


## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors,  
Hindustan Organic Chemicals Ltd,  
Mumbai

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Hindustan Organic Chemicals Limited ('the Company') for the quarter ended 30<sup>th</sup> September, 2014, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from the disclosures made by the management and have not been reviewed by us. In this report is incorporated the report on the Kochi unit of the Company which has been reviewed by an independent branch auditor. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in its meeting held on 14<sup>th</sup> November, 2014. 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 Engagements (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 misstatements. A review is limited primarily to the inquiries of company personnel and analytical procedures applied to the 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. *The Company has not made provisions for*
  - i) *Penal interest of ₹ 1,166 lacs on overdue loan from Government of India,*
  - ii) *Loss on account of misappropriation of Company's fund amounting to ₹ 65 lacs, pending final report from CBI and outcome of the civil suit,*
  - iii) *Liability of wage revision for the period 1.1.1997 to 31.12.2000 ₹ 1,888 lacs at Rasayani unit,*
  - iv) *Liability of wage revision for the period 1.1.2007 to 31.3.2008 ₹ 162 lacs to Officers and ₹ 148 lacs to Staff at Rasayani unit,*

(Contd....2)



v) Claims of JNPT short provided amounting to ₹ 1,465 lacs in respect of;

- a) Lease rentals and escalation on leased land,
- b) Water charges

Had the above provisions been made for the items referred at Para- 3 above, the Loss reported for the quarter of ₹ 4,006 lacs would have increased to loss of ₹ 8,900 lacs.

4. Capital work in progress includes an amount of ₹ 2,979 lacs incurred on JNPT Tank terminal project. The construction has been suspended for more than four years and the lease has been called off by the lessor – JNPT after the expiry of the lease period in June, 2010. The status of the project is stagnant, incomplete and of no utility since long. No provision is made for the impairment in the value of this asset, if any, pending ascertainment of the recoverable amount.
5. Based on our review conducted as above, and subject to the matters reported in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act, 2013 and other 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.

#### Emphasis of Matter

Attention is drawn to note 7 of the results for the quarter ended 30<sup>th</sup> September, 2014 which states that the results for the quarter ended 30<sup>th</sup> September, 2014 have been prepared on going concern basis, although the net worth of the Company is fully eroded, for reasons stated in the said note.

For Ford, Rhodes, Parks & Co.  
Chartered Accountants  
Firm's Registration No. 102860W

Sd/-

Shrikant Prabhu  
Partner

Membership No.35296

Mumbai: 14<sup>th</sup> November, 2014

*Shrikant Prabhu*



कापॉरिटेड तथा विपणन कार्यालय - हरचंद्राय हाउस, ८१, महर्षी कर्वे मार्ग, मरीन लाइन्स, मुंबई ४०० ००२.  
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ई मेल /Email : hociras@bom3.vsnl.net.in, investorgrievances@hoclindia.com

## हिंदुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

(भारत सरकार का उद्यम)

Hindustan Organic Chemicals Limited

HINDUSTAN ORGANIC CHEMICALS (A Government of India Enterprise)  
(A Government of India Enterprises)

Noco Chambers, 2nd Floor, Plot No. 48,  
Sector - 11, CBD-Belapur,  
Navi Mumbai-400 614.

