemical products is delicensed. The entrepreneurs need to submit only IEM with the DIPP provided no locational angle is involved. Only the following items are covered in the compulsory licensing list because of their hazardous nature.

- ◆ Hydrocyanic acid & its derivatives
- ◆ Phosgene & its derivatives
- ◆ Isocyanates & di-isocyanates of hydrocarbons.

b) Opportunities and threats/ Risk and concerns:

Opportunities:

Few investment opportunities can be highlighted as follows:

- I. Chemical Companies in India can either explore alternate feedstock or invest in setting up plants in resource rich nations to secure feedstock
- II. Companies need to invest in exploring the right product mix to be competitive and profitable using the available feedstock in India i.e. Naphtha and its derivatives
- III. Indian companies can explore possible Merger, JV opportunities for technology, capital or access to international market by taking advantage of increasing expansion of western companies in India
- IV. Chemical companies can invest in exploring strategic energy management and strategic water management to cut down their energy costs and contain water availability concerns
- V. Companies can invest in upcoming PCPIRs in India and overcome challenges related to infrastructure, power and water availability.
- VI. There are good opportunities in segments such as Speciality Chemicals, Speciality Polymers, for catering to huge emerging domestic demand as also as a manufacturing hub.

Threats:

1. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.
2. Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.



c) Segment wise or product wise performance:

The Company is mainly engaged in the business of Chemicals Manufacturing i.e. Sodium Silicates & Cement Additives and hence segment wise performance is not required.

d) Outlook:

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies.

In emerging market and developing economies (EMDEs), obstacles to growth among commodity exporters are gradually diminishing, while activity in commodity importers remains generally robust. As a result, and despite substantial policy uncertainty, global growth is projected to accelerate to 2.7 percent in 2017, up from a post crisis low of 2.4 percent in 2016, before strengthening further to 2.9 percent in 2018-19,

India emerges as one of the focus destinations for chemical companies worldwide. With the current size of \$108 billion, the Indian chemical industry accounts for approximately 7% of Indian GDP. The chemicals sector accounts for about 14% in overall index of industrial production (IIP). Share of industry in national exports is around 11%. In terms of volume, India is the third-largest producer of chemicals in Asia, after China and Japan. Despite its large size and significant GDP contribution, India chemicals industry represents only around 3% of global chemicals.

The 'Smart City' mission launched by the government of India will elevate the construction sector growth, thereby propelling regional construction chemicals market size over the next few years. Construction Chemicals Construction industry in India is growing in excess of 16% p.a. and is likely to reach \$ 100 billion by the end of the XIIth Five Year Plan period. The construction chemical industry in India accounts for only 0.4% of the total construction spend and has a potential of reaching 1% which is the norm in developed economies. The key products for this sector would be in the areas of painting and coating materials, reinforcing fibers, admixtures and other construction chemicals. The key success factor for construction chemical industry would be developing products and adopting advanced coating, ceiling and reinforcing material like polyurethane base coating, silicone base and polymer base re-enforcing material

The outlook for the current year remains positive.

e) Internal control systems and their adequacy:

Your company has adequate and proper system of internal controls commensurate with its size and business operations at its plant, division and the corporate office to ensure that its assets are safeguarded and protected against loss from unauthorized use or disposition, in promoting operational efficiency and ensuring compliance with various statutory provisions and that transactions are reliably authorized, accurately recorded and reported quickly. The company has appointed outside internal audit agency to carry out internal audit. The Audit Committee of the Board plays a significant role in the internal control system and reviews the scope of internal audit work and internal Audit reports, financial performance of the company and suggests improvements in the internal control systems wherever required. The scope of its internal audit program is laid down by the Audit Committee of the Board of Directors. The Audit Committee meets periodically to discuss findings of the internal auditors along with the remedial actions that have been recorded or have been taken by the management to plug weakness of the system. Risk Management and internal audit functions complement each other at Hindcon's. The company strives to adopt a de-risking strategy in its operations while making growth investments. This involves setting up and monitoring risk on a regular basis. The management monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the Company.



f) Discussion on financial performance:

Analysis of Statement of Profit and Loss

Gross Revenue

Total gross revenues stood ₹ 3507.74 Lakhs in FY 2017-18, increasing by 3.33% compared to ₹ 3394.80 Lakhs in FY 2016-17.

Operating Profit

Operating Profit or EBITDA increased by 97.13% during FY 2017-18 to ₹ 448.91 Lakhs from ₹ 227.72 Crore in FY 2016-17 largely as results of improved workin, production of premium products and better realisation.

Depreciation

Depreciation for the year under the review stood at ₹ 14.46 Lakhs as compared to ₹ 17.94 Lakhs in the previous year, down by 19.41%.

Finance Costs

Finance Costs for the year under review decreased by 22.56 % from ₹ 61.48 Lakhs to ₹ 47.60 Lakhs.

Other Income

Other Income for the year under review stood at ₹ 119.64 Lakhs up by approximately 300% from the last year mainly because of profit on sale of company's investments.

Total Tax Expenses

Total tax expenses for the year stood at ₹ 113.45 Lakhs which includes current tax payouts worth ₹ 132.80 Lakhs and deferred tax of ₹ 20.07 Lakhs

Net Profit

Net Profit for the year under review stood at ₹ 397.52 Lakhs, an increase of 93.23% compared to last Year.

Analysis of Balance Sheet

Net Worth

The net worth of the company stood at ₹ 2571.28 Lakhs as on 31st March, 2018, an increase by 73.18% compared ₹ 1484.72 Lakhs as on 31st March, 2017. The net worth comprised of paid up equity capital amounting to ₹ 1023.81 Lakhs as on 31st March, 2018. The company's free reserve & surplus for the year stood at ₹ 1547.46 Lakhs.

Loan Profile

The total Loan funds of the company stood at ₹ 79.59 Lakhs while long-term borrowings stood at ₹ 4.08 Lacs. The total Loan funds has been decreased substantially during the year under review.

Total Assets

Total Assets of the Company increased to ₹ 3312.70 Lakhs in FY 2017- 18 from ₹ 2561.62 Lakhs in FY 2016-17, an increase of 29.32% .

Inventories

Inventories increased by 239.22% to ₹ 286.28 Lakhs during the year under the review from ₹ 84.39 lakhs. Inventories comprised of raw material worth ₹ 280.53 Lakhs, Work in Progress inventory worth ₹ 5.67 Lakhs and stock-in-Trade inventory worth ₹ 0.08 Lakhs.



Total loans and advances

Total loans and advances amounted to ₹ 303.81 Lakhs comprising 9.17% of the company's total assets. Short-term loans and advances for the year stood at ₹ 254.76 Lakhs (decreased by 22.56% from last year) primarily on account in other loans and advances.

Current Liabilities

Current Liabilities stood at ₹ 737.34 Lakhs comprising mainly of Trade Payable of ₹ 363.73 Lakhs and others Current Liabilities of ₹ 165.29 Lakhs.

g) Material developments in Human Resources/Industrial Relations front, including number of people employed:

Your Company has been continuously working to improve human resources skills, competencies and capabilities in the Company, which is critical to achieve the desired results in lines with its strategic business ambitions. Employment of workers at new pay scale and training programs for the workers are being continued. The company is making all efforts to train the workers and increase their skills by way of continuous training. Industrial relations at the manufacturing unit and office of your Company have been harmonious and peaceful with active involvement of all the employees. Your Company has also encouraged wholehearted participation of the employees in improving productivity as well as quality of its products. In order to retain good talent within the organization, your Company has strengthened the goal setting and measurement process during the year.

As on March, 2018 there were 100 permanent employees on the rolls of your Company.

h) Cautionary statement:

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable, laws and regulations. These Statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factor that could make a difference to the company's operation include finished goods prices, raw materials costs and availability, global and domestic demand-supply conditions, fluctuation in exchange rates, changes in government regulations and tax structure, economic developments within India and the countries with which the company has business contacts. The Company assumes no responsibility in respects of the forward looking statements herein, which may undergo changes in futures on the basis of subsequent developments, information or events.



ANNEXURE –‘F’ TO THE DIRECTORS’ REPORT

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, Executive 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 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.

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:
62B, Braunfeld Row
Kolkata 700 027

Dated: 10th July, 2018.

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Executive Director
DIN: 00848225



ANNEXURE –‘G’

TO THE DIRECTORS’ REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS :

1. CIN	U24117WB1998PLC087800
2. Registration Date	25th August, 1998
3. Name of the Company	Hindcon Chemicals Limited
4. Category/Sub-category of the Company	Public Company Limited By Shares/Indian Non-Government Company
5. Address of the Registered office & 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
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar and Share 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	96.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Padmalya Vinimay Private Limited 62/B, Braunfeld Row 1st Floor, Kokata 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									
Individual/ HUF	0	760000	760000	50.81	3800000	-	3800000	37.12	(13.69)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	641525	641525	42.89	2566100	-	2566100	25.06	(17.83)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(1)	-	1401525	1401525	93.71	6366100	-	6366100	62.18	(31.53)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Others - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	1401525	1401525	93.71	6366100	-	6366100	62.18	(31.53)
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 up to Rs. 1 lakh	-	94100	94100	6.29	936852	5000	941852	9.19	2.9
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	925500	-	925500	9.04	9.04
c) Others (specify)									
Trusts									



i. Category-wise Share Holding (contd.)

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	
Hindu Undivided Family	-	-	-	-	289500	-	289500	2.82	2.82
Non Resident Indians (Repat)	-	-	-	-	4000	-	4000	0.04	0.04
Non Resident Indians (Non Repat)	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	562558	-	562558	5.49	5.49
Body Corporate	-	-	-	-	1136115	12500	1148615	11.22	11.22
Sub-total (B)(2):-	-	94100	94100	6.29	3854525	17500	3872025	37.82	31.53
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	94100	94100	6.29	3854525	17500	3872025	37.82	31.53
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1495625	1495625	100.00	10220625	17500	10238125	100.00	0.00

** The paid-up Share Capital of the Company has been increased due to Bonus Issue and Initial Public Offer from 1495625 equity Shares to 10238125 equity Shares

ii. Shareholding of Promoters -

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sanjay Goenka	304500	20.36	-	1522500	14.87	-	(5.49)
2.	Nilima Goenka	265700	17.77	-	1328500	12.98	-	(4.79)
3.	Vansh Goenka	114000	7.62	-	570000	5.57	-	(2.05)
4.	Sanjay Goenka & Others (HUF)	75800	5.07	-	379000	3.70	-	(1.37)
5.	Padmalaya Vinimay Private Limited	641525	42.89	-	2566100	25.06	-	(17.83)
	Total	1401525	93.71	-	6366100	62.18	-	(31.53)

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

Sl No	Name	Shareholding at the beginning [01/Apr/17]/ end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SANJAY GOENKA				
	1/4/2017	304500	20.36		
	8/8/2017 – Allotment of Bonus Shares	1218000	16.29		
	31/3/2018	1522500	14.87	1522500	14.87
2.	NILIMA GOENKA				
	1/4/2017	265700	17.77		
	8/8/2017 – Allotment of Bonus Shares	1062800	14.21		
	31/3/2018	1328500	12.98	1328500	12.98



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

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	VANSH GOENKA				
	1/4/2017	114000	7.62		
	8/8/2017 – Allotment of Bonus Shares	456000	6.10		
	31/3/2018	570000	5.57	570000	5.57
4.	SANJAY GOENKA & OTHERS (HUF)				
	1/4/2017	75800	5.07		
	8/8/2017 – Allotment of Bonus Shares	303200	4.05		
	31/3/2018	379000	3.70	379000	3.70
5.	PADMALAYA VINIMAY PRIVATE LIMITED				
	1/4/2017	641525	42.89		
	8/8/2017 – Allotment of Bonus Shares	2566100	34.31		
	15/12/2017- Transfer	(641525)	(8.58)		
	31/3/2018	2566100	25.06	2566100	25.06

Note: percentage (%) calculation for Bonus shares allotted on 8.8.2017 has been done on the basis of the total post-bonus paid up shares aggregating 7478125 equity shares.

