

# CHATURVEDI & PARTNERS

## Chartered Accountants

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### LIMITED REVIEW REPORT

To

**The Board of Directors**

**HINDUSTAN DORR-OLIVER LIMITED**

1. We have reviewed the accompanying unaudited financial results of **HINDUSTAN DORR-OLIVER LIMITED** for the quarter and six months ended September 30, 2014 ("the statement") except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We refer to:
  - a. Note 2(a) to the statements regarding preparation of financial statements of the company on going concern basis for the reasons stated therein. The accumulated losses of the company as at March 31, 2014 have eroded its net worth. The appropriateness of assumption of going concern is dependent upon improvement of the Company's future operations and ability to raise requisite finance/ generate cash flows in future to meet its obligations, including financial support to its subsidiaries.
  - b. Note 2(b) of the statements wherein the management of the company has considered trade receivables and other receivables amounting to Rs. 6,790 Lacs in respect of certain projects, as good and fully recoverable. In view of non-availability of alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.
  - c. Note 2(c)(i) regarding investment and in its Indian subsidiary having book value aggregating to Rs. 15,380 Lacs as at September 30, 2014, which are carried at fair value. In absence of valuation of investments in the subsidiary, we are unable to comment whether any provision for diminution in the value of investment is required.
  - d. Note 2(c)(ii) regarding investments in its foreign subsidiary and loans and advances receivable from such subsidiary aggregating to Rs. 15,020 Lacs, whose accumulated losses exceed their consolidated net worth, have been considered good. In the absence of sufficient appropriate evidence in respect of recoverability of advances and valuation of investment in the subsidiary, we are unable to comment whether any provision is required.



4. Based on our review conducted as above, except for the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006 which continue to apply as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Attention is invited to:
- a. Note 3 regarding unbilled revenue of Rs. 4,613 Lacs outstanding for considerable time and not billed to the customers. The company is in engagement with the customers for billing and realization of the work done.
  - b. Note 5 in the respect of pending winding up petitions against the company before Hon'ble High Court of Bombay. The matter is subjudice and outcome of which is subject to the company fulfilling the payment conditions of Memorandum of Understanding/ Consent Terms.

Our opinion is not qualified in respect of these matters.

Hyderabad  
November 13, 2014



**For CHATURVEDI & PARTNERS**  
Chartered Accountants  
Firm Registration No. 307068E

**R N CHATURVEDI**  
Partner  
Membership No. 092087

**HINDUSTAN DORR-OLIVER LIMITED**

CIN: L74210MH1974PLC017644

E.MAIL ID: pardha\_cs@ivrrinfra.com

Regd. Office: Dorr-Oliver House, Chakala, Andheri (E) Mumbai- 400 099

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014**

(Rs. in Lacs)

<b>PART I</b>							
<b>STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS</b>							
S. No.	Particulars	Quarter ended			Half Year ended		Year ended 31.03.2014
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>						
	<b>a. Net Income from operations</b>	<b>6,893</b>	<b>18,822</b>	<b>5,831</b>	<b>25,715</b>	<b>13,290</b>	<b>25,449</b>
	i. From Erection Procurement & Construction	2,118	4,102	5,831	6,220	13,290	25,449
	ii. From Finished Goods	4,775	14,720	-	19,495	-	-
	b. Other Operating Income	60	41	-	101	46	71
	<b>Net Sales/ Income from operations</b>	<b>6,953</b>	<b>18,863</b>	<b>5,831</b>	<b>25,816</b>	<b>13,336</b>	<b>25,520</b>
2	<b>Total Expenditure</b>	<b>9,860</b>	<b>21,113</b>	<b>7,970</b>	<b>30,973</b>	<b>16,606</b>	<b>33,395</b>
	a. (Increase) / Decrease in Inventories	(14)	84	31	70	(46)	(206)
	b. Cost of Materials/Services	3,681	4,736	6,979	8,417	14,713	29,181
	c. Purchase of stock in trade	4,774	14,716	-	19,490	-	-
	d. Employee benefits expense	612	647	541	1,259	1,116	2,709
	e. Depreciation and amortisation expense	24	26	58	50	116	227
	f. Other expenses	783	904	361	1,687	707	1,484
3	<b>Profit/(Loss) From Operations before Other Income, Interest &amp; Exceptional items. (1-2)</b>	<b>(2,907)</b>	<b>(2,250)</b>	<b>(2,139)</b>	<b>(5,157)</b>	<b>(3,270)</b>	<b>(7,875)</b>
4	Other Income	8	890	914	898	1,287	2,162
5	<b>Profit/ (Loss) before Interest &amp; Exceptional items. (3+4)</b>	<b>(2,899)</b>	<b>(1,360)</b>	<b>(1,225)</b>	<b>(4,259)</b>	<b>(1,983)</b>	<b>(5,713)</b>
6	Finance Costs	2,473	2,518	1,982	4,991	3,538	8,031
7	<b>Profit/(Loss) From Ordinary Activities before Tax (5-6)</b>	<b>(5,372)</b>	<b>(3,878)</b>	<b>(3,207)</b>	<b>(9,250)</b>	<b>(5,521)</b>	<b>(13,744)</b>
8	<b>Tax Expenses</b>	-	10,894	(1,120)	10,894	(1,846)	(3,593)
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	-	(1,120)	-	(1,846)	(3,593)
	- Deferred Tax adjustments of prior years	-	10,894	-	10,894	-	-
9	<b>Net Profit/ (Loss) From Ordinary Activities after Tax (7-8)</b>	<b>(5,372)</b>	<b>(14,772)</b>	<b>(2,087)</b>	<b>(20,144)</b>	<b>(3,675)</b>	<b>(10,151)</b>
10	Paid Up Equity Share Capital	1,440	1,440	1,440	1,440	1,440	1,440
	Face Value (Rs.)	2	2	2	2	2	2
11	Reserves excluding Revaluation Reserve (as per last Audited Balance Sheet)	-	-	-	-	-	(4,833)
12	<b>Earnings per Share (EPS)</b>						
	a. Basic (Rs.)	(7.46)	(20.51)	(2.90)	(27.97)	(5.10)	(14.10)
	b. Diluted (Rs.)	(7.46)	(20.51)	(2.90)	(27.97)	(5.10)	(14.10)

