



आई एस ओ 9001 आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT



हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड  
(भारत सरकार का उद्यम) CIN: L99999MH1960GOI011895  
HINDUSTAN ORGANIC CHEMICALS LIMITED  
(A Govt. of India Enterprise)

HOC/SEC/385BM/201902/08/11

Date: 2nd August, 2019

To,  
Bombay Stock Exchange Ltd.,  
24<sup>th</sup> Floor, DCS-CRD,  
Pheroze Jeejeebhoy Towers,  
Dalal Street,  
Kala Ghoda, Fort  
Mumbai - 400001

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

Kind Attn.: Mr. Khushro Bulsara/ Abhijit Pai, Sr.GM,  
Listing Compliance AGM, L.C

Dear Sirs,

**Sub:- Filing of Revised Audited Financial Results for the year ended 31-03-2019 along with Statement of Assets and Liabilities (Standalone and Consolidated) as on 31<sup>st</sup> March, 2019 (both Standalone and Consolidated) as per provisional comments received from the C&AG.**

**Ref.: 1) Regulation 30 & 33 of Listing Regulation of the LODRRs  
2) HOCL Letter dated 29-07-2019 (HOC/SEC/BSE/CIR AGD/2019/7.29)**

1. Further to our filing with BSE vide our letter dated 28-05-2019 regarding Filing of Standalone and Consolidated Audited Financial Results for the year ended 31-03-2019 along with Statement of Assets and Liabilities (Standalone and Consolidated) as on 31<sup>st</sup> March, 2019 in compliance of clause 33 of the Listing Agreements, for Record of the Exchange [BSE] and subsequent intimation regarding revision of Annual Accounts for FY 2018-19 through circular agenda, we hereby submit the Revised Standalone and Consolidated Audited Financial Results for the year ended 31-03-2019 along with Statement of Assets and Liabilities (Standalone and Consolidated) as on 31<sup>st</sup> March, 2019 as per provisional comments received from the C&AG.

**2. Reasons for Re-submission of Revised Financial Results for FY 2018-19:**

As per the provisions of Section 143(6) of Companies Act, 2013, O/o The Director General of Commercial Audit (Member Audit Board-I) Mumbai, have conducted Supplementary Audit of the Accounts of the Company (HOCL) for the year 2018-19. As per the Provisional Comments issued by them, the Accounts have been revised as per the approval of the Board vide Circular Agenda No. 2/2019 dated 29th July, 2019. Accordingly the Quarterly results for the Quarter ended and year ended 31.03.2019 have been revised. The net

*S. S. S. S.*

impact on the Statement of Profit & Loss is a decrease in the Profit by Rs. 156.20 lakh during the year 2018-19 and a decrease of loss by Rs. 221.20 lakh during the year 2017-18.

3. Further we also have received from the Statutory Auditors of our Company [FY 2018-19] viz. M/s. M.B. Agrawal & Co. CAs their Independent Auditors Report both dated 29th July, 2019 in respect of both standalone and consolidated audited Financial Results of the Company (HOCL) for the year ended March 31, 2019 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 opinions.

4. Hence we hereby submit the Revised Standalone and Consolidated Audited Financial Results for the year ended 31-03-2019 along with Statement of Assets and Liabilities (Standalone and Consolidated) as on 31st March, 2019 as per provisional comments received from the C&AG, in compliance with Regulations 30 and 33 of the Listing Regulations [LODRRs] and the auditors' unmodified opinion and in pursuance of other applicable Regulations of the LODRRs of SEBI. Further, the above results are also filed on line at BSE Portal in compliance with the Regulations.

Kindly acknowledge and take the above on your records.

Thanking you,  
Yours faithfully,

**For Hindustan Organic Chemicals Ltd.**



**(Mrs. Susheela S. Kulkarni)**  
**Company Secretary**  
**(Encl: as above)**





हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड  
(भारत सरकार का उद्यम) CIN: L99999MH1960GOI011895  
**HINDUSTAN ORGANIC CHEMICALS LIMITED**  
(A Govt. of India Enterprise)

आई एस ओ 9001 आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT

**STANDALONE FINANCIAL RESULTS FOR THE QUARTER (REVISED) AND YEAR ENDED 31ST MARCH 2019**

[See Regulation 47(1) (b) of the SEBI (LODR) Regulations, 2015]

(₹ in lakh)