### HINDUSTAN ORGANIC CHEMICALS LIMITED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.09.2014

PARTICULARS	(₹ In lacs)					
	3 Months ended	Preceding 3 Months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for the previous year ended	Previous Accounting year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	2013-14
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1 Income from operations						
(a) Net Sales/Income from Operations (Net of excise duty)	864	2429	7762	3293	14003	21076
(b) Other Operating Income	0	17	2	17	11	40
Total Income from Operations (Net)	864	2446	7764	3310	14014	21116
2 Expenses						
a. Cost of materials consumed	97	1045	5534	1142	8972	13403
b. Purchase of Stock-in-Trade	-	-	-	-	-	8
c. Changes in inventories of finished goods, work in progress and stock in trade	69	631	(887)	700	535	518
d. Employees benefits expense	2602	2620	3032	5222	5922	11205
e. Depreciation and amortisation expense	263	268	471	531	1016	1841
f. Utilities (Power, Fuel and Water)	672	733	1648	1405	2846	5197
g. Other expenditure (Any item exceeding 10% of the total expense relating to continuing operation to be shown separately.)	422	395	1056	817	1781	3185
Total Expenses	4125	5692	10855	9817	21073	35357
3 Profit / (Loss) from Operations before Other Income, Finance cost and Exceptional Items (1-2)	(3261)	(3246)	(3091)	(6507)	(7059)	(14241)
4 Other Income	305	165	205	470	386	932
5 Profit / (Loss) form ordinary activities before finance cost and Exceptional Items (3+4)	(2956)	(3081)	(2886)	(6037)	(6673)	(13309)
6 Finance Cost	1009	989	776	1998	1492	4262
7 Profit / (Loss) form ordinary activities after finance cost and Exceptional Items (5-6)	(3965)	(4070)	(3662)	(8035)	(8165)	(17571)
8 Exceptional Items	41	32	-	73	1	114
9 Profit/(+)/Loss(-) from Ordinary Activities before tax (7-8)	(4006)	(4102)	(3662)	(8108)	(8166)	(17685)
10 Tax expense - Related Prior Period	-	-	-	-	-	-
11 Net Profit / (Loss) form ordinary activities after tax (9-10)	(4006)	(4102)	(3662)	(8108)	(8166)	(17685)
12 Extraordinary Item (net of tax expense Rs...)	-	-	-	-	-	-
13 Net Profit/(+)/Loss(-) for the period (11-12)	(4006)	(4102)	(3662)	(8108)	(8166)	(17685)
14 Share of profit / (Loss) of associates*	-	-	-	-	-	-
15 Minority Interest*	-	-	-	-	-	-
16 Net Profit / (Loss) after tax, minority interest and share of profit / (Loss) of associates (13-14-15)	(4006)	(4102)	(3662)	(8108)	(8166)	(17685)
17 Paid-up equity share capital (Face value of the share shall be indicated)	6727	6727	6727	6727	6727	6727
18 Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	(73541)	(69475)	(55140)	(73541)	(55140)	(64728)
19.I Earnings per share (before extraordinary items) of Rs. 10/- each ( Not annulised)						
a. Basic	(5.96)	(6.11)	(5.45)	(12.07)	(12.16)	(26.33)
b. Diluted						
19.II Earnings per share (after extraordinary items) of Rs. 10/- each ( Not annulised)						
a. Basic	(5.96)	(6.11)	(5.45)	(12.07)	(12.16)	(26.33)
b. Diluted						
see accompanying note to the financial results.						

पंजीकृत कार्यालय तथा फॅक्टरी - पो. ऑ. रसायनी, जिला रायगड, महाराष्ट्र, भारत, पिन - ४१० २०७ टेलीफोन /Tel.: (02192) 250041- 47 फॅक्स/Fax.: (91-02192)250050  
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कोची इकाई : अम्बलमुगल, जि. एम्बलमुगल, केरल, पिन - ६८२ ३०२. टेलीफोन /Tel.: (0484)2720911/12/13. फॅक्स/Fax.: (0484)2720893.  
Kochi Unit : Ambalamugal, Dist. Emakulam, Kerala, PIN - 682 302. ई मेल /Email : hoclchin@md.vsnl.net.in



क्रापोरिट तथा विपणन कार्यालय - हरचंद्राय हाउस, ८१, महर्षी कर्वे मार्ग, मरीन लाइन्स, मुंबई ४०० ००२.  
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 (A Government of India Enterprise)  
**HINDUSTAN ORGANIC CHEMICALS LIMITED**  
 (A Government of India Enterprises)  
 ११ वीं फ्लोर, प्लॉट नं. ४८,  
 सेक्टर - ११, CBD-वेलपुर,  
 नावी मुंबई - ४०० ६१४.



A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
-Number of shares	27691600	27691600	27691600	27691600	27691600	27691600
-Percentage of shareholdings	41.22%	41.22%	41.22%	41.22%	41.22%	41.22%
2 Promoters and promoter group Shareholding						
a) Pledged/Encumbered						
- Number of shares						
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)						
- Percentage of shares (as a % of the total share capital of the company)						
b) Non-encumbered						
- Number of Shares	39481500	39481500	39481500	39481500	39481500	39481500
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	58.78%	58.78%	58.78%	58.78%	58.78%	58.78%
B INVESTOR COMPLAINTS						
Pending as the beginning of the quarter	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended
Received during the quarter	Nil	Nil	Nil	Nil	Nil	Nil
Disposed of during the quarter	Nil	Nil	1	Nil	1	1
Remaining unresolved at the end of quarter	Nil	Nil	Nil	Nil	Nil	Nil