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

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RADHAKRISHNA ADVISORS LLP				
	1/4/2017	0	0.00		
	15/12/2017 - Transfer	591525	7.91		
	31/3/2018	591525	5.78	591525	5.78
2	ARISTRO CAPITAL MARKETS LIMITED				
	1/4/2017	0	0.00		
	07/03/2018 - Allotment	220000	2.15		
	23/03/2018- Purchase	212000	2.08		
	31/03/2018- Purchase	28000	0.27		
	31/3/2018	460000	4.50	460000	4.50
3	J.N.B. SIDHU FINANCE PVT LTD				
	1/4/2017	0	0.00		
	07/03/2018 - Allotment	68000	0.66		
	23/03/2018- Purchase	120000	1.17		
	31/03/2018- Purchase	500	0.00		
	31/3/2018	188500	1.84	188500	1.84



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

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	RAMANUJ REALTY PROJECTS LLP				
	1/4/2017	0	0.00		
	07/03/2018 - Allotment	124000	1.21		
	31/03/2018	124000	1.21	124000	1.21
5	SANTOSH TIBREWALLA (HUF)				
	1/4/2017	20000	1.34		
	8/8/2017- Allotment of Bonus Shares	80000	1.07		
	31/3/2018	100000	0.98	100000	0.98
6	SANGITA TIBREWALLA				
	1/4/2017	20000	1.34		
	8/8/2017- Allotment of Bonus Shares	80000	1.07		
	31/3/2018	100000	0.98	100000	0.98
7	HEM FINLEASE PRIVATE LIMITED				
	1/4/2017	0	0.00		
	07/03/2018 - Allotment	144000	1.41		
	7/03/2018 to 31/03/2018- Sale	(56000)	(0.55)		
	31/3/2018	88000	0.86	88000	0.86
8	RITU GARG				
	1/4/2017	8800	0.59		
	8/8/2017- Allotment of Bonus Shares	35200	0.47		
	31/3/2018	44000	0.43	44000	0.43
9	MANU STOCK BROKING PRIVATE LIMITED				
	1/4/2017	0	0.00		
	07/03/2018 - Allotment	64000	0.63		
	23/03/2018- Sale	(28500)	(0.28)		
	31/03/2018	35500	0.35	35500	0.35
10	SREE GOPAL GUPTA				
	1/4/2017	6400	0.43		
	8/8/2017- Allotment of Bonus Shares	25600	0.34		
	31/3/2018	32000	0.31	32000	0.31



v. Shareholding of Directors and Key Managerial Personnel :

Sl No	Name	Shareholding at the beginning [01/Apr/17]/ end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SANJAY GOENKA				
	1/4/2017	304500	20.36		
	8/8/2017 – Allotment of Bonus Shares	1218000	16.29		
	31/3/2018	1522500	14.87	1522500	14.87
2.	NILIMA GOENKA				
	1/4/2017	265700	17.77		
	8/8/2017 – Allotment of Bonus Shares	1062800	14.21		
	31/3/2018	1328500	12.98	1328500	12.98

* Directors and KMP holding shares have been considered only.

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	3846907	46300000	-	50146907
i) Principal Amount	-	4296134	-	4296134
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3846907	50596134	-	50596134
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	1004667	44570896	-	45575563
Total	1004667	44570896	-	45575563
Indebtedness at the end of the financial year				
i) Principal Amount	2842240	5400000	-	8242240
ii) Interest due but not paid	-	625238	-	625238
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2842240	6025238	-	8867478



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		MD	WTD	WTD	WTD	
		Mr Sanjay Goenka	Mrs Nilima Goenka*	Mr Ramsanatan Banerjee	Mr Kashi Nath Dey#	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	30,00,000	6,72,000	60,800	1,21,32,800
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission - as % of profit - others, specify					
5	Others, please specify	-	-	-	-	
	Total (A)	84,00,000	30,00,000	6,72,000	60,800	1,21,32,800
	Ceiling as per the Act	10% of the Net Profit of the Company				

* Appointed w.e.f. 01.06.2017

Ceased to be WTD w.e.f. 01.06.2017

B. Remuneration to other Directors

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



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

(In ₹)

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
		Mr Kashi Nath Dey*	Ms Surbhi Saraf*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3,04,000	1,20,000	4,24,000
	(b) Value of perquisites u/s 17(2) of the 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	-	-	-
	Total	3,04,000	1,20,000	4,24,000

* Appointed w.e.f. 1.6.2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:
62B, Braunfeld Row
Kolkata 700 027

Dated: 10th July, 2018.

Sd/-
Sanjay Goenka
Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Executive Director
DIN: 00848225



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDCON CHEMICALS LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid



Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India, Ministry of Corporate Affairs dated 29th March, 2016 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.
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 March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - ◆ With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - ◆ 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 note 32 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

Kolkata
May 25, 2018



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 March 31, 2018)

- (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)
 - a. The company has granted loan to one party covered in the register maintained under section 189 of the Companies Act, 2013.
 - b. According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of loan granted by the company to parties listed in the registers maintained under section 189 of the companies Act, 2013, are not prima facie, prejudicial to the interest of the company.
 - c. According to the information and explanations given to us, the parties are regular in repaying the principal amounts as stipulated and are also regular in payment of interest as stipulated.
 - d. There is no overdue amount of loans granted by the company to the parties 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, 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	6,960.00	2011-12	DCIT
2.	Income Tax Act, 1961	Tax and Interest	28,61,104.0	2013-14	CIT (A)
3.	Income Tax Act, 1961	Tax and Interest	39,680.00	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. In our opinion and according to the information & explanation given to us, the company has applied a part of monies raised by way of initial public offering and the term loans for the purpose for which they were raised. The company has not fully utilized the monies received by it through Initial Public Offering. Refer Note 37 to financial statements.
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
ICAI Firm Regn. No.318115E

Sd/-
CA. P. K. Gupta
Proprietor

Membership No.053799

Kolkata
May 25, 2018



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, 2018** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pawan Gupta & Co.
Chartered Accountants
Firm Regn. No.318115E

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

Kolkata
May 25, 2018



Balance Sheet

As At 31st March, 2018

(Amount in ₹)

	Note	As at	
		31st March, 2018	31st March, 2017
I). EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	10,23,81,250.00	1,49,56,250.00
b. Reserves & Surplus	4	15,47,46,399.86	13,35,15,890.74
		25,71,27,649.86	14,84,72,140.74
2. Non-Current Liabilities			
a. Long Term Borrowings	5	4,08,584.60	1,97,979.90
		4,08,584.60	1,97,979.90
3. Current Liabilities			
a. Short Term Borrowings	6	75,51,003.22	4,96,74,505.91
b. Trade Payables	7	3,63,73,234.12	3,27,27,198.75
c. Other Current Liabilities	8	1,65,29,457.20	1,49,39,959.99
d. Short Term Provisions	9	1,32,80,000.00	1,01,50,000.00
		7,37,33,694.54	10,74,91,664.65
	Total	33,12,69,929.00	25,61,61,785.29
II). ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	10	1,08,07,599.51	1,11,10,137.36
b. Non-Current Investments	11	3,24,32,628.33	1,20,10,205.81
c. Deferred Tax Asset	12	26,15,209.00	6,08,583.00
d. Long Term Loans and Advances	13	49,04,814.07	41,34,649.38
		5,07,60,250.91	2,78,63,575.55
2. Current Assets			
a. Inventories	14	2,86,28,458.40	84,39,699.87
b. Trade Receivables	15	18,31,45,837.42	17,67,90,262.53
c. Cash and Cash Equivalents	16	4,28,05,573.53	95,21,606.34
d. Short Term Loans and Advances	17	2,54,75,937.42	3,28,98,125.00
e. Other Current Assets	18	4,53,871.32	6,48,516.00
		28,05,09,678.09	22,82,98,209.74
	Total	33,12,69,929.00	25,61,61,785.29

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

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

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

Kolkata
May 25, 2018.

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



Statement of Profit and Loss

for the Year ended 31st March, 2018

(Amount in ₹)

	Note	Current Year	Previous Year
		2017-2018	2016-2017
I) INCOME			
Revenue from Operations (Gross)	19	35,97,68,197.08	36,79,33,500.53
Less: Excise Duty		89,94,130.81	2,84,53,325.32
Revenue from Operations (Net)		35,07,74,066.27	33,94,80,175.21
Other Income	20	1,19,63,709.82	29,96,134.11
Total Revenue	Total	36,27,37,776.09	34,24,76,309.32
II) EXPENDITURE			
Cost of Materials Consumed	21	22,97,83,063.05	22,46,64,451.44
Purchase of Stock-in-Trade	22	97,47,343.57	95,34,650.28
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	23	(2,21,570.39)	1,97,625.49
Employee Benefits Expense	24	3,54,87,296.81	3,04,08,267.71
Finance Costs	25	47,60,447.60	61,47,557.53
Depreciation and Amortisation Expense		14,46,140.00	17,94,437.00
Other Expenses	26	3,06,37,404.01	3,90,15,096.99
Total Expenses		31,16,40,124.65	31,17,62,086.44
Profit Before Tax		5,10,97,651.44	3,07,14,222.88
Tax Expenses			
Current Tax		(1,32,80,000.00)	(1,01,50,000.00)
Deferred tax		20,06,626.00	21,067.00
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		(72,172.00)	(12,838.00)
Total Tax Expenses		(1,13,45,546.00)	(1,01,41,771.00)
Profit for the Year		3,97,52,105.44	2,05,72,451.88
Earnings per equity share of face value of ₹10 each			
- Basic & Diluted (in ₹)		5.19	13.76
Earnings per equity share of face value of ₹10 each (Restated)			
- Basic & Diluted (Restated) (in ₹)		-	2.75
The number of shares used in computing Earnings per share			
- Basic	30	76,52,043	74,78,125

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

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

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

Kolkata
May 25, 2018.

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



Cash Flow Statement

for the Year ended 31st March, 2018

(Amount in ₹)

	Current Year 2017 - 2018		Previous Year 2016 - 2017	
A. Cash flow from operating activities :				
Profit/(Loss) before tax		5,10,97,651.44		3,07,28,642.88
Adjustments for :				
Depreciation	14,46,140.00		17,94,437.00	
Interest Income	(21,25,023.16)		(13,44,021.82)	
Dividend Income	(75,401.50)		(30,885.00)	
Profit on Sale of Investments	(64,08,393.81)		(6,96,723.46)	
Fixed Assets Written off	5,51,213.99		-	
Gratuity (Adjusted with reserves & Gratuity Premium paid)	(1,30,220.00)		-	
Financial Charges	47,60,447.60	(19,81,236.88)	61,47,557.53	58,70,364.25
Operating profit before working capital changes		4,91,16,414.56		3,65,99,007.13
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	(63,55,574.89)		44,59,741.72	
(Increase)/Decrease in Inventories	(2,01,88,758.53)		33,01,151.61	
(Increase)/Decrease in Long Term Loans & Advances	(7,70,164.69)		(3,03,931.61)	
(Increase)/Decrease in Short Term Loans & Advances	1,07,12,067.58		(91,56,226.53)	
(Increase)/Decrease in Other Current Assets	1,94,644.68		(2,36,909.51)	
Increase/(Decrease) in Trade Payables	36,46,035.37		(59,85,694.85)	
Increase/(Decrease) in Other Current Liabilities	15,89,497.21		(34,71,106.33)	
Net changes in working capital		(1,11,72,253.27)		(1,13,92,975.50)
Cash generated from operations		3,79,44,161.29		2,52,06,031.63
Taxes (Payment)/Refund	(1,35,12,052.00)	(1,35,12,052.00)	(1,01,61,620.00)	(1,01,61,620.00)
Net cash used (in)/from operating activities		2,44,32,109.29		1,50,44,411.63
B. Cash flow from Investing activities:				
Additions to fixed assets (Nett)	(16,94,816.57)		(37,37,561.50)	
(Increase)/Decrease in Non Current Investments	(1,40,14,028.71)		(8,24,381.13)	
Dividend Received	75,401.50		30,885.00	
Interest Received	21,25,023.16		13,44,021.82	
Net cash used in/from investing activities		(1,35,08,420.62)		(31,87,035.81)



Cash Flow Statement

for the Year ended 31st March, 2018

(Amount in ₹)

	Current Year 2017 - 2018		Previous Year 2016 - 2017	
C. Cash flow from Financing activities :				
Interest & Financial Charges	(47,60,447.60)		(61,47,557.53)	
Proceeds from Issue of Share Capital	6,90,33,624.11		-	
Proceeds from Long Term Borrowings	2,10,604.70		(2,74,421.30)	
Proceeds from Short Term Borrowings	(4,21,23,502.69)		(23,80,423.65)	
Net cash used in/from financing activities		2,23,60,278.52		(88,02,402.48)
Net Increase/(Decrease) in Cash & Cash Equivalents		3,32,83,967.19		30,54,973.34
Cash and Cash Equivalents at the beginning of the year		95,21,606.34		64,66,633.00
Cash and Cash Equivalents at the end of the year		4,28,05,573.53		95,21,606.34

- 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.