PARTICULARS	Quarter ended			Year Ended	
	31.03.2019 (Audited)	31.12.2018 (Unaudited)	31.03.2018 Revised (Audited)	31.03.2019 (Audited)	31.03.2018 Revised (Audited)
1 Revenue from Operations	9191.17	11502.41	9618.35	47199.01	24232.94
2 Other Income	2772.68	1009.68	5296.12	11571.30	6859.97
3 <b>Total Revenue (I + II)</b>	<b>11963.85</b>	<b>12512.09</b>	<b>14914.47</b>	<b>58770.31</b>	<b>31092.91</b>
4 Expenses:					
a Cost of materials consumed	5427.29	6385.83	5276.83	25517.54	13218.35
b (Increase) / Decrease in work-in-progress	(402.04)	679.25	415.42	943.99	(836.16)
c Employees benefits expense	1927.05	1281.37	11635.70	5512.75	18147.32
d Finance Cost	2176.77	1478.82	745.69	6573.75	7541.65
e Depreciation and amortisation expense	37.15	46.75	82.61	175.69	676.84
f Utilities (Power, Fuel & Water)	1790.05	1939.70	1574.62	8289.42	5555.41
g Other expenses	(59.72)	1319.83	4569.09	4677.06	7134.42
<b>Total Expenses</b>	<b>10896.55</b>	<b>13131.55</b>	<b>24299.96</b>	<b>51690.20</b>	<b>51437.83</b>
5 <b>Profit / (Loss) before Exceptional items (3-4)</b>	<b>1067.30</b>	<b>(619.46)</b>	<b>(9385.49)</b>	<b>7080.11</b>	<b>(20344.92)</b>
6 Exceptional Items	0.00	0.00	0.00	0.00	0.00
7 <b>Profit(+)/Loss(-) before tax (5+6)</b>	<b>1067.30</b>	<b>(619.46)</b>	<b>(9385.49)</b>	<b>7080.11</b>	<b>(20344.92)</b>
8 Tax expenses:					
(1) Current tax	0.00	0.00	0.00	0.00	0.00
(2) Deferred tax	2069.00	0.00	0.00	2069.00	0.00
9 <b>Profit(+)/Loss(-) after tax for the period from continuing operations (7-8)</b>	<b>(1001.70)</b>	<b>(619.46)</b>	<b>(9385.49)</b>	<b>5011.11</b>	<b>(20344.92)</b>
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 <b>Net Profit/ (Loss) after tax for the period (9+10)</b>	<b>(1001.70)</b>	<b>(619.46)</b>	<b>(9385.49)</b>	<b>5011.11</b>	<b>(20344.92)</b>
12 Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss					
a Revaluation of Land	(569.17)	0.00	(2871.38)	(569.17)	12478.07
Less: Deferred Tax assets	(36.00)	0.00	(2793.25)	(36.00)	(2793.25)
b) Provision for Duties & Taxes Receivable	381.22	0.00	0.00	381.22	0.00
c) Changes in defined benefit plan	(156.89)	0.00	873.02	(156.89)	873.02
(ii) Income tax relating to items that will not be reclassified to P&	0.00	0.00	0.00	0.00	0.00
<b>Total Other Comprehensive Income</b>	<b>(380.84)</b>	<b>0.00</b>	<b>(4791.61)</b>	<b>(380.84)</b>	<b>10557.84</b>
13 <b>Total Comprehensive Income (profit/(loss) for the period (after tax) and other comprehensive income (after tax)</b>	<b>(1382.54)</b>	<b>(619.46)</b>	<b>(14177.10)</b>	<b>4630.27</b>	<b>(9787.08)</b>
14 Paid-up equity share capital (Face value of Rs.10 each)	6726.96	6726.96	6726.96	6726.96	6726.96
15 Reserve excluding Revaluation Reserve as per the balance sheet of previous accounting year				(102533.88)	(113270.30)

(Contd..2)



-2-

STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2019

(₹ in lakh)

	PARTICULARS	Quarter ended			Year Ended	
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
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 (Rs)	(1.49)	(0.92)	(13.97)	7.46	(30.29)
	- Diluted (Rs)	(1.49)	(0.92)	(13.97)	7.46	(30.29)

