



पंजीकृत कार्यालय तथा फैक्टरी : पो. ऑ. रसायनी, जिला रायगड, महाराष्ट्र, भारत, पिन - ४१० २०७.
टेलीफोन / Tel. : 91 - 02192 - 258500 / 01 / 02 फैक्स / Fax : 91-02192-258503
Regd. Office & Factory : P. O. Rasayani, Dist. Raigad, Maharashtra, India, PIN - 410 207.
Website : www.hocl.gov.in

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

CIN: L99909MH1989GOI011895

(भारत सरकार का उद्यम)

HINDUSTAN ORGANIC CHEMICALS LIMITED

(A Govt. of India Enterprise)

HOC/SEC/Cir.Ag.4/Fin.Results17-18/2018/9.3

5th September, 2018

To

FAX No. : 022 – 22723121/3719/2037/2039/2041

Bombay Stock Exchange Ltd.,

25th Floor, DCS- CRD,

Pheroze Jeejeebhoy Towers,

MUMBAI – 400 021.

Kind Attn. : Mr. Khushro Bulsara / Abhijit Pai,

Sr.GM, Listing Compliance / AGM, L.C.

Dear Sirs,

Sub: 1.Filing of Revised Standalone and Consolidated Audited Financial Results for year ended 31-03-2018 along with Statement of Assets and Liabilities (Stand Alone & Consolidated) as on 31-03-2018 ; Reg.

2. Explanations pursuant to Provision to Regn.30 reg. filing of Revised Audited Financial Results subsequent to Filing of Audited Financial Results-FY2017-18 on 30th May, 2018 after Board approval on 29-05-2018;

Ref. Regulation 30 and 33 of Listing Regulation of the LODRRs.

Subsequent to the Board approval at the 380th Board Meeting held on 29-05-2018, Company published in newspapers, the Audited Financial Results for the year ended 31.3.2018, and Filed on 30-05-2018, with BSE. Thereafter, the Audited Annual accounts/Financial statements of the Company, for the FY-2017-18 were submitted to the C&AG for their audit and report thereon, during June, 2018.

And we submit as under:-

1. The Audit team of the Principal Director Commercial Audit & Member Audit Board I, Mumbai commenced their Supplementary Audit on 22nd June 2018 and completed the same on 18th July 2018. Based on the preliminary observation memos issued by the Audit party, and considering reply of the management, the Deputy Director, Commercial Audit, Mumbai, issued Provisional Comments vide letter No. PDCA/CA-II/HOCL/Accounts/2017-18 dated 20th August 2018.



2. The observation of CAG though not materially significant, is mainly due to the scarcity of manpower available due to implementation of restructuring activities, in Rasayani Unit. Moreover the first time adoption of Ind AS was a mandatory requirement, where there were more additional disclosures required.

Accordingly as per the approval of the Board of Directors vide Circular Agenda No.4/2018 dated 27-08-2018, the Standalone and Consolidated Accounts for the year 2017-18 have been revised as per the CAG provisional Comments, the net impact on the Statement of Profit & Loss for the year is an increase in the Loss for the year by Rs.29.14 Lakhs and the impact on the Statement of Profit and Loss for the year is summarised below :

Particulars	As per Board approved Accounts on 29 th May 2018	AS per Revised Accounts on 27 th August 2018
Loss as per Statement of Profit and Loss (Standalone Accounts)	(-) Rs.199.17 Crore	(-) Rs.199.47 Crore
Loss as per Statement of Profit and Loss (Consolidated)	(-) Rs.199.89 Crore	(-) Rs.200.19 Crore

3. Further, the Standalone Statement of Profit and Loss and Balance Sheet and Consolidated Profit and Loss Statement have been revised [as per the CAG provisional Comments as given in the Annexure attached to the letter], after accounting for the amounts in audit observations and suitable disclosure as required for in audit provisional comments, mainly related to non-provision of interest on interest on Government loan outstanding and additional disclosures as per Ind AS provisions.
4. As per the Provisional Comments issued by them, the Accounts have been revised and approved by the Board vide Circular Agenda No.4/2018 dated 27th August 2018. Accordingly the Quarterly results for the Quarter and year ending 31.03.2018 have been revised. The net impact on the Statement of Profit & Loss for the year is an increase in the Loss for the year by Rs.29.14 Lakhs.