**PART II**
**SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2014**

<b>A. PARTICULARS OF SHAREHOLDING</b>							
1	Aggregate Public Shareholding						
	No. of shares	3,22,01,378	3,22,01,378	3,22,01,378	3,22,01,378	3,22,01,378	3,22,01,378
	Percentage of Shareholding	44.72%	44.72%	44.72%	44.72%	44.72%	44.72%
2	Promoters and Promoter Group Shareholding						
	(a) Pledged / Encumbered						
	No. of shares	2,11,55,306	2,11,55,306	2,11,55,306	2,11,55,306	2,11,55,306	2,11,55,306
	Percentage of Shareholding						
	( as a % of the total shareholding of promoter and promoter group)	53.15%	53.15%	53.15%	53.15%	53.15%	53.15%
	Percentage of Shareholding						
	( as a % of the total share capital of the)	29.38%	29.38%	29.38%	29.38%	29.38%	29.38%
	(b) Non - encumbered						
	No. of shares	1,86,49,124	1,86,49,124	1,86,49,124	1,86,49,124	1,86,49,124	1,86,49,124
	Percentage of Shareholding						
	( as a % of the total shareholding of promoter and promoter group)	46.85%	46.85%	46.85%	46.85%	46.85%	46.85%
	Percentage of Shareholding						
	( as a % of the total share capital of the)	25.90%	25.90%	25.90%	25.90%	25.90%	25.90%



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**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014**

<b>B.</b>	<b>INVESTOR COMPLAINTS</b>	
	<b>Particulars</b>	<b>Quarter ended 30.09.2014</b>
	Pending at the beginning of the quarter	-
	Received during the quarter	13
	Disposed of during the quarter	13
	Remaining unresolved at the end of the quarter	-

<b>C. UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2014</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>Quarter ended</b>		<b>Half year ended</b>
		<b>30.09.2014 (Unaudited)</b>	<b>30.06.2014 (Unaudited)</b>	<b>30.09.2014 (Unaudited)</b>
<b>1</b>	<b>Segment Revenue</b>			
	i. Erection Procurement & Construction	2,178	4,143	6,321
	ii. Finished Goods	4,775	14,720	19,495
	<b>Gross Turnover</b>	<b>6,953</b>	<b>18,863</b>	<b>25,816</b>
	<b>Less : Excise Duty / Service Tax Recovered</b>		-	
	<b>Net Turnover</b>	<b>6,953</b>	<b>18,863</b>	<b>25,816</b>
<b>2</b>	<b>Segment Results</b>			
	i. Erection Procurement & Construction	(2,724)	(1,748)	(4,472)
	ii. Finished Goods	(183)	(502)	(685)
	<b>Total Segment Profit before Intrest and Tax</b>	<b>(2,907)</b>	<b>(2,250)</b>	<b>(5,157)</b>
	a Interest Expenses	2,473	2,518	4,991
	b Interest Income	(16)	(19)	(35)
	c Other Un-allocable Income (Net of Expenditure)	8	(871)	(863)
	<b>Profit before Tax</b>	<b>(5,372)</b>	<b>(3,878)</b>	<b>(9,250)</b>
	a Provision for Current Tax	-	-	-
	b Provision for Deferred Tax	-	-	-
	c Deferred Tax adjustments of prior years	-	10,894	10,894
	<b>Profit after Tax</b>	<b>(5,372)</b>	<b>(14,772)</b>	<b>(20,144)</b>
<b>3</b>	<b>CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)</b>			
	i. Erection Procurement & Construction	(1,471)	4,379	(1,471)
	ii. Trading	(964)	(515)	(964)
	<b>Total Capital Employed</b>	<b>(2,435)</b>	<b>3,864</b>	<b>(2,435)</b>
This being the first year of segment reporting as per AS-17-Segment Reporting, corresponding previous year figures in respect of Segment reporting has not been disclosed.				