**Note:**

- As the Company has only one segment i.e. Chemicals, segment break-up is not required.
- Post applicability of Goods and Services Tax (GST) with effect from 01.07.2017, Revenue from operations are disclosed net of GST.
- 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.
- Due to some short provision of expenses and write back of provision made for shares of HFL, the comparative amounts for the year 2017-18 have been restated as per IndAS-8. The impact on account of the same is increase of loss by Rs.397.95 Lakhs in the financial year 2017-18.
- The company is in the process of implementation of the Govt. Approved restructuring plan. Sale of unencumbered land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant and Hydrogen Peroxide plant at Kochi is in operation. In view of this the financial statement have been prepared on going concern basis.
- 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.
- Originally the results were recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 28th May 2019.
- As per the provisions of Section 143(6) of Companies Act 2103, O/o the Director General of Commercial Audit (Member Audit Board-I), Mumbai, have conducted Supplementary Audit of the Accounts of the Company for the year 2018-19. As per the Provisional Comments issued by them, the Accounts have been revised as per the approval of the Board vide Circular Agenda No.2/2019 dated 29th July 2019. Accordingly the Quarterly results for the Quarter and year ending 31.03.2019 have been revised. The net impact on the Statement of Profit & Loss is a decrease in the Profit by Rs.156.20 lakh during the year 2018-19 and a decrease of loss by Rs.221.20 lakh during the year 2017-18.

Place: Mumbai  
Date : 28th May 2019  
29th July 2019

  
S.B. Bhide  
Chairman & Managing Director  
DIN 05323535





आई एस ओ 9001 आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड  
(भारत सरकार का उद्यम) CIN: L99999MH1960GOI011895  
HINDUSTAN ORGANIC CHEMICALS LIMITED  
(A Govt. of India Enterprise)

STATEMENT OF ASSETS AND LIABILITIES (REVISED) AS ON 31ST MARCH 2019

STANDALONE

Rs. in Lakhs

Description	Current Year ended 31.03.2019	Previous Year ended 31.03.2018
	(Audited)	Revised (Audited)
<b>Assets</b>		
<b>I. Non Current assets</b>		
a) Property, Plant and equipments	11,872.33	10,243.20
b) Investment Property	95.15	5.08
c) Other intangible assets	-	-
d) Financial Assets:		
(i) Investments	1,111.00	1,111.00
(ii) Loans	401.89	117.63
Other non current Assets	217.48	131.45
<b>Total - Non current Assets</b>	<b>13,697.85</b>	<b>11,608.36</b>
<b>Current assets</b>		
a) Inventories	4,734.61	5,731.34
b) Financial assets		
(i) Trade Receivables	1,770.63	439.00
(ii) Cash and cash equivalents	3,130.89	7,646.31
iii) Bank balances other than (ii) above	3,904.12	3,272.43
iv) Loans	1,256.65	1,340.94
v) Other Financial assets	1,194.25	1,142.64
c) Non current assets held for sale	1,17,845.61	1,25,710.98
d) Other Current assets	4,235.82	5,867.15
<b>Total - Current Assets</b>	<b>1,38,072.58</b>	<b>1,51,150.79</b>
<b>Total Assets</b>	<b>1,51,770.43</b>	<b>1,62,759.15</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity Share capital	6,726.96	6,726.96
Other equity:		
(i) Securities Premium	4,838.56	4,838.56
(ii) Retained Earnings	(1,07,372.44)	(1,18,108.86)
iii) Other comprehensive Income	1,06,395.53	1,11,310.74
<b>Total Other Equity</b>	<b>3,861.65</b>	<b>(1,959.56)</b>
<b>Total Equity</b>	<b>10,588.61</b>	<b>4,767.40</b>

(Contd..2)



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

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

आई एस ओ 9001 आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT

-2-

Description	Current Year ended 31.03.2019	Previous Year ended 31.03.2018
	(Audited)	Revised (Audited)
<b>Liabilities</b>		
<b>Non-current liabilities:</b>		
Financial liabilities:		
i) Borrowings	24,561.88	24,557.26
b) Provisions (Long term)	1,007.14	1,476.65
c) Deferred Tax liabilities	20,900.52	19,986.52
d) Net employee defined benefit liabilities	2,306.38	2,263.97
	<b>48,775.92</b>	<b>48,284.40</b>
<b>Current liabilities:</b>		
Financial liabilities		
(i) Non Cumulative Preference Share Capital	27,000.00	27,000.00
(ii) Borrowings	-	-
(iii) Trade payables:	9,800.11	17,630.28
(iv) Other current financial liabilities	8,679.49	8,681.80
Provisions	4,870.44	6,291.94
Net employee defined benefit liabilities	90.17	139.09
Other current liabilities	41,965.69	49,964.24
<b>Total Current Liabilities</b>	<b>92,405.90</b>	<b>1,09,707.35</b>
<b>Total equity and liabilities</b>	<b>1,51,770.43</b>	<b>1,62,759.15</b>