5. Further we have received from the Statutory Auditors of our Company [FY 2017-18] viz. M/s. M.B. Agrawal & Co. CAs their Revised Independent Auditor's Reports both dated 27th August, 2018 in respect of both Standalone and Consolidated audited Financial Results of the Company [HOCL] for the year ended March 31, 2018 as enclosed herewith to this letter. We further hereby also confirm and declare that the said statutory auditors have given us their said audit reports with unmodified opinion.

Hence, we hereby resubmit the Standalone & Consolidated Financial Results of the company [HOCL] for year ended 31-03-2018, along with corresponding Statement of Assets and Liabilities (Standalone & Consolidated) as on 31-03-2018, in compliance with Regulation 33 of Listing Regulations and the audit reports with unmodified opinion, along with the above stated explanations in pursuance of Regulation 30 of the LODRRs in compliance with the LODRRs.

Further, the above results are also filed on line at BSE Portal and also made to your respective e-mail IDs [if any].

Kindly acknowledge the above and take the same on your records.

Thanking you,

Yours faithfully,

For Hindustan Organic Chemicals Ltd.,

(Mrs. Susheela S. Kulkarni)

Company Secretary

Encl: a.a.



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हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड CIN: L99999MH1960GOI011895
 (भारत सरकार का उद्यम)

HINDUSTAN ORGANIC CHEMICALS LIMITED
 (A Govt. of India Enterprise)

STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018 (REVISED)

CIN:L99999MH1960GOI011895

(₹ in lakhs)

PARTICULARS	Quarter ended			Year Ended	
	31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1 Revenue from Operations (Net)	9618.35	5914.58	4274.00	24232.94	14330.51
2 Other Income	5066.62	518.40	318.00	6630.47	627.59
3 Total Revenue (I + II)	14684.97	6432.98	4592.00	30863.41	14958.10
4 Expenses:					
a Cost of materials consumed	5276.83	4356.31	2503.00	13218.35	6398.41
b (Increase) / Decrease in work-in-progress	415.41	(1897.60)	(1087.00)	(836.17)	(1242.52)
c Employees benefits expense	11085.55	1777.33	2605.00	17597.17	12228.62
d Finance Cost	665.28	2489.50	3701.00	7461.24	9484.58
e Depreciation and amortisation expense	86.31	49.63	665.00	680.54	1260.20
f Utilities (Power, Fuel & Water)	1574.62	1503.42	1269.00	5555.41	4512.17
g Other expenses	4568.49	855.98	8255.00	7133.82	7874.10
Total Expenses	23672.49	9134.57	17911.00	50810.36	40515.56
5 Profit / (Loss) before Exceptional items (3-4)	(8987.52)	(2701.59)	(13319.00)	(19946.95)	(25557.46)
6 Exceptional Items	0.00	0.00	0.00	0.00	0.00
7 Profit(+)/Loss(-) before tax (5+6)	(8987.52)	(2701.59)	(13319.00)	(19946.95)	(25557.46)
8 Tax expenses:					
(1) Current tax	0.00	0.00	0.00	0.00	0.00
(2) Deferred tax	0.00	0.00	0.00	0.00	0.00
9 Profit(+)/Loss(-) for the period from continuing operations (7-8)	(8987.52)	(2701.59)	(13319.00)	(19946.95)	(25557.46)
10 Profit/(loss) from discontinued operations	0.00	0.00	0.00	0.00	0.00
Tax expenses of discontinued operations	0.00	0.00	0.00	0.00	0.00
Profit/(loss) from discontinued operations (after tax)	0.00	0.00	0.00	0.00	0.00
11 Net Profit/ (Loss) for the period (9+10)	(8987.52)	(2701.59)	(13319.00)	(19946.95)	(25557.46)
12 Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss					
a) Revaluation of Land	(2871.38)	(2800.00)	0.00	12478.07	0.00
Less: Deferred Tax Assets/Liability	(2793.25)	0.00	0.00	(2793.25)	357.33
b) Change in defined benefit plan	873.02	0.00	0.00	873.02	0.00
Total Other Comprehensive Income	(4791.61)	(2800.00)	0.00	10557.84	357.33
13 Total Comprehensive Income (comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax) (11+12)	(13779.13)	(5501.59)	(13319.00)	(9389.11)	(25200.13)
14 Paid-up equity share capital (Face value of Rs.10 each)	6727.00	6727.00	6727.00	6727.00	6727.00
15 Reserve excluding Revaluation Reserve as per the balance sheet of previous accounting year				(112872.35)	(130719.63)
16 Earnings per share (Face value of Rs.10 each) for the continuing and discontinuing operations					
a) Basic and diluted EPS before and after exceptional items					
- Basic	(13.38)	(4.02)	(19.83)	(29.69)	(38.05)
- Diluted	(13.38)	(4.02)	(19.83)	(29.69)	(38.05)