**NOTE :**

- The classification / disclosure items in the financial result shall be accordance with the Revised Schedule VI of the Companies Act, 1956. Further to the above, profit and loss from discontinuing operations, if any, included in the above shall be disclosed with details thereof.
- As the Company has only one segment i.e. Chemicals, segment break-up is not required.
  - Impact of deferred taxation has not been considered in the above results.
  - The depreciation for the current quarter has been provided taking into account the useful lives of fixed assets in accordance with Schedule II to the Companies Act, 2013. As a result, the depreciation charge is lower by ₹ 171 lacs for the quarter ended 30th September 2014. An amount of ₹ 635 lacs has been charged to opening reserves towards the assets whose life has been completed, net of residual value, as at the beginning of the year.
  - Previous period's/year's figures have been regrouped, wherever necessary, to correspond with those of the current period.
  - The above results are recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 14/11/2014
  - Limited Review of the financial Results has been carried out by the Statutory Auditors of the company.
  - Eventhough the net worth of the company has been fully eroded and reference has been made to BIFR, the results have been prepared as going concern basis since the preparation of the revival plan is in progress.
  - In view of the MCA Circular dt.21st April,2011, the Shareholders, who wish to have the service of document by the company, can be made through electronic mode by registering their email ID's with Corporate.cs@hocl.gov.in, rasayani.cs@hocl.gov.in and sharepro@shareproservices.com

Place : Mumbai  
 Date: 14/11/2014

sd/-  
**V.B. Ramachandran Nair**  
 Chairman & Managing Director

As per our limited report attached.

For Ford Rhodes Parks & Co.  
 Chartered Accountants  
 Firm's Regn.No. 102860W

sd/-  
 Shrikant Prabhu  
 Partner  
 Membership No.35296

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ISO 9001

BUREAU VERITAS  
Certification

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HINDUSTAN ORGANIC CHEMICALS LIMITED

## ANNEXURE IX

## Standalone Statement of Assets and Liabilities

(₹ in lacs)

	As at	
	30-09-2014	31-03-2014
<b>A EQUITY AND LIABILITIES</b>		
1 Share holders' funds		
(a) Capital	33727	33727
(b) Reserve and Surplus	(73607)	(64728)
(c) Money received against share warrant	0	0
<b>Sub total - Shareholders' fund</b>	<b>(39880)</b>	<b>(31001)</b>
2 Minority Interest *	0	0
3 Deferred government grant	1692	1692
4 Non-current liabilities		
(a) Long-term borrowings	24296	13752
(b) Deferred tax liabilities(net)	0	0
(c) Other long term liabilities	35	35
(d) Long term provisions	7924	7619
<b>Sub-total-Non-current liabilities</b>	<b>32255</b>	<b>21406</b>
5 Current liabilities		
(a) Short-term borrowings	4934	7242
(b) Trade payables	7512	12938
(c) Other current liabilities	23471	20415
(d) Short-term provisions	1588	1588
<b>Sub-total-Current liabilities</b>	<b>37505</b>	<b>42183</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>31572</b>	<b>34280</b>
<b>B ASSETS</b>		
1 Non-current assets		
(a) Fixed assets	12007	13314
(b) Goodwill on consolidation *		
(c) Non-current investment	1111	1111
(d) Deferred tax assets(net)		
(e) Long-term loans and advances	3263	2938
(f) Other non-current assets	3718	3698
<b>Sub-total-Non-current Assets</b>	<b>20099</b>	<b>21061</b>
2 (a) Current investments		
(b) Inventories	4448	5168
(c) Trade receivables	893	910
(d) Cash and cash equivalents	622	2446
(e) Short-term loans and advances	4759	4381
(f) Other current assets	751	314
<b>Sub-total-current Assets</b>	<b>11473</b>	<b>13219</b>
<b>Inter Unit - corporate</b>		
<b>kochi</b>		
<b>TOTAL - ASSETS</b>	<b>31572</b>	<b>34280</b>

sd/-

V.B.Ramachandran Nair  
Chairman & Managing Director

पंजीकृत कार्यालय तथा फॅक्टरी - पो. ऑ. रसायनी, जिला रायगड, महाराष्ट्र, भारत, पिन - ४१० २०७ टेलीफोन /Tel.: (02192) 250041- 47 फॅक्स/Fax.: (91-02192)250050  
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