The accompanying notes form an integral part of the Financial Statements

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 25, 2018.

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

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

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



Notes on Financial Statements

for the Year ended 31st March, 2018

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.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

(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.

(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.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

(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 VAT/Sales Tax/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.

(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.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

- (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.

(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



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

& 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 occuring after Balance Sheet date are taken into consideration.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 3 - Share Capital

(Amount in ₹)

	As at	
	31st March, 2018	31st March, 2017
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹ 10/= each		
(Previous Year: 15,00,000 Equity Shares of ₹ 10/= each)	11,00,00,000.00	1,50,00,000.00
Issued, Subscribed & Paid Up Share Capital		
1,02,38,125 Equity Shares of ₹ 10/= each		
(Previous Year: 14,95,625 Equity Shares of ₹10/= each)	10,23,81,250.00	1,49,56,250.00

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the Year	14,95,625	1,49,56,250.00	14,95,625	1,49,56,250.00
Movement during the year				
Increase in share capital on account of Issue of Bonus Shares	59,82,500	5,98,25,000.00	-	-
Increase in share capital on account of Issue of Shares by way of Initial Public Offer	27,60,000	2,76,00,000.00	-	-
Equity Shares at the end of the Year	1,02,38,125	10,23,81,250.00	14,95,625	1,49,56,250.00

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, 2018	31st March, 2017
	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	-	-



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

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

Name of the Shareholder	As at		As at	
	31st March, 2018		31st March, 2017	
	No. of Shares	% Held	No. of Shares	% Held
Padmalaya Vinimay Pvt Ltd	2566100	25.06	641525	42.89
Sanjay Goenka	1522500	14.87	304500	20.36
Nilima Goenka	1328500	12.98	265700	17.77
Radhakrishna Advisors LLP	591525	5.78	*	*
Vansh Goenka	570000	5.57	114000	7.62
Sanjay Goenka & Others (HUF)	**	**	75800	5.07

* The shareholder is not holding more than 5% shares as on March 31, 2017.

** The shareholder is not holding more than 5% shares as on March 31, 2018.

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.

Note: 4 - Reserves & Surplus

(Amount in ₹)

	As at	
	31st March, 2018	31st March, 2017
4.1 Securities Premium		
Balance as at the beginning of the year	8,18,93,750.00	8,18,93,750.00
Add: Premium received on issue of shares under Initial Public Offer (27,60,000 Shares issued at premium of ₹ 18/= each, F.V. ₹ 10/=)	49,68,00,00.00	-
Less: Amount utilized for Issue of Bonus Shares in ratio of 4:1	(5,98,25,000.00)	-
Less: Expenses relating to Initial Public Offer	(82,46,375.89)	-
Balance at the end of the year	6,35,02,374.11	8,18,93,750.00
4.2 Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	5,16,22,140.74	3,10,49,689.67
Add: Profit during the year	3,97,52,105.44	2,05,72,451.88
Less: Appropriations		
Adjustment relating to Gratuity	(1,30,220.00)	0.00
Adjustment relating to Property, Plant & Equipment	(0.43)	(0.81)
	9,12,44,025.75	5,16,22,140.74
Total	15,47,46,399.86	13,35,15,890.74

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 March 31, 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.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 5 - Long Term Borrowings

(Amount in ₹)

	As at	
	31st March, 2018	31st March, 2017
5.1 Secured		
Car Loans from Banks	4,08,584.60	1,97,979.90
Total	4,08,584.60	1,97,979.90

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 is repayable in 36 equated monthly installments of ₹ 25,641/= starting from 07.12.2015 and the last instalment will be falling due on 07.11.2018. Interest rate as at 31.03.2018 - 9.50% p.a.

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 31.03.2018 - 8.34% p.a.

Note: 6 - Short Term Borrowings

	As at	
	31st March, 2018	31st March, 2017
6.1 Secured		
Cash Credit From Bank	21,51,003.22	33,74,505.91
6.2 Unsecured		
Loans From Body Corporates	54,00,000.00	4,43,00,000.00
Loans From Shareholders	-	20,00,000.00
Total	75,51,003.22	4,96,74,505.91

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.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

6.4 Repayment Terms

Unsecured Loans are repayable at the will of the management or lenders.

Note: 7 - Trade Payables

(Amount in ₹)

	As at	As at
	31st March, 2018	31st March, 2017
Trade Payables (Including Acceptances)	36373234.12	32727198.75
Total	36373234.12	32727198.75

Note: 8 - Other Current Liabilities

	As at	As at
	31st March, 2018	31st March, 2017
Current Maturities of Long Term Debts (Above amount is repayable within a year)	2,82,652.20	2,74,421.30
Interest Accrued and due on Borrowings	6,25,238.00	42,96,134.00
Payables for Expenses	97,97,994.57	77,76,388.76
Statutory Dues Payables	19,31,158.35	19,09,307.39
Security Deposits	1,39,918.00	1,19,796.00
Advance From Customers	10,77,692.00	5,63,912.54
Bank Balance in Current Account (Cheques Overdrawn)	26,74,804.08	-
Total	1,65,29,457.20	1,49,39,959.99

Note: 9 - Short Term Provisions

	As at	As at
	31st March, 2018	31st March, 2017
Provision for Income Tax	1,32,80,000.00	1,01,50,000.00
Total	1,32,80,000.00	1,01,50,000.00

Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 10 - Property, Plant & Equipment

(Amount in ₹)

Sl No.	Description	Gross Block			Depreciation			Net Block			
		As at 01/04/2017	Addition	Deductions/ Adjustments	As at 31/03/2018	01/04/2017	For the Year	Deductions/ Adjustments	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
Tangible Assets :											
1.	Freehold Land	44,52,660.88	-	-	44,52,660.88	-	-	-	-	44,52,660.88	44,52,660.88
2.	Building	9,21,854.40	-	-	9,21,854.40	7,59,369.40	14,91,300	-	7,74,282.40	1,47,572.00	1,62,485.00
3.	Factory Shed	1,29,248,300	45,57,631	-	1,38,05,931	6,89,524.00	5,68,1300	-	7,46,337.00	5,91,722.31	6,02,95,900
4.	Office	18,17,683.00	-	-	18,17,683.00	9,71,700.00	78,46,300	-	10,50,163.00	7,67,520.00	8,45,98,300
5.	Furniture & Fixtures	1,80,744.00	-	-	1,80,744.00	1,33,152.00	14,30,500	-	1,47,457.00	33,287.00	47,59,200
6.	Plant & Machinery	75,06,601.37	6,25,16,102	(24,48,228.85)	56,83,533.54	46,63,144.56	5,33,62,800	(19,96,431.43)	32,00,341.13	24,83,192.41	28,43,45,681
7.	Motor Car	46,91,119.00	8,24,64,678	-	55,15,765.78	33,79,697.00	4,84,50,800	-	38,64,205.00	16,51,560.78	13,11,42,200
8.	Motor Cycle	1,48,088.33	-	-	1,48,088.33	1,26,339.00	6,48,700	-	1,32,826.00	15,262.33	21,74,933
9.	Electrical Installations	6,05,494.00	-	-	6,05,494.00	4,52,488.00	39,77,200	-	4,92,260.00	1,13,234.00	1,53,00,600
10.	Laboratory Equipments	8,41,245.00	3,30,000	(6,90,644.00)	1,53,901.00	7,39,377.00	24,71,900	(6,45,578.00)	1,18,518.00	35,383.00	1,01,86,800
11.	Office Equipments	16,42,216.84	1,82,78,246	(4,85,510.00)	13,39,489.30	11,77,085.50	1,50,030.00	(4,48,819.00)	8,78,296.50	4,61,192.80	4,65,13,134
12.	Computer & Accessories	11,91,635.00	13,35,000	(9,17,855.00)	2,87,130.00	11,09,334.00	38,96,400	(9,00,195.00)	2,48,103.00	39,027.00	82,30,100
13.	Fire Safety Equipments	31,430.00	-	-	31,430.00	11,907.00	3,538.00	-	15,445.00	15,985.00	19,52,300
Total		2,53,23,254.82	16,94,81,657	(45,42,237.85)	2,24,75,833.54	1,42,13,117.46	14,46,14,000	(39,91,023.43)	1,16,68,234.03	1,08,07,599.51	1,11,10,137.36
Previous Year		2,15,85,693.32	37,37,561.50	-	2,53,23,254.82	1,24,18,679.65	17,94,437.00	0.81	1,42,13,117.46	1,11,10,137.36	91,67,013.67



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 11 - Non-Current Investments

(Amount in ₹)

	Face Value	As at		As at	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
		(No.)*	(No.)*	Amount	Amount
Long Term Investments Other than Trade (Valued at Weighted Average Cost unless stated Otherwise)					
Investment in Equity Instruments					
Quoted :					
Aditya Birla Capital Ltd	10	3000	-	5,74,311.97	-
Appu Marketing & Manufacturing Ltd	10	25000	25000	2,50,000.00	2,50,000.00
Ashapura Minechem Ltd	2	2000	-	1,98,200.00	-
Automotive Axles Ltd	10	50	750	31,858.50	5,29,961.50
Dollar Industries Ltd	2	25000	-	96,47,639.50	-
Emami Infrastructure Ltd	2	7000	-	11,19,140.00	-
Emami Ltd	1	1600	1100	17,88,133.09	12,77,113.09
Gammon India Ltd	2	-	10000	-	1,29,300.00
Gati Ltd	2	1000	1000	1,92,985.20	1,92,985.20
Himadri Speciality Chemicals Ltd	1	2000	-	1,69,455.50	-
Hindustan Construction Company Ltd	1	3000	24000	82,766.57	6,67,032.58
ICICI Bank Ltd	2	1600	1000	5,61,998.10	3,87,298.10
Jain Irrigation Systems Ltd	2	2000	-	2,76,373.70	-
Jaiprakash Associates Ltd	2	100000	-	24,61,250.00	-
Jaiprakash Power Ventures Ltd	10	25000	-	2,35,250.00	-
JK Paper Ltd	10	3000	-	4,29,670.00	-
Lanco Infratech Ltd	1	135000	135000	13,55,200.00	13,55,200.00
Manaksia Industries Ltd	1	-	8173	-	1,24,888.22
Mcnally Bharat Engineering Ltd	10	74410	-	51,76,803.23	-
Mothersumi Systems Ltd	1	900	600	2,05,103.70	2,05,103.70
Rupa & Co. Ltd	1	1200	-	5,60,990.37	-
Sanghvi Movers Ltd	2	4500	-	7,45,739.90	-
Sasta Sundar Ventures Ltd	10	6025	-	7,33,467.00	-
Seamec Ltd	10	-	2000	-	2,08,031.00
Shree Cements Ltd	10	10	10	1,15,329.00	1,15,329.00
Sree Rayalaseema Alkalies & Allied Chemicals Ltd	10	-	1000	-	18,443.42
Welspun India Ltd	1	2000	2000	1,35,963.00	1,14,520.00
Unquoted					
Padmalaya Vinimay Pvt Ltd	10	393500	393500	39,35,000.00	39,35,000.00