Place: Mumbai

Date : 28th May 2019

29th July 2019

  
S.B. Bhide  
Chairman & Managing Director  
DIN 05323535



**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.

JENNY BHAVSAR A.C.A., LL.B.

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Hindustan Organic Chemicals Limited

**Report on the Audit of the Revised standalone financial statements****Opinion**

We have audited the revised standalone financial statements of Hindustan Organic Chemicals Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the revised standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid revised standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('IndAS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of uncertain tax positions</b> The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes no. vii(c) of Annexure A to this Auditors Report</p>	<p><b><u>Principal Audit Procedures</u></b> Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved an external expert to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. The external expert also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p><b>Recoverability of Trade Receivables</b> As at March 31, 2019, current asset in respect of Trade Receivables in respect of <i>Rasayani Unit</i> includes recoverable amounting to Rs. 2,007.68 lakhs which are pending legal dispute. The above amount refers to the major portion of Trade Receivable.  Refer Note no. 8 to the Revised standalone financial statements</p>	<p><b><u>Principal Audit Procedure</u></b> We have reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
3	<p><b>Reversal of penal interest on Government of India (GoI) Loan</b> The Company has reversed</p>	<p><b><u>Principal Audit Procedure</u></b> We have reviewed the letter received by the Company from the Ministry of Petrochemicals, Government of</p>





<p>the provision for penal interest in respect of GoI Loan amounting to Rs. 2004.30 lakhs in respect of previous years. Re-instatement of interest on Government of India Loan of Rs. 758.97 lakhs written in the books of accounts in the earlier years(.  Refer Note no. 13b(ii)and 25(i)of the revised standalone financial statements.</p>	<p>India which clarified that the Penal interest and Interest on interest is payable only when the sanctioning authority uses its right to demand, apart from the same all interest is due and payable.  We have obtained the said documentation from the management.</p>
--	---

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report including Annexures to Board's Report, Corporate Governance and Shareholder's information and the chairman's statement' but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance 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 revised standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with IndAS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Other Matter**

We did not audit the financial statements/ information of Kochi unit included in the revised standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 24,016.42 lakhs (excluding inter branch balance) as at 31st March 2019 and total revenue of Rs. 47,199.01 lakhs and total comprehensive profit of Rs. 4,326.20 lakhs for the year ended on that date, as considered in the revised standalone financial statements. The financial statements/information of Kochi unit have been audited by the branch auditor whose





reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, 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 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

(c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

(d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

(e) In our opinion, the aforesaid revised standalone financial statements comply with the IndAS 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 director(s) are disqualified in terms of provisions contained in 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'.

(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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 36 to the financial statements;





ii. The Company has entered into long term transmission contract with the Gas Authority of India Limited (GAIL) for transmission of Liquified Natural Gas in 2011 for a period of 15 years ending in 2026. Material foreseeable losses cannot be identified in the current scenario. The Company did not have any other derivative contract.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

4. Based on the observations of the Comptroller and Auditor General of India, additions/revisions have been carried out. We give in Annexure D, the statements of the said additions/revisions which has been carried out.

For **M. B. Agrawal & Co.**  
Chartered Accountants  
(Firm's Registration No. 100137W)

*A. Harshal*

**Harshal Agrawal**  
Partner  
(Membership No. 109438)  
UDIN : 19109438AAAACG4370

Place : Mumbai  
Date : 29-July-2019





हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

(भारत सरकार का उद्यम) CIN: L99999MH1960GOI011895

HINDUSTAN ORGANIC CHEMICALS LIMITED

(A Govt. of India Enterprise)

आई एस ओ 9001 आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT

CONSOLIDATED AUDITED FINANCIAL RESULTS (REVISED) FOR THE YEAR ENDED 31ST MARCH 2019

CIN:L99999MH1960GOI011895

(Rs. in lakhs)