Note: 1. As the Company has only one segment i.e. Chemicals, segment break-up is not required.

2. Post the applicability of Goods and Services Tax (GST) with effect 01.07.2017, Revenue from operations are disclosed net of GST

3. The Company adopted Indian Accounting Standards ("Ind AS") from 1st April 2017 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

(Cont...2)



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4. The financial results for the quarter and year ended 31st March 2018 as required in terms of clause 33 of the SEBI (LODR) regulations 2015 has been audited by the statutory auditors.
5. The above results are recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 29/05/2018
6. The Restructuring plan of the company submitted by the administrative Ministry has been approved by the Govt. of India on 17th May 2017. As per the plan, all plants at Rasayani unit except CNA / N204 Plant (which is handed over to ISRO w.e.f. 01.10.2017, who is taking N204, for use as liquid propellant) has been closed. VRS has been given to all employees of Rasayani unit except 131 employees working in C.N.A/N204 plant who have been transferred to ISRO, 8 employees retained at corporate office and 15 employees will be relieved after completion of the restructuring related work. However, 25 employees who have not opted for VRS have been transferred to Kochi unit which is in operation. In view of this the financial statement have been prepared on going concern basis.
7. 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@hocindia.com, cs@hocindia.com and also with of the Company's R&T Agents viz. Bigshare Services Pvt. Ltd. Andheri, Mumbai at their email id, viz. investor@bigshareonline.com.
8. As per the provisions of Section 143(6) of Companies Act 2013, O/o the Principal Director of Commercial Audit (Member Audit Board-I), Mumbai, have conducted Supplementary Audit of the Accounts of the Company for the year 2017-18. As per the Provisional Comments issued by them, the Accounts have been revised as per the approval of the Board vide Circular Agenda No.4/2018 dated 27th August 2018. Accordingly the Quarterly results for the Quarter and year ending 31.03.2018 have been revised. The net impact on the Statement of Profit & Loss for the year is an increase in the Loss for the year by Rs.29.14 Lakhs.

Place: Mumbai
Date : 29th May 2018
27th August 2018


S.B. Bhide
Chairman & Managing Director





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हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

CIN: L99999MH1960GO1011895

(भारत सरकार का उद्यम)

HINDUSTAN ORGANIC CHEMICALS LIMITED

(A Govt. of India Enterprise)

STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH 2018 (REVISED)