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

(Amount in ₹)

	Face Value	As at		As at	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
		(No.)*	(No.)*	Amount	Amount
Investment in Mutual Funds					
Quoted					
Franklin India Prime Plus - Growth	10	-	230.699	-	1,10,000.00
ICICI Prudential Banking & Financial Services	10	-	16160.150	-	5,50,000.00
ICICI Prudential Value Discovery Fund Growth	10	-	902.362	-	1,10,000.00
Kotak FMP Series 183 Regular Plan	10	20000.000	20000.000	2,00,000.00	2,00,000.00
Kotak Engineering Equity Scheme Regular Plan	10	-	3616.084	-	1,10,000.00
Kotak Medium Term Fund - Growth	10	-	4345.446	-	50,000.00
Kotak Select Focus Fund Regular Plan - Growth	10	-	4291.363	-	1,10,000.00
Reliance Tax Saver (ELSS) - Growth	10	24931.159	24931.159	12,50,000.00	11,50,000.00
SBI Blue Chip Regular Plan - Growth	10	-	3534.440	-	1,10,000.00
Total				3,24,32,628.33	1,20,10,205.81
Aggregate Cost of Quoted Investments				2,84,97,628.33	80,75,205.81
Aggregate Cost of Unquoted Investments				39,35,000.00	39,35,000.00
Market Value of Quoted Investments				2,70,48,181.74	1,55,41,328.03

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

Note: 12 - Deferred Tax Asset

	As at	As at
	31st March, 2018	31st March, 2017
Deferred Tax Asset		
Fixed Assets: Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	7,79,896.00	6,08,583.00
Impact of Unabsorbed Expenses	18,35,313.00	-
Total	26,15,209.00	6,08,583.00

Note: 13 - Long Term Loans & Advances

	As at	As at
	31st March, 2018	31st March, 2017
(Unsecured, considered good)		
Deposits	19,04,814.07	10,17,489.38
Other Loans & Advances	30,00,000.00	31,17,160.00
Total	49,04,814.07	41,34,649.38



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 14 - Inventories

(Amount in ₹)

	As at	As at
	31st March, 2018	31st March, 2017
As taken, valued and certified by the Management		
Raw Materials	2,80,53,500.00	80,86,311.86
Work In Progress	5,66,638.40	2,12,489.40
Stock-in-Trade (Traded Goods)	8,320.00	15,695.00
Finished Goods	-	1,25,203.61
Total	2,86,28,458.40	84,39,699.87

Note: 15 - Trade Receivables

	As at	As at
	31st March, 2018	31st March, 2017
(Unsecured, considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the date they became due for payment	8,05,95,458.39	7,34,03,255.37
Other debts	10,25,50,379.03	10,33,87,007.16
Total	18,31,45,837.42	17,67,90,262.53

Note: 16 - Cash and Cash Equivalents

	As at	As at
	31st March, 2018	31st March, 2017
Cash on hand	87,607.11	2,46,489.11
Balances with Banks		
- Current Accounts	52,104.04	7,10,342.08
Cheques in hand	-	11,08,751.00
Other Bank Balances		
- Deposits with remaining maturity of less than 3 months	62,75,862.38	1,02,200.00
- Deposits with remaining maturity for more than 3 months but less than 12 months	3,63,90,000.00	73,53,824.15
Total	4,28,05,573.53	95,21,606.34



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 17 - Short Term Loans and Advances

(Amount in ₹)

	As at	As at
	31st March, 2018	31st March, 2017
(Unsecured, considered good)		
Loan and Advances to Related Parties	-	3,90,000.00
Loan and Advances to Others	-	95,00,000.00
Advances (Recoverable in cash or in kind or for value to be received):		
Income Tax	1,38,39,573.00	1,05,49,693.00
Excise Duty/Cenvat & Service Tax Credit	-	88,35,359.00
Input VAT Credit	-	4,39,469.00
Goods & Service Tax Credit	97,15,767.69	-
Compensation Cess Credit	4,26,328.00	-
Duty Drawback Receivable	4,171.00	4,178.00
Advance to Employees	2,22,500.00	3,23,500.00
Advance to Suppliers	5,03,468.73	27,49,502.00
Advance for Expenses	1,46,862.00	1,06,424.00
Excess Payment to Gratuity Fund	13,454.00	-
Pre-paid Expenses	6,03,813.00	-
Total	2,54,75,937.42	3,28,98,125.00

Note: 18 - Other Current Assets

	As at	As at
	31st March, 2018	31st March, 2017
Interest Accrued and due		
- On Loans and Advances to Others	-	2,79,678.00
- On Bank's Fixed Deposits	4,53,871.32	3,68,838.00
Total	4,53,871.32	6,48,516.00



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 19 - Revenue From Operations

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
Sale of Products	34,68,10,340.08	34,93,20,538.51
Less: Excise Duty*	(89,94,130.81)	(2,84,53,325.32)
Sale of Services	20,81,266.00	28,99,607.50
Other Operating Revenue		
Freight Received	1,08,56,956.00	1,55,45,329.00
Insurance Received	641.00	1,32,373.52
Duty Drawback	18,994.00	35,652.00
Total	35,07,74,066.27	33,94,80,175.21

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

Note: 20 - Other Income

	Current Year	Previous Year
	2017-2018	2016-2017
Interest Income	21,25,023.16	13,44,021.82
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	9,69,078.05	6,25,642.29
Other Non-Operating Income	88,69,608.61	10,26,470.00
Total	1,19,63,709.82	29,96,134.11

Note: 21 - Cost of Materials Consumed

	Current Year	Previous Year
	2017-2018	2016-2017
Inventory at the beginning of the year	80,86,311.86	1,11,89,837.98
Add: Purchases (Net of Returns)	24,97,50,251.19	22,15,60,925.32
Less: Inventory at the end of the year	2,80,53,500.00	80,86,311.86
Total	22,97,83,063.05	22,46,64,451.44

Note: 22 - Purchase of Stock in Trade

	Current Year	Previous Year
	2017-2018	2016-2017
Glass Fiber Mesh	1,50,450.00	1,09,150.00
Calcium Chloride	3,120.00	-
Soda Ash	86,86,117.00	89,30,450.28
Coal	5,59,349.57	-
Others	3,48,307.00	4,95,050.00
Total	97,47,343.57	95,34,650.28



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 23 - Changes in Inventory of Finished Goods, Stock-in-Process and Stock-in-Trade

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
Inventories at the beginning of the year		
Work-in-Progress	2,12,489.40	5,31,223.50
Finished Goods	1,25,203.61	-
Stock-in-Trade (Traded Goods)	15,695.00	19,790.00
Total (A)	3,53,388.01	5,51,013.50
Inventories at the end of the year		
Work-in-Progress	5,66,638.40	2,12,489.40
Finished Goods	-	1,25,203.61
Stock-in-Trade (Traded Goods)	8,320.00	15,695.00
Total (B)	5,74,958.40	3,53,388.01
Total (A-B)	(2,21,570.39)	1,97,625.49

Note: 24 - Employee Benefits Expense

	Current Year	Previous Year
	2017-2018	2016-2017
Salary, Wages & Bonus	2,24,75,644.01	2,16,01,217.71
Managerial Remuneration	1,24,36,800.00	81,46,800.00
Staff Welfare Expenses	1,36,648.80	3,14,784.00
Gratuity Insurance Premium	4,38,204.00	3,45,466.00
Total	3,54,87,296.81	3,04,08,267.71

Note: 25 - Finance Costs

	Current Year	Previous Year
	2017-2018	2016-2017
Interest Expense		
- On Bank Borrowings	14,79,401.00	4,42,553.40
- On Car Loans	36,749.60	58,144.13
- On Unsecured Loans	32,44,297.00	56,45,030.00
- On Others	-	1,830.00
Total	47,60,447.60	61,47,557.53



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 26 - Other Expenses

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
26.1 Manufacturing Expenses		
Calibration Charges	35,968.00	26,273.42
Consumable Stores	55,711.00	28,380.00
Clearing & Forwarding Charges	20,39,874.28	14,60,584.98
Works Contract Charges	27,69,962.76	24,07,745.50
Selling & Distribution Expenses		
Advertisement Expenses	2,18,950.00	1,72,250.00
Carriage Outward	1,46,28,591.50	1,54,64,328.75
Sales Promotion Expenses	4,45,581.91	7,61,125.17
Rebates & Discounts	1,06,447.00	13,17,301.28
Seminar Expenses	66,200.00	16,200.00
Establishment Expenses		
Telephone Expenses	1,80,179.72	2,16,016.82
Printing & Stationery	3,12,387.00	4,66,395.00
Electricity Charges	4,44,822.49	2,61,413.00
Electrical Expenses	-	9,501.00
Tender Expenses	3,466.00	4,000.00
Membership & Subscription	1,49,168.00	2,66,584.00
Donation	1,60,963.00	1,00,501.00
Postage & Telegram	35,533.00	69,997.50
Travelling & Conveyance	10,70,200.81	11,63,435.87
Computer Consumables	64,578.85	1,11,701.36
Motor Car Expenses	3,61,852.67	3,59,260.75
Motor Cycle Expenses	16,317.66	18,140.00
Generator Expenses	40,572.96	52,491.00
Repairs & Maintenance	6,98,023.78	4,20,235.00
Office Maintenance Charges	52,896.00	49,815.00
Website Expenses	41,952.00	2,721.20
Office Rent	3,22,500.00	3,54,000.00
Commission	53,586.00	11,35,577.00
Bank Charges	4,88,937.66	5,43,346.64
Security Charges	3,27,003.00	3,61,486.00
Insurance Charges	1,15,184.28	1,45,391.00
Testing Charges	1,47,100.00	2,98,134.40
General Expenses	5,53,524.58	3,57,479.00



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
Registration Charges	3,94,809.13	2,32,000.00
Rates & Taxes	9,99,529.98	9,66,803.03
Filing Fees	46,000.00	26,200.00
Professional Fees	9,12,502.00	2,22,700.00
CST/VAT (Asst. Dues)	1,46,256.00	48,163.00
Fixed Assets Written off	5,51,213.99	-
Bad Debts	13,16,057.00	89,29,597.32
Auditors Remuneration	2,63,000.00	1,67,822.00
Total	3,06,37,404.01	3,90,15,096.99
26.2 Payment to Auditors includes:		
a) Audit Fees		
- Statutory & Tax Audit Fees	2,00,000.00	1,00,000.00
b) Others		
- Other Matters	63,000.00	67,822.00
Total	2,63,000.00	1,67,822.00

27 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 (w.e.f 01.06.2017)

Mr Ramsanatan Banerjee, Whole-Time Director

Mr Kashinath Dey, Chief Financial Officer (w.e.f. 01.06.2017)

Ms Surbhi Saraf, Company Secretary (w.e.f. 01.06.2017)

Notes:

Mr Kashinath Dey resigned from directorship of the company on 01.06.2017 and has been appointed as Chief Financial Officer, w.e.f. 01.06.2017.

b) Relatives of Key Management Personnel

Miss Vidisha Goenka

Miss Shristi Goenka

Mr Ravi Goenka



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

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)

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

(Amount in ₹)