	PARTICULARS	Year Ended	
		31.03.2019	31.03.2018
		(Audited)	Revised (Audited)
1	Revenue from Operations (Net)	51085.04	27918.30
2	Other Income	11748.46	6611.26
3	<b>Total Revenue (I + II)</b>	<b>62833.50</b>	<b>34529.56</b>
4	Expenses:		
a	Cost of materials consumed	27099.47	14587.76
b	(Increase) / Decrease in work-in-progress	899.97	-815.77
c	Employees benefits expense	6783.20	19370.67
d	Finance Cost	6824.26	7774.76
e	Depreciation and amortisation expense	325.01	825.00
f	Utilities (Power, Fuel & Water)	8728.54	5986.35
g	Other expenses	4859.12	5500.84
	<b>Total Expenses</b>	<b>55519.57</b>	<b>53229.61</b>
5	<b>Profit / (Loss) before Exceptional items (3-4)</b>	<b>7313.93</b>	<b>-18700.05</b>
6	Exceptional Items		0.00
7	<b>Profit(+)/Loss(-) before tax (5+6)</b>	<b>7313.93</b>	<b>-18700.05</b>
8	Tax expenses:		
	(1) Current tax	0.00	0.00
	(2) Deferred tax	-2069.00	0.00
9	<b>Profit(+)/Loss(-) after tax for the period from continuing operations (7-8)</b>	<b>5244.93</b>	<b>-18700.05</b>
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	<b>Net Profit/ (Loss) after tax for the period (9+10)</b>	<b>5244.93</b>	<b>(18700.05)</b>
12	<b>Other Comprehensive Income</b>		
(i)	Items that will not be reclassified to profit or loss		
a)	Revaluation of Land	-569.17	12478.07
	Less: Deferred Tax Assets/Liability	-36.00	-2793.25
b)	Provision for Duties & Taxes Receivable	381.22	0.00
c)	Change in defined benefit plan	-454.35	623.10
d)	Financial instruments through OCI at amortised cost	-350.81	-155.34
	<b>Total Other Comprehensive Income</b>	<b>(1029.11)</b>	<b>10152.58</b>
13	<b>Total Comprehensive Income (comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax) (11+12)</b>	<b>4215.82</b>	<b>(8547.47)</b>
	<b>Net profit attributable to</b>		
a)	Owners of the Company	5170.79	-18666.34
b)	Non controlling interest	74.14	-33.71
	<b>Other Comprehensive income attributable to</b>		
a)	Owners of the Company	-746.72	10329.11
b)	Non controlling interest	-282.39	-176.53
	<b>Total Comprehensive income attributable to</b>		
a)	Owners of the Company	4424.07	-8337.23
b)	Non controlling interest	-208.25	-210.24

(Contd...2)

पंजीकृत एवं निगमित कार्यालय : वी टाइम्स स्क्वेयर, ४थी मंजिल, कार्यालय सं.- ४०१ - ४०३, सेक्टर - १५, प्लॉट नं. ०३, सी.बी.डी.बेलापुर, नवी मुंबई - ४०० ६१४

Registered & Corporate Office : V Times Square, 4th Floor, Office No.- 401- 403, Sector- 15, Plot No.- 03, C.B.D Belapur, Navi Mumbai 400 614

दूरभाष Phone : 022-27575268 / 69, CIN NO. - L 99999MH1960GOI011895

Facebook : fb.me/hocindia, Twitter : twitter.com/organic\_ltd Website : www.hocindia.com





हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड  
(भारत सरकार का उद्यम) CIN: L99999MH1960GO1011895  
HINDUSTAN ORGANIC CHEMICALS LIMITED  
(A Govt. of India Enterprise)

आई एस ओ 9001 आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT

-2-

( ₹ in lakhs)

PARTICULARS	Year Ended	
	31.03.2019	31.03.2018
14 Paid-up equity share capital (Face value of Rs.10 each)	6726.96	6726.96
15 Reserve excluding Revaluation Reserve as per the balance sheet of previous accounting year	(105026.93)	(115923.02)
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 (Rs)	7.81	(27.84)
- Diluted (Rs)	7.81	(27.84)