STANDALONE

Rs. in Lakhs

Description	Current Year ended 31.03.2018	Previous Year ended 31.03.2017	Current Year ended 31.03.2016
	(Audited)	(Audited)	(Audited)
Assets			
I. Non Current assets			
a) Property, Plant and equipments	10,239.50	163,654.15	165,295.60
b) Capital work- in- progress	-	433.22	433.22
c) Investment Property	5.08	5.08	5.08
d) Other intangible assets	-	1.05	7.64
e) Financial Assets:			
(i) Investments	889.80	889.80	889.80
(ii) Loans	2,861.69	2,834.32	2,839.69
Other non current Assets	145.90	144.94	143.96
Total - Non current Assets	14,141.97	167,962.56	169,614.99
Current assets			
Inventories	5,731.34	4,392.29	3,131.91
Financial assets:			
(i) Trade Receivables	439.00	492.62	641.12
(ii) Cash and cash equivalents	10,904.28	341.47	221.59
(iii) Loans	540.32	565.13	499.67
(iv) Others	1,142.64	832.03	872.28
Non current assets held for sale	125,710.98	1,439.51	1,032.22
(d) Other current assets	5,867.15	3,910.69	3,485.50
Total - Current Assets	150,335.71	11,973.74	9,884.29
Total Assets	164,477.68	179,936.30	179,499.28
Equity and Liabilities			
Equity			
Equity Share capital	6,726.96	6,726.96	6,726.96
Other equity:			
(i) Securities Premium	4,838.56	4,984.32	5,298.78
(ii) Retained Earnings	(117,710.91)	(135,703.95)	(110,146.49)
(iii) Other comprehensive Income	111,310.74	138,692.90	138,335.57
Total Other Equity	(1,561.61)	7,973.27	33,487.86
Total Equity	5,165.35	14,700.23	40,214.82

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हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड



CIN: L99999MH1969GOI011895
Hindustan Organic Chemicals Limited

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Description	Current Year ended 31.03.2018	Previous Year ended 31.03.2017	Current Year ended 31.03.2016
	(Audited)	(Audited)	(Audited)
Liabilities			
Non-current liabilities:			
Deferred government grant	-	1,801.94	1,971.25
Financial liabilities:			
(i) Borrowings	24,557.26	2,109.00	28,327.16
(ii) Trade payables	4,291.97	2,462.00	320.00
(iii) Provisions (Long term)	3,420.09	956.49	7,877.55
(iv) Deferred Tax liabilities	19,986.52	17,193.27	17,550.60
Net employee defined benefit liabilities	2,263.97	1,654.74	-
	54,519.81	26,177.44	56,046.56
Current liabilities:			
Financial liabilities			
(i) Non Cumulative Preference Share Capital	27,000.00	27,000.00	27,000.00
(ii) Borrowings	-	4,141.82	4,041.38
(iii) Trade payables:	13,265.59	16,646.48	13,838.90
(iv) Other current financial liabilities	8,681.80	26,336.40	-
Provisions	6,291.94	13,377.61	1,259.72
Net employee defined benefit liabilities	139.09	-	-
Other current liabilities	49,414.10	51,556.32	37,097.90
Total Current Liabilities	104,792.52	139,058.63	83,237.90
Total equity and liabilities	164,477.68	179,936.30	179,499.28

Place: Mumbai
Date : 29th May 2018
27th August 2018


S.B. Bhide
Chairman & Managing Director



M. B. AGRAWAL & CO.

CHARTERED ACCOUNTANTS

Web.: mbaconsultants.in

204 C, Mhatre Pen Bldg., Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028.

Tel.: 2431 4881 / 82, Fax : 2436 3312

E-mail : mbaandco@yahoo.co.in

M. B. AGRAWAL F.C.A., F.I.V.

YATIN MEHTA F.C.A.

RAMESHMAL SANGHAVI F.C.A.

SANJAY LUNKAD F.C.A., D.I.S.A. (ICA)

HARSHAL AGRAWAL F.C.A., D.I.S.A. (ICA), C.I.S.A.

SUBODH N. AGRAWAL F.C.A.

HERIN SHAH A.C.A.

INDEPENDENT AUDITOR'S REPORT (REVISED)

To,
The Members of
Hindustan Organic Chemicals Limited

Report on the Revised Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **M/s. Hindustan Organic Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2018, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Revised Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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 conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

- (a) Attention is drawn to Note no. 31 to the standalone IndAS financial statements which state that the Government of India has approved the restructuring plan of the company which includes closure of all the plants at Rasayani unit except the Conc. Nitric Acid/N₂O₄ Plant which is now handed over to ISRO and VRS to the employees is also provided except those associated with operation of Conc. Nitric Acid / N₂O₄ plant at Rasayani and the skeletal staff required to implement the proposed restructuring. However, Kochi unit is operational, in view of this, the financial statement has been prepared on Going Concern basis.
- (b) The balances of trade payables, loans & advances and other current assets and other debit/credit balances are pending for confirmations and reconciliation (Note no. 36). The effect on the same on the loss is not ascertainable.
- (c) Attention is drawn to Note no. 13(c)(iv) to the standalone IndAS financial statements which state that the Company has made provision for penal interest on Government loan, however, no provision has been made for interest on interest as per the sanction terms of the loan. Interest on interest *has not been* provided from the year 01.04.2001 to 31.03.2018 amounting to Rs.2,41,63 lakhs, accordingly loss to the said extent over the period of years has not been booked.