Name of the Party	Nature of Relationship	Current Year	Previous Year
		2017-2018	2016-2017
Salary & Perquisites to Managerial Personnel			
1. Sanjay Goenka	Key Management Personnel	8400000	7,200000
2. Nilima Goenka		3000000	-
3. Ramsanatan Banerjee		672000	642000
4. Kashinath Dey		364800	304800
Salary			
1. Surbhi Saraf	Key Management Personnel	120000	-
2. Nilima Goenka	Relatives of Key Management Personnel	400000	2,600000
3. Vidisha Goenka		2210000	1,950000
4. Shristi Goenka		2210000	1,950000
Interest On Unsecured Loans			
1. Sanjay Goenka	Key Management Personnel	3898	107113
2. Sanjay Goenka & Others (HUF)	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	34219	5260
Office Rent			
1. Sanjay Goenka	Key Management Personnel	120000	120000
2. Nilima Goenka		180000	180000
Sale of Goods			
1. RG's Fashions Pvt Ltd	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	46372	43804
2. Bengal Traders Pvt Ltd		55881949	29992178
Loan Repayment Reced			
1. Kashinath Dey	Key Management Personnel	390000	45000
Loan Taken			
1. Sanjay Goenka	Key Management Personnel	-	3830832
2. Nilima Goenka		-	1000000
3. Vidisha Goenka	Relatives of Key Management Personnel	-	2170000
4. Shristi Goenka		-	3020000
5. Sanjay Goenka & Others (HUF)	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	-	2000000



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

(Amount in ₹)

Name of the Party	Nature of Relationship	Current Year	Previous Year
		2017-2018	2016-2017
Loan Repaid			
1. Sanjay Goenka	Key Management Personnel	96401	3830832
2. Nilima Goenka		-	1000000
3. Vidisha Goenka	Relatives of Key Management Personnel	-	2170000
4. Shristi Goenka		-	3020000
5. Sanjay Goenka & Others (HUF)	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	2004734	-

e) Details of closing balances with related parties during the year/previous year :

Name of the Party	Nature of Relationship	Current Year	Previous Year
		2017-2018	2016-2017
Investment in Shares			
1. Padmalaya Vinimay Pvt Ltd	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	3935000	3935000
Sundry Debtors			
1. RG's Fashions Pvt Ltd	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	2560	0
2. Bengal Traders Pvt Ltd		9751905	1931058
Loan Given			
1. Kashinath Dey	Key Management Personnel	0	390000
Loan Taken			
1. Sanjay Goenka	Key Management Personnel	0	96401
2. Sanjay Goenka & Others (HUF)	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	0	2004734
Director Remuneration & Salary Payable			
1. Ramsanatan Banerjee	Key Management Personnel	44250	39245
2. Kashinath Dey		28600	23600
3. Surbhi Saraf		10960	0

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.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

28 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.

29 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.

30 Earnings Per Share (EPS)

(Amount in ₹)

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	39,752,105.44	20,572,451.88
Weighted average number of Equity Shares of ₹10 each outstanding during the year:		
- Basic & Diluted	7,652,043	1,495,625
Earnings Per Share (Basic & Diluted)		
- Basic & Diluted	5.19	13.76
Face Value per equity shares	10.00	10.00

31 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.

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

(i) Income Tax Matters ₹ 29.08 Lacs (Previous Year: ₹ 0.07 Lakhs)

33 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 31-Mar-2018	Year ended 31-Mar-2017
Contribution to Provident Fund	290,756.00	253,803.00



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

(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

(Amount in ₹)

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Net employee benefit expense recognised in the employee cost		
Current service cost	342,154.00	334,576.00
Interest cost	129,896.00	94,982.00
Net Actuarial Loss/(Gain) recognised in the year	(33,846.00)	(19,905.00)
Net Benefit Expense	438,204.00	409,653.00

Balance Sheet

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Benefit Asset / Liability		
Present Value of the obligation at the end of the period	2,114,287.00	1,676,083.00
Fair Value of Plan assets at the end of the period	(2,127,741.00)	(1,777,741.00)
Net (Asset)/Liability recognised in the Balance Sheet	(13,454.00)	(101,658.00)

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

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Discount Rate (based on macroeconomic trend)	7.75% p.a	7.50% p.a
Salary Growth Rate	6.00% p.a	5.00% p.a
Mortality Rates	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE
Expected rate of return	-	9.34% p.a
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	2,000,000.00	1,000,000.00

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.



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

- (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.

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

35 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	Year ended
	31-Mar-2018	31-Mar-2017
Sales Within India	242,811,271.27	246,618,149.19
Sales Outside India	95,004,938.00	74,249,064.00
Total Sales	337,816,209.27	320,867,213.19

36 (i) Foreign Exchange Earnings and Outgo:

	Year ended	Year ended
	31-Mar-2018	31-Mar-2017
Earnings in Foreign Currency	9,201,559.00	10,419,647.00
Expenditure in Foreign Currency	56,703,127.00	42,956,453.00

(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 31-Mar-2018	Year ended 31-Mar-2017	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Raw Materials				
Indigenous	173079936.05	181707998.44	75.32	80.88
Imported	56703127.00	42956453.00	24.68	19.12
	229783063.05	224664451.44	100.00	100.00



Notes on Financial Statements (cont'd)

for the Year ended 31st March, 2018

37 Money raised through Public Issue & its utilization

During the year ended March 31, 2018, the company has 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 31.03.2018 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/=)	77,280,000.00
Less : Share Issue Expenses	(8,246,375.89)
Net Proceeds from "Initial Public Offer"	69,033,624.11

Use of Proceeds from "Initial Public Offer"

	Amount disclosed in the Prospectus	Amount Utilized	Amount Unutilized (**)
Working Capital Requirements	53,816,000.00	20,405,537.00	33,410,463.00
General Corporate Expenses	16,000,000.00	12,238,087.11	3,761,912.89
Issue Related Expenses	7,464,000.00	8,246,375.89	(782,375.89)
Total	77,280,000.00	40,890,000.00	36,390,000.00

** The company has utilized ₹ 4,08,90,000/= from the issue proceeds as per the objects stated in the prospectus. The unutilized amount, i.e. ₹ 3,63,90,000/= have been temporarily deployed in fixed deposit with banks. The same shall be utilised by 31st March, 2019.

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 half yearly 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 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 25, 2018.

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

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

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDCON CHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HINDCON CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **March 31, 2018**, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 prescribed 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 Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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



and the reasonableness of the accounting estimates made by the Holding Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidences obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 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 preparation of consolidated financial statements;
- ◆ In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- ◆ On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and its Subsidiary Company, none of the directors of the Group Companies are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- ◆ With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its Subsidiary Company, refer to our Report in "**Annexure- A**".
- ◆ 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 Group does not have any pending litigations which would impact its consolidated financial position, subject to note 32 of the 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 Company.

For **Pawan Gupta & Co.**
Chartered Accountants
Firm Regn. No.318115E

Sd/-

CA. P. K. Gupta
Proprietor

Membership No.053799

Kolkata
May 25, 2018



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”)

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Hindcon Chemicals Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary company as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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 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 Act.

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 Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary Company, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Kolkata
May 25, 2018

For **Pawan Gupta & Co.**
Chartered Accountants
Firm Regn. No.318115E

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



Consolidated Balance Sheet

As At 31st March, 2018

	Note	As at	
		31st March, 2018	31st March, 2017
I) EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	7,67,20,250.00	85,41,000.00
b. Reserves & Surplus	4	19,57,49,598.11	14,22,54,740.81
		27,24,69,848.11	15,07,95,740.81
2. Minority Interest		19,64,205.30	16,90,208.65
3. Non-Current Liabilities			
a. Long Term Borrowings	5	4,08,584.60	1,97,979.90
		4,08,584.60	1,97,979.90
4. Current Liabilities			
a. Short Term Borrowings	6	75,51,003.22	4,97,27,505.91
b. Trade Payables	7	3,63,73,234.12	3,27,27,198.75
c. Other Current Liabilities	8	1,66,16,734.60	1,49,66,759.99
d. Short Term Provisions	9	1,47,35,000.00	1,02,38,000.00
		7,52,75,971.94	10,76,59,464.65
	Total	35,01,18,609.95	26,03,43,394.01
II) ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	10	1,08,07,599.51	1,11,10,137.36
b. Non-Current Investments	11	3,48,08,736.75	80,75,205.81
c. Deferred Tax Asset	12	26,15,209.00	6,08,583.00
d. Long Term Loans and Advances	13	49,04,814.07	40,17,489.38
		5,31,36,359.33	2,38,11,415.55
2. Current Assets			
a. Inventories	14	2,86,28,458.40	84,39,699.87
b. Trade Receivables	15	18,31,45,837.42	18,47,80,262.53
c. Cash and Cash Equivalents	16	4,33,42,089.25	95,63,829.06
d. Short Term Loans and Advances	17	4,12,40,819.42	3,30,99,671.00
e. Other Current Assets	18	6,25,046.13	6,48,516.00
		29,69,82,250.62	23,65,31,978.46
	Total	35,01,18,609.95	26,03,43,394.01

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 25, 2018.

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

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

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



Consolidated Statement of Profit and Loss

for the Year ended 31st March, 2018

(Amount in ₹)

	Note	Current Year	Previous Year
		2017-2018	2016-2017
I) INCOME			
Revenue from Operations (Gross)	19	35,97,68,197.08	36,79,33,500.53
Less: Excise Duty		89,94,130.81	2,84,53,325.32
Revenue from Operations (Net)		35,07,74,066.27	33,94,80,175.21
Other Income	20	1,95,57,571.17	34,66,634.11
Total Revenue	Total	37,03,31,637.44	34,29,46,809.32
II) EXPENDITURE			
Cost of Materials Consumed	21	22,97,83,063.05	22,46,64,451.44
Purchase of Stock-in-Trade	22	97,47,343.57	95,34,650.28
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	23	(2,21,570.39)	1,97,625.49
Employee Benefits Expense	24	3,55,53,296.81	3,04,14,267.71
Finance Costs	25	47,60,447.60	61,47,557.53
Depreciation and Amortisation Expense		14,46,140.00	17,94,437.00
Other Expenses	26	3,10,07,414.61	3,90,68,271.04
Total Expenses		31,20,76,135.25	31,18,21,260.49
Profit Before Tax		5,82,55,502.19	3,11,25,548.83
Tax Expenses			
Current Tax		(1,47,35,000.00)	(1,02,38,000.00)
MAT Credit		12,44,372.00	78,379.00
Deferred tax		20,06,626.00	21,067.00
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		(71,200.00)	(13,067.00)
Total Tax Expenses		(1,15,55,202.00)	(1,01,51,621.00)
Profit for the Year		4,67,00,300.19	2,09,73,927.83
Share of (Profit)/Loss of Minority Interest		(3,11,881.97)	(2,42,876.62)
Profit for the year		4,63,88,418.22	2,07,31,051.21
Earnings per equity share of face value of ₹ 10 each			
- Basic & Diluted (in ₹)		9.12	24.27
Earnings per equity share of face value of ₹ 10 each (Restated)			
- Basic & Diluted (Restated) (in ₹)		-	4.85
The number of shares used in computing Earnings per share			
- Basic	30	50,85,943	8,54,100

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 25, 2018.