**Note:**

1. As the Company has only one segment i.e. Chemicals, segment break-up is not required.
2. Post applicability of Goods and Services Tax (GST) with effect from 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. Due to some short provision of expenses in Holding company accounts, the comparative amounts for the year 2017-18 have been restated as per IndAS-8. The impact on account of the same is increase of loss by Rs.619.15 Lakhs in the financial year 2017-18.
5. The Holding company is in the process of implementation of the Govt. Approved restructuring plan. Sale of unencumbered land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant and Hydrogen Peroxide plant at Kochi is in operation. In view of this the financial statement have been prepared on going concern basis.
6. 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.
7. Originally the results were recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 28th May 2019.
8. As per the provisions of Section 143(6) of Companies Act 2103, O/o the Director General of Commercial Audit (Member Audit Board-I), Mumbai, have conducted Supplementary Audit of the Accounts of the Company for the year 2018-19. As per the Provisional Comments issued by them, the Accounts have been revised as per the approval of the Board vide Circular Agenda No.2/2019 dated 29th July 2019. Accordingly the Quarterly results for the Quarter and year ending 31.03.2019 have been revised. The net impact on the Statement of Profit & Loss is a decrease in the Profit by Rs.156.20 lakh during the year 2018-19 and a decrease of loss by Rs.221.20 lakh during the year 2017-18.

Place: Mumbai

Date : 28th May 2019

29th July 2019

  
S.B. Bhide  
Chairman & Managing Director  
DIN 05323535





हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

(भारत सरकार का उद्यम) CIN: L99999MH1960GOI011895

HINDUSTAN ORGANIC CHEMICALS LIMITED

(A Govt. of India Enterprise)

आई एस ओ 9001आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT

STATEMENT OF ASSETS AND LIABILITIES (REVISED) AS ON 31ST MARCH 2019  
CONSOLIDATED (Rs. in lakhs)

Description	Current Year ended 31.03.2019	Previous Year ended 31.03.2018
	(Audited)	Revised (Audited)
<b>Assets</b>		
<b>I. Non Current assets</b>		
Property, Plant and equipments	16,718.97	15,217.94
Investment Property	95.15	5.08
Other intangible assets	182.18	194.92
Financial Assets:		
(I) Investments	5.00	5.00
(II) Loans	401.89	117.63
Other non current Assets	316.72	224.98
<b>Total - Non current Assets</b>	<b>17,719.91</b>	<b>15,765.55</b>
<b>Current assets</b>		
Inventories	5,292.81	6,270.32
Financial assets:		
(i) Trade Receivables	2,279.56	809.26
(ii) Cash and cash equivalents	3,131.34	7,646.83
iii) Bank balances other than (ii) above	3,905.84	3,274.05
(iii) Loans	66.64	87.31
(iv) Other financial assets	527.88	367.65
Non current assets held for sale	1,17,845.61	1,25,710.98
(d) Other current assets	4,334.27	5,927.78
<b>Total - Current Assets</b>	<b>1,37,383.95</b>	<b>1,50,094.18</b>
<b>Total Assets</b>	<b>1,55,103.86</b>	<b>1,65,859.73</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity Share capital	6,726.96	6,726.96
Other equity:		
(i) Securities Premium	4,838.56	4,838.56
(ii) Retained Earnings	(1,09,865.49)	(1,20,761.58)
iii) Other comprehensive Income	1,07,351.09	1,12,632.12
Total Other Equity	2,324.16	(3,290.90)
<b>Total Equity</b>	<b>9,051.12</b>	<b>3,436.06</b>
Non Controlling interest	<b>(1,881.32)</b>	<b>(1,673.02)</b>

(Contd..2)

पंजीकृत एवं निगमित कार्यालय : वी टाइम्स स्क्वेयर, ४थी मंजिल, कार्यालय सं. - ४०१ - ४०३, सेक्टर - १५, प्लॉट नं. ०३, सी.बी.डी बेलपुर, नवी मुंबई - ४०० ६१४  
Registered & Corporate Office : V Times Square, 4th Floor, Office No.- 401-403, Sector- 15, Plot No.- 03, C.B.D Belapur, Navi Mumbai 400 614

दूरभाष Phone : 022-27575268 / 69, CIN NO. - L 99999MH1960GOI011895

Facebook : fb.me/hoclindia, Twitter : twitter.com/organic\_ltd Website : www.hoclindia.com





आई एस ओ 9001 आई एस ओ 14001 यूनिट  
AN ISO 9001 ISO 14001 UNIT

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड  
(भारत सरकार का उद्यम) CIN: L99999MH1960GOI011895  
HINDUSTAN ORGANIC CHEMICALS LIMITED  
(A Govt. of India Enterprise)