Other Matter

We did not audit the IndAS financial statements / information of the Kochi unit included in the standalone IndAS financial statements of the Company whose financial statements / information reflecting the total assets of Rs. 20,954.81 lakhs (excluding inter-branch balance) as at 31st March, 2018 and total revenue of Rs. 22,525.24 lakhs and total comprehensive loss of Rs. (5,031.52) lakhs for the year ended on that date, as considered in the standalone IndAS financial statement. The IndAS financial statement / information of the unit has been audited by the Independent Branch Auditors whose report has been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit is based solely on the report of such Branch Auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub section (11) of section 143 of the Act (hereinafter referred to as "Order"), we give in the Annexure A, statement of the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the directions and sub-directions issued by the office of the Comptroller & Auditor General of India under section 143(5) of the Act, we give in the Annexure B, a statement on the matters referred to in those directions.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The report on the accounts of the Branch office of the Company audited under section 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts of the company.
 - e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) As per the notification no. G.S.R. 463(E) dated June 05, 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.
 - g) 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 C and



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 37 to the IndAS financial statements;
 - ii. The Kochi unit of the Company has entered into long term transmission contract with Gas Authority of India Limited (GAIL) for the supply of Liquefied Natural Gas in the year 2011 for the period of 15 years ending in 2026. Material foreseeable loss on this contract is not quantifiable in current scenario. Other than this, 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 during the year ended March 31, 2018.
4. Based on the observations of the Comptroller and Auditor General of India, additions/revisions have been carried out. We give in the Annexure D, the statements of the said additions/revisions which has been carried out.

Place: Mumbai
Date: 27th August, 2018



For M B Agrawal & Co.
Chartered Accountants
FRN No: 100137W

A. Harshal

Harshal Agrawal
Partner
Membership No: 109438



पंजीकृत कार्यालय तथा फैक्टरी : पो. ऑ. रसायनी, जिला रायगड, महाराष्ट्र, भारत, पिन - ४१० २०७.
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हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड CIN: L99999MH1960GOI011895

(भारत सरकार का उद्यम)

HINDUSTAN ORGANIC CHEMICALS LIMITED
 (A Govt. of India Enterprise)

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018 (REVISED)

CIN:L99999MH1960GOI011895

(₹ in lakhs)