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

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

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



Consolidated Cash Flow Statement

for the Year ended 31st March, 2018

(Amount in ₹)

	Current Year 2017 - 2018		Previous Year 2016 - 2017	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		5,82,55,502.19		3,11,25,548.83
Adjustments for :				
Depreciation	14,46,140.00		17,94,437.00	
Interest Income	(24,13,482.97)		(13,44,021.82)	
Dividend Income	(87,926.50)		(30,885.00)	
Profit on Sale of Investments	(1,37,01,270.35)		(11,52,803.46)	
Fixed Assets Written off	5,51,213.99			
Gratuity (Adjusted with reserves & Gratuity Premium paid)	(1,30,220.00)			
Financial Charges	47,60,447.60	(95,75,098.23)	61,47,557.53	54,14,284.25
Operating profit before working capital changes		4,86,80,403.96		3,65,39,833.08
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	16,34,425.11		(35,30,258.28)	
(Increase)/Decrease in Inventories	(2,01,88,758.53)		33,01,151.61	
(Increase)/Decrease in Long Term Loans & Advances	(8,87,324.69)		(3,03,931.61)	
(Increase)/Decrease in Short Term Loans & Advances	(34,79,972.42)		(91,56,226.53)	
(Increase)/Decrease in Other Current Assets	23,469.87		(2,36,909.51)	
Increase/(Decrease) in Trade Payables	36,46,035.37		(59,85,694.85)	
Increase/(Decrease) in Other Current Liabilities	16,49,974.61		(34,61,556.33)	
Net changes in working capital		(1,76,02,150.68)		(1,93,73,425.50)
Cash generated from operations		3,10,78,253.28		1,71,66,407.58
Taxes (Payment)/Refund	(1,37,26,004.00)	(1,37,26,004.00)	(1,01,61,849.00)	(1,01,61,849.00)
Net cash used (in)/from operating activities		1,73,52,249.28		70,04,558.58
B. Cash flow from Investing activities :				
Additions to fixed assets (Nett)	(16,94,816.57)		(37,37,561.50)	
(Increase)/Decrease in Non Current Investments	(66,87,860.51)		71,74,118.87	
Dividend Received	87,926.50		30,885.00	
Interest Received	24,13,482.97		13,44,021.82	
Net cash used in/from investing activities		(58,81,267.61)		48,11,464.19



Consolidated Cash Flow Statement

for the Year ended 31st March, 2018

(Amount in ₹)

	Current Year 2017 - 2018		Previous Year 2016 - 2017	
C. Cash flow from Financing activities :				
Interest & Financial Charges	(47,60,447.60)		(61,47,557.53)	
Proceeds from Issue of Share Capital	6,90,33,624.11		-	
Proceeds from Long Term Borrowings	2,10,604.70		(2,74,421.30)	
Proceeds from Short Term Borrowings	(4,21,76,502.69)		(23,27,423.65)	
Net cash used in/from financing activities		2,23,07,278.52		(87,49,402.48)
Net Increase/(Decrease) in Cash & Cash Equivalents		3,37,78,260.19		30,66,620.29
Cash and Cash Equivalents at the beginning of the year		95,63,829.06		64,97,208.77
Cash and Cash Equivalents at the end of the year		4,33,42,089.25		95,63,829.06

- 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.

The accompanying notes form an integral part of the Financial Statements

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 25, 2018.

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

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

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



Notes on Consolidated Financial Statements

for the Year ended 31st March, 2018

Note: 1 - Corporate Information

The consolidated financial statements comprise financial statements of Hindcon Chemicals Limited (the Company) and its subsidiary company M/s Padmalay Vinimay Private Limited (collectively, "the Group") for the year ended 31st March, 2018. 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	Percentage of holding
		As at 31.03.2018	As at 31.03.2017
Padmalaya Vinimay Private Limited	India	97.52%	97.52%

Note: 2 - Significant Accounting Policies

(A) Basis of preparation of 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 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, 2018. 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.



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

- (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 31.03.2018.
- (ix) There is no Joint Venture during the financial year ended 31.03.2018.
- (x) There is no foreign subsidiary during the financial year ended 31.03.2018.

(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 (cont'd)

for the Year ended 31st March, 2018

Note: 3 - Share Capital

(Amount in ₹)

	As at	As at
	31st March, 2018	31st March, 2017
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹10/= each		
(Previous Year: 15,00,000 Equity Shares of ₹10/= each)	11,00,00,000.00	1,50,00,000.00
Issued, Subscribed & Paid Up Share Capital		
76,72,025 Equity Shares of ₹10/= each		
(Previous Year: 8,54,100 Equity Shares of ₹10/= each)	7,67,20,250.00	85,41,000.00

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the Year	8,54,100	85,41,000.00	8,54,100	85,41,000.00
Movement during the year				
Increase in share capital on account of Issue of Bonus Shares	34,16,400	3,41,64,000.00	-	-
Increase in share capital on account of Issue of Shares by way of Initial Public Offer	27,60,000	2,76,00,000.00	-	-
Movement during the year	6,41,525	64,15,250.00	-	-
Equity Shares at the end of the Year	76,72,025	7,67,20,250.00	8,54,100	85,41,000.00

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	As at
	31st March, 2018	31st March, 2017
	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	-	-



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 4 - Reserves & Surplus

(Amount in ₹)

	As at	
	31st March, 2018	31st March, 2017
4.1 Securities Premium		
Balance as at the beginning of the year	8,18,93,750.00	8,18,93,750.00
Add: Premium received on issue of shares under Initial Public Offer (27,60,000 Shares issued at premium of ₹18/= each, FV. ₹10/=)	4,96,80,000.00	-
Less: Amount utilized for Issue of Bonus Shares in ratio of 4:1	(5,98,25,000.00)	-
Less: Expenses relating to Initial Public Offer	(82,46,375.89)	-
Balance at the end of the year	6,35,02,374.11	8,18,93,750.00
4.2 Capital Reserve On Consolidation		
Capital Reserve On Consolidation	3,80,64,058.41	3,92,70,407.06
Less : Goodwill	-	(2,53,06,750.00)
	3,80,64,058.41	1,39,63,657.06
4.3 General Reserve	66,98,722.16	51,71,088.11
4.4 Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	4,12,26,245.64	2,04,95,195.24
Add: Profit during the year	4,63,88,418.22	2,07,31,051.21
Less: Appropriations		
Adjustment relating to Gratuity	(1,30,220.00)	-
Adjustment relating to Property, Plant & Equipment	(0.43)	(0.81)
	8,74,84,443.43	4,12,26,245.64
Total	19,57,49,598.11	14,22,54,740.81

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 March 31, 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

	As at	
	31st March, 2018	31st March, 2017
5.1 Secured		
Car Loans from Banks	4,08,584.60	1,97,979.90
Total	4,08,584.60	1,97,979.90

5.2 Security

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



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

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

HDFC Bank Limited

Loan from Bank is repayable in 36 equated monthly installments of ₹25,641/= starting from 07.12.2015 and the last instalment will be falling due on 07.11.2018. Interest rate as at 31.03.2018 - 9.50% p.a.

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 31.03.2018 - 8.34% p.a.

Note: 6 - Short Term Borrowings

(Amount in ₹)

	As at	As at
	31st March, 2018	31st March, 2017
6.1 Secured		
Cash Credit From Bank	21,51,003.22	33,74,505.91
6.2 Unsecured		
Loans From Body Corporates	54,00,000.00	4,43,00,000.00
Loans From Directors	-	53,000.00
Loans From Shareholders	-	20,00,000.00
Total	75,51,003.22	4,97,27,505.91

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.

6.4 Repayment Terms

Unsecured Loans are repayable at the will of the management or lenders.

Note: 7 - Trade Payables

	As at	As at
	31st March, 2018	31st March, 2017
Trade Payables (Including Acceptances)	3,63,73,234.12	3,27,27,198.75
Total	3,63,73,234.12	3,27,27,198.75



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 8 - Other Current Liabilities

(Amount in ₹)

	As at	As at
	31st March, 2018	31st March, 2017
Current Maturities of Long Term Debts (Above amount is repayable within a year)	2,82,652.20	2,74,421.30
Interest Accrued and due on Borrowings	6,25,238.00	42,96,134.00
Payables for Expenses	98,07,740.57	77,76,388.76
Statutory Dues Payables	19,21,412.35	19,09,307.39
Other Payables	87,277.40	26,800.00
Security Deposits	1,39,918.00	1,19,796.00
Advance From Customers	10,77,692.00	5,63,912.54
Bank Balance in Current Account (Cheques Overdrawn)	26,74,804.08	-
Total	1,66,16,734.60	1,49,66,759.99

Note: 9 - Short Term Provisions

	As at	As at
	31st March, 2018	31st March, 2017
Provision for Income Tax	1,47,35,000.00	1,02,38,000.00
Total	1,47,35,000.00	1,02,38,000.00

Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 10 - Property, Plant & Equipment

(Amount in ₹)

Sl No.	Description	Gross Block			Depreciation			Net Block			
		As at 01/04/2017	Addition	Deductions/ Adjustments	As at 31/03/2018	As at 01/04/2017	For the Year	Deductions/ Adjustments	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
Tangible Assets :											
1.	Freehold Land	44,52,660.88	-	-	44,52,660.88	-	-	-	-	44,52,660.88	44,52,660.88
2.	Building	9,21,854.40	-	-	9,21,854.40	7,59,369.40	14,913.00	-	7,74,282.40	1,47,572.00	1,62,485.00
3.	Factory Shed	1,29,2483.00	45,576.31	-	1,38,059.31	6,89,524.00	56,813.00	-	7,46,337.00	5,91,722.31	6,02,959.00
4.	Office	18,17,683.00	-	-	18,17,683.00	9,71,700.00	78,463.00	-	10,50,163.00	7,67,520.00	8,45,983.00
5.	Furniture & Fixtures	1,80,744.00	-	-	1,80,744.00	1,33,152.00	14,305.00	-	1,47,457.00	33,287.00	47,592.00
6.	Plant & Machinery	75,06,601.37	6,25,161.02	(24,48,228.85)	56,83,533.54	46,63,144.56	5,33,628.00	(19,96,431.43)	32,00,341.13	24,83,192.41	28,43,456.81
7.	Motor Car	46,91,119.00	8,24,646.78	-	55,15,765.78	33,79,697.00	4,84,508.00	-	38,64,205.00	16,51,560.78	13,11,422.00
8.	Motor Cycle	1,48,088.33	-	-	1,48,088.33	1,26,339.00	6,487.00	-	1,32,826.00	15,262.33	21,749.33
9.	Electrical Installations	6,05,494.00	-	-	6,05,494.00	4,52,488.00	39,772.00	-	4,92,260.00	1,13,234.00	1,53,006.00
10.	Laboratory Equipments	8,41,245.00	3,300.00	(6,90,644.00)	1,53,901.00	7,39,377.00	24,719.00	(6,45,578.00)	1,18,518.00	35,383.00	1,01,868.00
11.	Office Equipments	16,42,216.84	1,82,782.46	(4,85,510.00)	13,39,489.30	11,77,085.50	1,50,030.00	(4,48,819.00)	8,78,296.50	4,61,192.80	4,65,131.34
12.	Computer & Accessories	11,91,635.00	13,350.00	(9,17,855.00)	2,87,130.00	11,09,334.00	38,964.00	(9,00,195.00)	2,48,103.00	39,027.00	82,301.00
13.	Fire Safety Equipments	31,430.00	-	-	31,430.00	11,907.00	3,538.00	-	15,445.00	15,985.00	19,523.00
Total		2,53,23,254.82	16,94,816.57	(45,42,237.85)	2,24,75,833.54	1,42,13,117.46	14,46,140.00	(39,91,023.43)	1,16,68,234.03	1,08,07,599.51	1,11,10,137.36
Previous Year		2,15,85,693.32	37,37,561.50	-	2,53,23,254.82	1,24,18,679.65	17,94,437.00	0.81	1,42,13,117.46	1,11,10,137.36	91,67,013.67



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 11 - Non-Current Investments

(Amount in ₹)