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## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

S. No.	Particulars	30.09.2014 Unaudited	31.03.2014 Audited
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' Funds</b>		
	(a) Share Capital	1,440	1,440
	(b) Reserves and Surplus	(15,931)	4,223
	<b>Total - Shareholders' Funds</b>	<b>(14,491)</b>	<b>5,663</b>
2	<b>Non-Current Liabilities</b>		
	(a) Long-term borrowings	21,112	23,419
	(b) Long-term provisions	101	103
	<b>Total - Non Current Liabilities</b>	<b>21,213</b>	<b>23,522</b>
3	<b>Current Liabilities</b>		
	(a) Short-term borrowings	34,743	41,062
	(b) Trade payables	49,179	36,211
	(c) Other current liabilities	22,889	19,118
	(d) Short-term provisions	90	73
	<b>Total - Current Liabilities</b>	<b>1,06,901</b>	<b>96,464</b>
	<b>Total - EQUITY AND LIABILITIES</b>	<b>1,13,623</b>	<b>1,25,649</b>
<b>II.</b>	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	(a) Fixed assets	11,219	11,284
	(b) Non-current investments	16,121	16,282
	(c) Deferred tax assets (net)	101	10,991
	(d) Long-term loans and advances	16,268	16,184
	(e) Other non-current assets	18,166	20,356
	<b>Total - Non Current Assets</b>	<b>61,875</b>	<b>75,097</b>
2	<b>Current Assets</b>		
	(a) Inventories	727	788
	(b) Trade receivables	21,068	17,322
	(c) Cash and bank balances	841	852
	(d) Short-term loans and advances	9,942	12,073
	(e) Other current assets	19,170	19,517
	<b>Total - Current Assets</b>	<b>51,748</b>	<b>50,552</b>
	<b>Total - ASSETS</b>	<b>1,13,623</b>	<b>1,25,649</b>

## Notes

- The above unaudited Financial results for the quarter and six months ended September 30, 2014 were reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on November 13, 2014.
- The statutory auditors have qualified their opinion in their independent Auditor's Report as at March 31, 2014 and Independent Review Report for the quarter ended September 30, 2014, in respect of following matters:
  - The accumulated losses of the Company as at March 31, 2014 have eroded its networth. The management of the Company is confident of improvement in the Company's future operations and the financial statements have been prepared on going concern basis. The appropriateness of assumption of going concern is dependant upon improvement of the Company's future operations and ability to raise requisite finance/generate cash flows in future to meet its obligations, including financial support to its subsidiaries.
  - Trade and other receivable overdue as at September 30, 2014, aggregating to Rs. 6,790 lacs have been considered good and receivable. The company has been in engagement with the parties and taking necessary steps for realization of its dues. The Company is of the view that the receivables are good and realizable.
  - In respect of investment in wholly owned subsidiaries:
    - Further investment in its indian subsidiary having book value aggregating to Rs. 15,380 lacs as at September 30, 2014, which were carried at fair value. Being a long term investment, no provision for diminution in value of investment is considered necessary by the management.
    - Regarding investment in its foreign subsidiary and loans and advances receivable from such subsidiary aggregating to Rs. 15,020 lacs, whose accumulated losses exceeded their consolidated networth and the financial statements have been prepared on going concern basis.
- Unbilled revenue includes Rs. 4,613 lacs outstanding for considerable time and not billed to the customers. The Company is in engagement with the customers for billing and realization of the work done.
- Deferred Tax adjustment of prior years relates to auditors' qualification on Deferred Tax Assets on Unabsorbed Losses, which has been rectified pursuant direction of National Stock Exchange of India Limited during the quarter ended June 30, 2014.
- Certain creditors have filed winding up petitions against the Company under section 433 and 439 of the Companies Act, 1956 before Hon'ble High Court of Bombay. The company is taking necessary steps including signing of Memorandum of Understanding and/ or filing the Consent Terms in the High Court with the creditors for withdrawal of such petitions. The matter is subjudice and outcome of which is subject to the Company fulfilling the payment conditions of Memorandum of Understanding/ Consent Terms.
- Persuant to the Companies Act, 2013 ("the Act"), the Company has, during the quarter ended June 30, 2014, revised depreciation rates. Due to this, based on transitional provision, an amount of Rs. 8.93 lacs has been adjusted against opening balance of general reserve.
- Finance cost includes interest amounting to Rs.10 lacs related to earlier year.
- Previous period figures have been regrouped / re-classified in order to confirm to the current period figures.

Place: Hyderabad  
Date : November 13, 2014

For HINDUSTAN DORR-OLIVER LIMITED  
S.C. SEKARAN  
Executive Director