	PARTICULARS	Year Ended	
		31.03.2018 (Audited)	31.03.2017 (Audited)
1	Revenue from Operations (Net)	27918.30	17714.02
2	Other Income	6602.96	611.28
3	Total Revenue (I + II)	34521.26	18325.30
4	Expenses:		
a	Cost of materials consumed	14587.76	7678.27
b	(Increase) / Decrease in work-in-progress	-815.78	-1107.96
c	Employees benefits expense	18820.52	13369.66
d	Finance Cost	7694.36	9749.85
e	Depreciation and amortisation expense	828.70	1412.46
f	Utilities (Power, Fuel & Water)	5986.35	4905.34
g	Other expenses	7437.74	8260.05
	Total Expenses	54539.65	44267.67
5	Profit / (Loss) before Exceptional items (3-4)	-20018.39	-25942.37
6	Exceptional Items	0.00	0.00
7	Profit(+)/Loss(-) before tax (5+6)	-20018.39	-25942.37
8	Tax expenses:		
	(1) Current tax	0.00	0.00
	(2) Deferred tax	0.00	0.00
9	Profit(+)/Loss(-) for the period from continuing operations (7-8)	-20018.39	-25942.37
10	Profit/(loss) from discontinued operations	0.00	0.00
	Tax expenses of discontinued operations	0.00	0.00
	Profit/(loss) from discontinued operations (after tax)	0.00	0.00
11	Net Profit/ (Loss) for the period (9+10)	(20018.39)	(25942.37)
12	Other Comprehensive Income		
(i)	Items that will not be reclassified to profit or loss		
a)	Revaluation of Land	12478.07	0.00
	Less: Deferred Tax Assets/Liability	-2793.25	357.33
b)	Change in defined benefit plan	623.10	-103.99
c)	Financial Instruments through OCI at amortised cost.	-155.34	-144.89
	Total Other Comprehensive Income	10152.58	108.45
13	Total Comprehensive Income (comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax) (11+12)	(9865.81)	(25833.92)
	Net profit attributable to		
a)	Owners of the Company	-19984.68	-25774.86
b)	Non controlling interest	-33.71	-167.51
	Other Comprehensive income attributable to		
a)	Owners of the Company	10329.11	216.86
b)	Non controlling interest	-176.53	-108.41
	Total Comprehensive income attributable to		
a)	Owners of the Company	-9655.57	-25558.00
b)	Non controlling interest	-210.24	-275.92
14	Paid-up equity share capital (Face value of Rs.10 each)	6727.00	6727.00
15	Reserve excluding Revaluation Reserve as per the balance sheet of previous accounting year	(115274.72)	(135050.93)

(Contd...2)

कोची ईकाई : अम्बलमुगल, जि. एर्णाकुलम, केरल, पिन - ६८२ ३०२. टेलीफोन / Tel. : (0484) 2720911 / 12 / 13 फैक्स / Fax : (0484) 2720893

Kochi Unit : Ambalamugal, Dist. Ernakulam, Kerala, PIN - 682 302, Website : www.hoclkochi.com





	PARTICULARS	Year Ended	
		31.03.2018 (Audited)	31.03.2017 (Audited)
16	Earnings per share (Face value of Rs.10 each) for the continuing and discontinuing operations)		
	a) Basic and diluted EPS before and after exceptional items		
	- Basic	(29.80)	(38.62)
	- Diluted	(29.80)	(38.62)

Note: 1. As the Company has only one segment i.e. Chemicals, segment break-up is not required.

2. Post the applicability of Goods and Services Tax (GST) with effect 01.07.2017, Revenue from operations are disclosed net of GST.

3. The Company adopted Indian Accounting Standards ("Ind AS") from 1st April 2017 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

4. The financial results for the quarter and year ended 31st March 2018 as required in terms of clause 33 of the SEBI (LODR) regulations 2015 has been audited by the statutory auditors.

5. The above results are recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 29/05/2018.

6. The Restructuring plan of the company submitted by the administrative Ministry has been approved by the Govt. of India on 17th May 2017. As per the plan, all plants at Rasayani unit except CNA / N204 Plant (which is handed over to ISRO w.e.f.01.10.2017, who is taking N204, for use as liquid propellant) has been closed. VRS has been given to all employees of Rasayani unit except 131 employees working in C.N.A/N2O4 plant who have been transferred to ISRO, 8 employees retained at corporate office and 15 employees will be relieved after completion of the restructuring related work. However, 25 employees who have not opted for VRS have been transferred to Kochi unit which is in operation. In view of this the financial statement have been prepared on going concern basis.

7. 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@hoclindia.com, cs@hoclindia.com and also with of the Company's R&T Agents viz. Bigshare Services Pvt. Ltd. Andheri, Mumbai at their email id, viz. investor@bigshareonline.com.

8. As per the provisions of Section 143(6) of Companies Act 2103, O/o the Principal Director of Commercial Audit (Member Audit Board-I), Mumbai, have conducted Supplementary Audit of the Accounts of the Company for the year 2017-18. As per the Provisional Comments issued by them, the Accounts have been revised as per the approval of the Board vide Circular Agenda No.4/2018 dated 27th August 2018. Accordingly the Quarterly results for the Quarter and year ending 31.03.2018 have been revised. The net impact on the Statement of Profit & Loss for the year is an increase in the Loss for the year by Rs.29.14 Lakhs.