	Face Value	As at		As at	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
		(No.)*	(No.)*	Amount	Amount
Long Term Investments Other than Trade (Valued at Weighted Average Cost unless stated Otherwise)					
Investment in Equity Instruments					
Quoted :					
Aditya Birla Capital Ltd	10	3000	-	5,74,311.97	-
Aditya Birla Capital Ltd	10	2000	-	3,84,160.74	-
Appu Marketing & Manufacturing Ltd	10	25000	25000	2,50,000.00	2,50,000.00
Ashapura Minechem Ltd	2	2000	-	1,98,200.00	-
Ashapura Minechem Ltd	2	2000	-	1,83,764.36	-
Automotive Axles Ltd	10	50	750	31,858.50	5,29,961.50
Avadh Sugar & Energy Ltd	10	596	-	6,28,692.58	-
Dollar Industries Ltd	2	25000	-	96,47,639.50	-
Emami Infrastructure Ltd	2	7000	-	11,19,140.00	-
Emami Infrastructure Ltd	2	1000	-	1,84,180.00	-
Emami Ltd	1	1600	1100	17,88,133.09	12,77,113.09
Gammon India Ltd	2	-	10000	-	1,29,300.00
Gati Ltd	2	1000	1000	1,92,985.20	1,92,985.20
Golden Goenka Fincorp Ltd	5	50000	-	3,47,434.94	-
GTL Infrastructure Ltd	10	100000	-	7,06,000.00	-
HDFC Bank Ltd	2	50	-	93,233.00	-
Himadri Speciality Chemicals Ltd	1	2000	-	1,69,455.50	-
Himadri Speciality Chemicals Ltd	1	1000	-	1,16,439.00	-
Hindustan Construction Company Ltd	1	3000	24000	82,766.57	6,67,032.58
ICICI Bank Ltd	2	1600	1000	5,61,998.10	3,87,298.10
Jain Irrigation Systems Ltd	2	2000	-	2,76,373.70	-
Jaiprakash Associates Ltd	2	100000	-	24,61,250.00	-
Jaiprakash Power Ventures Ltd	10	25000	-	2,35,250.00	-
JK Paper Ltd	10	3000	-	4,29,670.00	-
Lanco Infratech Ltd	1	135000	135000	13,55,200.00	13,55,200.00
Magadh Sugar & Energy Ltd	10	500	-	1,22,120.00	-
Manaksia Industries Ltd	1	-	8173	-	1,24,888.22



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

	Face Value	As at		As at	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
		(No.)*	(No.)*	Amount	Amount
Mcnally Bharat Engineering Ltd	10	74410	-	51,76,803.23	-
Minda Corporation Ltd	2	3500	-	7,40,668.25	-
Mothersumi Systems Ltd	1	900	600	2,05,103.70	2,05,103.70
Power Finance Corporation Ltd	10	2000	-	2,72,320.45	-
Rupa & Co. Ltd	1	1200	-	5,60,990.37	-
Sanghvi Movers Ltd	2	4500	-	7,45,739.90	-
Sanghvi Movers Ltd	2	2000	-	3,69,560.00	-
Sasta Sundar Ventures Ltd	10	6025	-	7,33,467.00	-
Seamec Ltd	10	-	2000	-	2,08,031.00
Shree Cements Ltd	10	10	10	1,15,329.00	1,15,329.00
Sintex Plastics Technology Ltd	1	2000	-	1,58,460.00	-
Sree Rayalaseema Alkalies & Allied Chemicals Ltd	10	-	1000	-	18,443.42
Star Cements Ltd	1	1000	-	1,11,663.54	-
The Indian Hume Pipe Company Ltd	2	4000	-	18,92,411.56	-
Welspun India Ltd	1	2000	2000	1,35,963.00	1,14,520.00
Investment in Mutual Funds					
Quoted					
Franklin India Prime Plus - Growth	10	-	230.699	-	1,10,000.00
ICICI Prudential Banking & Financial Services	10	-	16160.150	-	5,50,000.00
ICICI Prudential Value Discovery Fund Growth	10	-	902.362	-	1,10,000.00
Kotak FMP Series 183 Regular Plan	10	20000.000	20000.000	2,00,000.00	2,00,000.00
Kotak Engineering Equity Scheme Regular Plan	10	-	3616.084	-	1,10,000.00
Kotak Medium Term Fund - Growth	10	-	4345.466	-	50,000.00
Kotak Select Focus Fund Regular Plan - Growth	10	-	4291.363	-	1,10,000.00
Reliance Tax Saver (ELSS) - Growth	10	24931.159	24931.159	12,50,000.00	11,50,000.00
SBI Blue Chip Regular Plan - Growth	10	-	3534.440	-	1,10,000.00
Total				3,48,08,736.75	80,75,205.81
Aggregate Cost of Quoted Investments				2,35,90,256.75	74,13,778.69
Market Value of Quoted Investments				3,15,28,242.64	1,55,41,328.03

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



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 12 - Deferred Tax Asset

(Amount in ₹)

	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Asset		
Fixed Assets: Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	7,79,896.00	6,08,583.00
Impact of Unabsorbed Expenses	18,35,313.00	-
Total	26,15,209.00	6,08,583.00

Note: 13 - Long Term Loans & Advances

	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good)		
Deposits	19,04,814.07	10,17,489.38
Other Loans & Advances	30,00,000.00	30,00,000.00
Total	49,04,814.07	40,17,489.38

Note: 14 - Inventories

	As at 31st March, 2018	As at 31st March, 2017
As taken, valued and certified by the Management		
Raw Materials	2,80,53,500.00	80,86,311.86
Work In Progress	5,66,638.40	2,12,489.40
Stock-in-Trade (Traded Goods)	8,320.00	15,695.00
Finished Goods	-	1,25,203.61
Total	2,86,28,458.40	84,39,699.87

Note: 15 - Trade Receivables

	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the date they became due for payment	8,05,95,458.39	7,34,03,255.37
Other debts	10,25,50,379.03	11,13,77,007.16
Total	18,31,45,837.42	18,47,80,262.53



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 16 - Cash and Cash Equivalents

(Amount in ₹)

	As at	As at
	31st March, 2018	31st March, 2017
Cash on hand	4,04,176.11	2,47,734.11
Balances with Banks		
- Current Accounts	2,62,050.76	7,51,319.80
Cheques in hand	-	11,08,751.00
Other Bank Balances		
- Deposits with remaining maturity of less than 3 months	62,75,862.38	1,02,200.00
- Deposits with remaining maturity for more than 3 months but less than 12 months	3,64,00,000.00	73,53,824.15
Total	4,33,42,089.25	95,63,829.06

Note: 17 - Short Term Loans and Advances

	As at	As at
	31st March, 2018	31st March, 2017
(Unsecured, considered good)		
Loan and Advances to Related Parties	-	3,90,000.00
Loan and Advances to Others	1,43,00,000.00	95,00,000.00
Advances (Recoverable in cash or in kind or for value to be received)		
Income Tax	1,39,66,497.00	1,05,49,693.00
MAT Credit Entitlement	13,28,758.00	84,386.00
Excise Duty/Cenvat & Service Tax Credit	-	88,35,359.00
Input VAT Credit	-	4,39,469.00
Goods & Service Tax Credit	97,15,767.69	-
Compensation Cess Refundable	4,26,328.00	-
Duty Drawback Receivable	4,171.00	4,178.00
Advance to Employees	2,22,500.00	3,23,500.00
Advance to Suppliers	5,03,468.73	27,49,502.00
Advance for Expenses	1,56,062.00	1,06,424.00
Excess Payment to Gratuity Fund	13,454.00	-
Pre-paid Expenses	6,03,813.00	1,17,160.00
Total	4,12,40,819.42	3,30,99,671.00

Note: 18 - Other Current Assets

	As at	As at
	31st March, 2018	31st March, 2017
Interest Accrued and due		
- On Loans and Advances to Others	1,71,173.00	2,79,678.00
- On Bank's Fixed Deposits	4,53,873.13	3,68,838.00
Total	6,25,046.13	6,48,516.00



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 19 - Revenue From Operations

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
Sale of Products	34,68,10,340.08	34,93,20,538.51
Less: Excise Duty*	(89,94,130.81)	(2,84,53,325.32)
Sale of Services	20,81,266.00	28,99,607.50
Other Operating Revenue		
Freight Received	1,08,56,956.00	1,55,45,329.00
Insurance Received	641.00	1,32,373.52
Duty Drawback	18,994.00	35,652.00
Total	35,07,74,066.27	33,94,80,175.21

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

Note: 20 - Other Income

	Current Year	Previous Year
	2017-2018	2016-2017
Interest Income	24,13,482.97	13,44,021.82
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	9,69,078.05	6,25,642.29
Other Non-Operating Income	1,61,75,010.15	14,96,970.00
Total	1,95,57,571.17	34,66,634.11

Note: 21 - Cost of Materials Consumed

	Current Year	Previous Year
	2017-2018	2016-2017
Inventory at the beginning of the year	80,86,311.86	1,11,89,837.98
Add: Purchases (Net of Returns)	24,97,50,251.19	22,15,60,925.32
Less: Inventory at the end of the year	2,80,53,500.00	80,86,311.86
Total	22,97,83,063.05	22,46,64,451.44



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 22 - Purchase of Stock in Trade

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
Glass Fiber Mesh	1,50,450.00	1,09,150.00
Calcium Chloride	3,120.00	-
Soda Ash	86,86,117.00	89,30,450.28
Coal	5,59,349.57	-
Others	3,48,307.00	4,95,050.00
Total	97,47,343.57	95,34,650.28

Note: 23 - Changes in Inventory of Finished Goods, Stock-in-Process and Stock-in-Trade

	Current Year	Previous Year
	2017-2018	2016-2017
Inventories at the beginning of the year		
Work-in-Progress	2,12,489.40	5,31,223.50
Finished Goods	1,25,203.61	-
Stock-in-Trade (Traded Goods)	15,695.00	19,790.00
Total (A)	3,53,388.01	5,51,013.50
Inventories at the end of the year		
Work-in-Progress	5,66,638.40	2,12,489.40
Finished Goods	-	1,25,203.61
Stock-in-Trade (Traded Goods)	8,320.00	15,695.00
Total (B)	5,74,958.40	3,53,388.01
Total (A-B)	(2,21,570.39)	1,97,625.49

Note: 24 - Employee Benefits Expense

	Current Year	Previous Year
	2017-2018	2016-2017
Salary, Wages & Bonus	2,25,41,644.01	2,16,07,217.71
Managerial Remuneration	1,24,36,800.00	81,46,800.00
Staff Welfare Expenses	1,36,648.80	3,14,784.00
Gratuity Insurance Premium	4,38,204.00	3,45,466.00
Total	3,55,53,296.81	3,04,14,267.71



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Note: 25 - Finance Costs

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
Interest Expense		
- On Bank Borrowings	14,79,401.00	4,42,553.40
- On Car Loans	36,749.60	58,144.13
- On Unsecured Loans	32,44,297.00	56,45,030.00
- On Others	-	1,830.00
Total	47,60,447.60	61,47,557.53

Note: 26 - Other Expenses

	Current Year	Previous Year
	2017-2018	2016-2017
26.1 Manufacturing Expenses		
Calibration Charges	35,968.00	26,273.42
Consumable Stores	55,711.00	28,380.00
Clearing & Forwarding Charges	20,39,874.28	14,60,584.98
Works Contract Charges	27,69,962.76	24,07,745.50
Selling & Distribution Expenses		
Advertisement Expenses	2,18,950.00	1,72,250.00
Carriage Outward	1,46,28,591.50	1,54,64,328.75
Sales Promotion Expenses	4,45,581.91	7,61,125.17
Rebates & Discounts	1,06,447.00	13,17,301.28
Seminar Expenses	66,200.00	16,200.00
Establishment Expenses		
Telephone Expenses	1,80,179.72	2,16,016.82
Printing & Stationery	3,12,387.00	4,66,395.00
Electricity Charges	4,44,822.49	2,61,413.00
Electrical Expenses	-	9,501.00
Tender Expenses	3,466.00	4,000.00
Membership & Subscription	1,49,168.00	2,66,584.00
Donation	4,10,963.00	1,00,501.00



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

(Amount in ₹)

	Current Year	Previous Year
	2017-2018	2016-2017
Postage & Telegram	35,533.00	69,997.50
Travelling & Conveyance	10,79,728.81	11,63,435.87
Computer Consumables	64,578.85	1,11,701.36
Motor Car Expenses	3,61,852.67	3,59,260.75
Motor Cycle Expenses	16,317.66	18,140.00
Generator Expenses	40,572.96	52,491.00
Repairs & Maintenance	6,98,023.78	4,20,235.00
Office Maintenance Charges	52,896.00	49,815.00
Website Expenses	41,952.00	2,721.20
Office Rent	3,22,500.00	3,54,000.00
Commission	53,586.00	11,35,577.00
Bank Charges	4,90,317.66	5,47,508.69
Demat Charges	584.60	-
Security Charges	3,27,003.00	3,61,486.00
Insurance Charges	1,15,184.28	1,45,391.00
Testing Charges	1,47,100.00	2,98,134.40
General Expenses	5,65,022.58	3,57,479.00
Registration Charges	3,94,809.13	2,32,000.00
Rates & Taxes	10,04,179.98	9,71,225.03
Filing Fees	77,500.00	27,200.00
Professional Fees	9,43,372.00	2,51,290.00
CST/VAT (Asst. Dues)	1,46,256.00	48,163.00
Fixed Assets Written off	5,51,213.99	-
Bad Debts	13,16,057.00	89,29,597.32
Auditors Remuneration	2,93,000.00	1,82,822.00
Total	3,10,07,414.61	3,90,68,271.04

26.2 Payment to Auditors includes:

a) Audit Fees		
- Statutory & Tax Audit Fees	2,30,000.00	1,15,000.00
b) Others		
- Other Matters	63,000.00	67,822.00
Total	2,93,000.00	1,82,822.00



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

27 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 (w.e.f 01.06.2017)
 Mr Ramsanatan Banerjee, Whole-Time Director
 Mr Kashinath Dey, Chief Financial Officer (w.e.f. 01.06.2017)
 Ms Surbhi Saraf, Company Secretary (w.e.f. 01.06.2017)

Notes:

Mr Kashinath Dey resigned from directorship of the company on 01.06.2017 and has been appointed as Chief Financial Officer, w.e.f. 01.06.2017.