Place: Mumbai

Date : 29th May 2018

27th August 2018


S.B. Bhide
Chairman & Managing Director





पंजीकृत कार्यालय तथा फैक्टरी : पो. ऑ. रसायनी, जिला रायगड, महाराष्ट्र, भारत, पिन - ४१० २०७.
टेलीफोन / Tel. : 91 - 02192 - 258500 / 01 / 02 फैक्स / Fax : 91-02192-258503
Regd. Office & Factory : P. O. Rasayani, Dist. Raigad, Maharashtra, India, PIN - 410 207.
Website : www.hocl.gov.in

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

CIN: L98999MH1968GOI011895

(भारत सरकार का उद्यम)

HINDUSTAN ORGANIC CHEMICALS LIMITED

(A Govt. of India Enterprise)

STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH 2018 (REVISED)

CONSOLIDATED

Rs. in Lakhs

Description	Current Year ended 31.03.2018	Previous Year ended 31.03.2017	As at 01.04.2016
	(Audited)	(Audited)	(Audited)
Assets			
I. Non Current assets			
Property, Plant and equipments	15,214.24	168,729.64	170,503.95
Capital work- in- progress	-	436.17	442.21
Investment Property	5.08	5.08	5.08
Other intangible assets	194.92	208.70	220.00
Financial Assets:			
(I) Investments	5.00	5.00	5.00
(II) Loans	117.63	90.26	95.63
Other non current Assets	239.43	226.69	220.80
Total - Non current Assets	15,776.30	169,701.54	171,492.67
Current assets			
Inventories	6,270.32	4,928.72	3,873.15
Financial assets:			
(i) Trade Receivables	809.26	899.14	870.03
(ii) Cash and cash equivalents	10,906.42	475.82	462.54
(iii) Loans	87.31	112.12	63.50
(iv) Other financial assets	367.65	120.09	192.45
Non current assets held for sale	125,710.98	1,439.51	1,032.22
(d) Other current assets	5,927.78	3,988.53	3,556.46
Total - Current Assets	150,079.72	11,963.93	10,050.35
Total Assets	165,856.02	181,665.47	181,543.02
Equity and Liabilities			
Equity			
Equity Share capital	6,726.96	6,726.96	6,726.96
Other equity:			
(i) Securities Premium	4,838.56	4,984.32	5,298.78
(ii) Retained Earnings	(120,142.43)	(140,035.25)	(114,260.78)
(iii) Other comprehensive Income	112,632.12	140,242.97	140,026.08
Total Other Equity	(2,671.75)	5,192.04	31,064.08
Total Equity	4,055.21	11,919.00	37,791.04
Non Controlling interest	(1,673.02)	(1,462.73)	(1,186.75)

(Contd..2)



-2-

Description	Current Year ended 31.03.2018	Previous Year ended 31.03.2017	As at 01.04.2016
	(Audited)	(Audited)	(Audited)
Liabilities			
Non-current liabilities:			
Deferred government grant	-	1,801.94	1,971.25
Financial liabilities:			
(i) Borrowings	24,893.26	2,781.00	29,355.35
(ii) Trade payables	4,291.97	2,462.00	320.00
(iii) Provisions (Long term)	2,279.12	1,567.89	8,512.98
(iv) Deferred Tax liabilities	19,986.52	17,193.27	17,550.60
Net employee defined benefit liabilities	2,263.97	1,654.74	-
	53,714.84	27,460.84	57,710.18
Current liabilities:			
Financial liabilities			
(i) Non Cumulative Preference Share Capital	27,000.00	27,000.00	27,000.00
(ii) Borrowings	258.59	4,479.11	4,488.21
(iii) Trade payables:	13,641.79	16,936.64	14,274.83
(iv) Other current financial liabilities	10,217.96	27,198.39	307.01
Provisions	6,620.22	13,830.18	1,806.06
Other current liabilities	139.09	-	-
Net employee defined benefit liabilities	51,881.34	54,304.04	39,352.44
Total Current Liabilities	109,758.99	143,748.36	87,228.55
Total equity and liabilities	165,856.02	181,665.47	181,543.02

Place: Mumbai

Date : 29th May 2018

27th August 2018


S.B. Bhide
Chairman & Managing Director





M. B. AGRAWAL & CO.

CHARTERED ACCOUNTANTS

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YATIN MEHTA F.C.A.