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 (Director - Mr Kalyan Ghosh)
 M/s Bengal Traders Pvt Ltd
 M/s RG's Fashions Pvt Ltd
 M/s Sanjay Goenka & others (HUF)

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

(Amount in ₹)

Name of the Party	Nature of Relationship	Current Year	Previous Year
		2017-2018	2016-2017
Salary & Perquisites to Managerial Personnel			
1. Sanjay Goenka	Key Management Personnel	84,00,000	72,00,000
2. Nilima Goenka		30,00,000	-
3. Ramsanatan Banerjee		6,72,000	6,42,000
4. Kashinath Dey		3,64,800	3,04,800
Salary			
1. Surbhi Saraf	Key Management Personnel	1,20,000	-
2. Nilima Goenka		4,00,000	26,00,000
3. Vidisha Goenka	Relatives of Key Management Personnel	22,10,000	19,50,000
4. Shristi Goenka		22,10,000	19,50,000



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

(Amount in ₹)

Name of the Party	Nature of Relationship	Current Year	Previous Year
		2017-2018	2016-2017
Interest On Unsecured Loans			
1. Sanjay Goenka	Key Management Personnel	3898	1,07,113
2. Sanjay Goenka & Others (HUF)	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	34,219	5,260
Office Rent			
1. Sanjay Goenka	Key Management Personnel	1,20,000	1,20,000
2. Nilima Goenka		1,80,000	1,80,000
Sale of Goods			
1. RG's Fashions Pvt Ltd	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	46,372	43,804
2. Bengal Traders Pvt Ltd		5,58,81,949	2,99,92,178
Loan Repayment Reced			
1. Kashinath Dey	Key Management Personnel	3,90,000	45,000
Loan Taken			
1. Sanjay Goenka	Key Management Personnel	45,000	3,86,58,32
2. Kalyan Ghosh		1,500	18,000
3. Nilima Goenka		-	10,00,000
4. Vidisha Goenka		-	2,17,000
5. Shristi Goenka		-	3,02,000
6. Sanjay Goenka & Others (HUF)		Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	-
Loan Repaid			
1. Sanjay Goenka	Key Management Personnel	1,76,401	3,83,08,32
2. Kalyan Ghosh		19,500	-
3. Nilima Goenka		-	10,00,000
4. Vidisha Goenka		-	2,17,000
5. Shristi Goenka		-	3,02,000
6. Sanjay Goenka & Others (HUF)		Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	2,00,47,34

e) Details of closing balances with related parties during the year/previous year :

Name of the Party	Nature of Relationship	Current Year	Previous Year
		2017-2018	2016-2017
Sundry Debtors			
1. RG's Fashions Pvt Ltd	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	2,560	-
2. Bengal Traders Pvt Ltd		9,75,19,05	1,93,10,58



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

(Amount in ₹)

Name of the Party	Nature of Relationship	Current Year	Previous Year
		2017-2018	2016-2017
Loan Given			
1. Kashinath Dey	Key Management Personnel	-	390000
Loan Taken			
1. Sanjay Goenka	Key Management Personnel	-	131401
2. Kalyan Ghosh		-	18000
3. Sanjay Goenka & Others (HUF)	Enterprises owned or significantly influenced by the Key Management Personnel or their relatives	-	2004734
Director Remuneration & Salary Payable			
1. Ramsanatan Banerjee		44250	39245
2. Kashinath Dey	Key Management Personnel	28600	23600
3. Surbhi Saraf		10960	-

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.
- 28 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.
- 29 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.
- 30 Earnings Per Share (EPS)

	Year ended	Year ended
	31-Mar-2018	31-Mar-2017
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	4,63,88,418.22	2,07,31,051.21
Weighted average number of Equity Shares of ₹10 each outstanding during the year:		
- Basic & Diluted	50,85,943	8,54,100
Earnings Per Share (Basic & Diluted)		
- Basic & Diluted	9.12	24.27
Face Value per equity shares	10.00	10.00



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

31 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.

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

(i) Income Tax Matters ₹ 29.08 Lacs (Previous Year: ₹ 0.07 Lacs)

33 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	Year ended
	31-Mar-2018	31-Mar-2017
Contribution to Provident Fund	2,90,756.00	2,53,803.00

(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

	Year ended	Year ended
	31-Mar-2018	31-Mar-2017
Net employee benefit expense recognised in the employee cost		
Current service cost	3,42,154.00	3,34,576.00
Interest cost	1,29,896.00	94,982.00
Net Actuarial Loss/(Gain) recognised in the year	(33,846.00)	(19,905.00)
Net Benefit Expense	4,38,204.00	4,09,653.00



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Balance Sheet	(Amount in ₹)	
	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Benefit Asset / Liability		
Present Value of the obligation at the end of the period	21,14,287.00	16,76,083.00
Fair Value of Plan assets at the end of the period	(21,27,741.00)	(17,77,741.00)
Net (Asset)/Liability recognised in the Balance Sheet	(13,454.00)	(1,01,658.00)

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

	Year ended	Year ended
	31-Mar-2018	31-Mar-2017
Discount Rate (based on macroeconomic trend)	7.75% p.a	7.50% p.a
Salary Growth Rate	6.00% p.a	5.00% p.a
Mortality Rates	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE
Expected rate of return	-	9.34% p.a
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	20,00,000.00	10,00,000.00

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.

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



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

35 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	Year ended
	31-Mar-2018	31-Mar-2017
Sales Within India	24,28,11,271.27	24,66,18,149.19
Sales Outside India	9,50,04,938.00	7,42,49,064.00
Total Sales	33,78,16,209.27	32,08,67,213.19

36 (i) Foreign Exchange Earnings and Outgo:

	Year ended	Year ended
	31-Mar-2018	31-Mar-2017
Earnings in Foreign Currency	92,01,559.00	1,04,19,647.00
Expenditure in Foreign Currency	5,67,03,127.00	4,29,56,453.00

(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	Year ended	Year ended	Year ended
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Raw Materials				
Indigenous	17,30,79,936.05	18,17,07,998.44	75.32	80.88
Imported	5,67,03,127.00	4,29,56,453.00	24.68	19.12
	22,97,83,063.05	22,46,64,451.44	100.00	100.00

37 Money raised through Public Issue & its utilization

During the year ended March 31, 2018, the company has 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 31.03.2018 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/=)	7,72,80,000.00
Less : Share Issue Expenses	(82,46,375.89)
Net Proceeds from "Initial Public Offer"	6,90,33,624.11



Notes on Consolidated Financial Statements (cont'd)

for the Year ended 31st March, 2018

Use of Proceeds from "Initial Public Offer"

	Amount disclosed in the Prospectus	Amount Utilized	Amount Unutilized (**)
Working Capital Requirements	5,38,16,000.00	2,04,05,537.00	3,34,10,463.00
General Corporate Expenses	1,60,00,000.00	1,22,38,087.11	37,61,912.89
Issue Related Expenses	74,64,000.00	82,46,375.89	(7,82,375.89)
Total	7,72,80,000.00	4,08,90,000.00	3,63,90,000.00

** The company has utilized ₹4,08,90,000/= from the issue proceeds as per the objects stated in the prospectus. The unutilized amount, i.e. ₹3,63,90,000/= have been temporarily deployed in fixed deposit with banks. The same shall be utilised by March 31, 2019.

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, 2018		31st March, 2017		31st March, 2018		31st March, 2017	
		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	0.93	25,31,92,649.86	0.96	14,45,37,140.74	0.86	3,97,52,105.44	0.99	2,05,72,451.88
Subsidiaries									
1	Padmalaya Vinimay Pvt Ltd	0.07	1,92,77,198.25	0.04	62,58,600.07	0.14	66,36,312.78	0.01	1,58,599.23
	Total	1.00	27,24,69,848.11	1.00	15,07,95,740.81	1.00	4,63,88,418.22	1.00	2,07,31,051.11

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 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 25, 2018.

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

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

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

Sd/-
(Surbhi Saraf)
(Company Secretary)



HINDCON CHEMICALS LIMITED

CIN: U24117WB1998PLC087800

Regd. Off.: 62B, 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 : U24117WB1998PLC087800
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

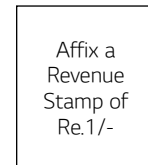
3. Name :
Address :
E-mail Id :
Signature: _____



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 Friday, the 24th day of August, 2018 at 'Merchant Chamber of Commerce & Industry', Conference Hall, 15B, Hemanta Basu Sarani, Kolkata- 700 001 at 1.00 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution Proposed
1.	Adoption of Standalone and Consolidated Financial Statement of the Company including Audited Balance Sheet as at 31st March, 2018, Audited Statement of Profit And Loss and the Cash Flow Statement for the year ended on that date, together with the Report of Board of Directors' and Auditors' thereon.
2.	Approval for the re-appointment of Mrs. Nilima Goenka (DIN: 00848225), Director retiring by rotation.
3.	To modify the terms of appointment of M/s Pawan Gupta & Co., Chartered Accountants as the Statutory Auditors of the Company and authorize the Board to fix their remuneration.

Signed this _____ day of _____, 2018



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
62B, Braunfeld Row, 1st Floor
Kolkata – 700 027

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:-

DP ID _____ CLIENT ID _____ FOLIO NO. _____

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: U24117WB1998PLC087800

Regd. Off: 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/we hereby record my/our presence at the Annual General Meeting of the Company, to be held on Friday the **24th day of August, 2018** at **Merchant Chamber of Commerce & Industry, Conference Hall, 15B, Hemanta Basu Sarani, Kolkata 700001** at **1.00 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.

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User Id	Password/ Pin
180724034		

6. E-Voting Facility is available during the following voting period:

Commencement of E-Voting	End of E-Voting
Tuesday 21st August, 2018 from 10.00A.M (IST)	Thursday 23rd August, 2018 till 05.00 P.M. (IST)

ROUTE MAP TO THE VENUE OF THE 20TH AGM OF HINDCON CHEMICALS LIMITED







Hindcon Chemicals Limited

Registered Office: 62B, Braunfeld Row, 1st Floor, Kolkata 700027
Telephone: 91-33-2449 0835 Tele fax: 91-33-2449 0849
Email: contactus@hindcon.com Website: www.hindcon.com