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HARSHAL AGRAWAL F.C.A., D.I.S.A. (ICA), C.I.S.A.

SUBODH N. AGRAWAL F.C.A.

HERIN SHAH A.C.A.

INDEPENDENT AUDITOR'S REPORT (REVISED)

To the Members of **HINDUSTAN ORGANIC CHEMICALS LIMITED**

Report on the Revised Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Hindustan Organic Chemicals Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as the "the group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Revised Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and change in equity of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant Rules issued thereunder.

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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 there under.

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 Group as at 31st March, 2018, and their consolidated loss and their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matter

- (a) Attention is drawn to Note no. 31 to the consolidated IndAS financial statements which state that the Government of India has approved the restructuring plan of the company which includes closure of all the plants at Rasayani unit except the Conc. Nitric Acid/N₂O₄ Plant which is now handed over to ISRO and VRS to the employees is also provided except those associated with operation of Conc. Nitric Acid / N₂O₄ plant at Rasayani and the skeletal staff required to implement the proposed restructuring. In view of this, the financial statement have been prepared on Going Concern basis.
- (b) The balances of trade payables, loans & advances and other current assets and other debit/credit balances are pending for confirmations and reconciliation (Note no. 36). The effect on the same on the loss is not ascertainable.
- (c) The financials of HOC-Chematur Ltd. in which the Holding Company holds 60% of the equity, has not been considered by the management in the Consolidated Ind AS Financial Statements since the company has already completed the process of winding up and obtained approval from ROC. However, the Gazette Notification is awaited.
- (d) Attention is drawn to Note no. 13(c)(iv) to the Consolidated IndAS financial statements which state that the Company has made provision for penal interest on Government loan, however, no provision has been made for interest on interest as per the sanction terms of the loan. Interest on



interest has not been provided from the year 01.04.2001 to 31.03.2018 amounting to Rs.2,41,63 lakhs, accordingly loss to the said extent over the period of years has not been booked.

As per the information and explanation given to us, the impact of differences as above is not material with the respect to the Group as a whole.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements / financial information of the subsidiary whose financial statements / financial information reflect total assets of Rs. 6,241.83 lakhs as at 31st March, 2018, total revenues of Rs. 3,721.47 lakhs and other comprehensive loss of Rs. (405.26) lakhs and net cash flows amounting to Rs. (132.32) lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. We also did not audit the financial statements / information of the Kochi unit included in the Consolidated Ind AS financial statement of the Company whose financial statements / information reflecting the total assets of Rs. 20,954.81 lakhs (excluding inter-branch balance) as at 31st March 2018 and total revenue of Rs. 22,525.24 lakhs and other comprehensive loss of Rs. (5,031.52) lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and Kochi unit, and our report in terms of sub-sections (3) and(11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the directions and sub-directions issued by the office of the Comptroller & Auditor General of India under section 143(5) of the Act, we give in the Annexure A, a statement on the matters referred to in those directions.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The report on the accounts of the Branch office of the Company audited under section 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of changes in Equity 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 the Consolidated Ind AS Financial Statements.

- (e) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- (f) As per the notification no. G.S.R. 463(E) dated June 05, 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.
- (g) 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.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 37 to the financial statements.
 - ii. The Kochi unit of the Company has entered into long term supply contract with Gas Authority of India Limited (GAIL) for the supply of Liquefied Natural Gas in the year 2011 for the period of 15 years ending in 2026. Material foreseeable loss on this contract is not quantifiable in current scenario. Other than this, 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 Holding Company, and its subsidiary company.
3. As Based on the observations of the Comptroller and Auditor General of India, additions/revisions have been carried out. We give in the Annexure C, the statements of the said additions/revisions which has been carried out.

For **M. B. Agrawal & Co.**

Chartered Accountants

Firm's Registration Number 100137W



A. Harshal

Harshal Agrawal

Partner

Membership Number: 109438

Place: Mumbai

Date: 27th August 2018