-2-

Description	Current Year ended 31.03.2019	Previous Year ended 31.03.2018
	(Audited)	Revised (Audited)
<b>Liabilities</b>		
<b>Non-current liabilities:</b>		
Financial liabilities:		
(i) Borrowings	24,561.88	24,893.26
(ii) Trade payables	-	-
(iii) Provisions (Long term)	1,980.80	2,279.13
(iv) Deferred Tax liabilities	20,900.52	19,986.52
Net employee defined benefit liabilities	2,306.38	2,263.97
	<b>49,749.58</b>	<b>49,422.88</b>
<b>Current liabilities:</b>		
Financial liabilities		
(i) Non Cumulative Preference Share Capital	27,000.00	27,000.00
(ii) Borrowings	408.80	258.59
(iii) Trade payables:	10,193.28	18,006.48
(iv) Other current financial liabilities	11,090.35	10,217.96
Provisions	5,239.63	6,620.22
Other current liabilities	90.17	139.09
Net employee defined benefit liabilities	44,162.25	52,431.47
<b>Total Current Liabilities</b>	<b>98,184.48</b>	<b>1,14,673.81</b>
<b>Total equity and liabilities</b>	<b>1,55,103.86</b>	<b>1,65,859.73</b>

Place: Mumbai  
Date : 28th May 2019  
29th July 2019

  
**S.B. Bhide**  
Chairman & Managing Director  
DIN 05323535

**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.

JENNY BHAVSAR A.C.A., LL.B.

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Hindustan Organic Chemicals Limited

**Report on the Audit of the Revised Consolidated Financial Statements****Opinion**

We have audited the revised consolidated financial statements of Hindustan Organic Chemicals Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the revised consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid revised consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('IndAS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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





### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the revised consolidated financial statements of the current period. These matters were addressed in the context of our audit of the revised consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes no. vii(c) of Annexure A to revised Standalone Auditors Report</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved an external expert to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. The external expert also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p><b>Recoverability of Trade Receivables</b></p> <p>As at March 31, 2019, current asset in respect of Trade Receivables in respect of <i>Rasayani Unit</i> includes recoverable amounting to Rs. 2,007.68 lakhs which are pending legal dispute. The above amount refers to the major portion of Trade Receivable.</p> <p>Refer Note no. 8 to the Revised consolidated financial statements</p>	<p><b><u>Principal Audit Procedure</u></b></p> <p>We have reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
3	<p><b>Reversal of penal interest on Government of India (GoI) Loan</b></p> <p>The Company has reversed the provision for penal</p>	<p><b><u>Principal Audit Procedure</u></b></p> <p>We have reviewed the letter received by the Company from the Ministry of Petrochemicals, Government of India which clarified that the Penal interest and Interest</p>



	<p>interest in respect of GoI Loan amounting to Rs. 2004.30 lakhs in respect of previous years. Re-instatement of interest on Government of India Loan of Rs. 758.97 lakhs written in the books of accounts in the earlier years(.  Refer Note no. 13b(ii) and 25(i) of the revised consolidated financial statements.</p>	<p>on interest is payable only when the sanctioning authority uses its right to demand, apart from the same all interest is due and payable.  We have obtained the said documentation from the management.</p>
4	<p><b>Reporting of financial instruments through OCI at amortised cost.</b></p>	<p><u><b>Principal Audit Procedure</b></u>  The subsidiary company(HFL) revisited its status on reporting of financial instruments through OCI at amortised cost based on updated developments when compared to immediate previous year. Accordingly, based on realistic assessment of the underlying transactions by the subsidiary auditors, the company is of view that there are no Financial instruments which are receivable/payable in future at discounted values and accordingly these are shown at actual values. Accordingly the corresponding effect between the previous year and current year, is passed through OCI during the year.</p>
5	<p><b>Review of reported pay fixation in previous year pertaining to employees by subsidiary company.</b></p>	<p><u><b>Principal Audit Procedure</b></u>  The subsidiary company(HFL) had carried out a detailed review of certain reported error/anomalies in pay fixation pertaining to employees and this exercise resulted in identifying excess payment to certain employees due to this error, amounting to Rs. 268 lakhs since 1997 onwards. Accordingly, the subsidiary company initiated recovery process from those employees and had already recovered/adjusted Rs. 95.73 lakhs upto 31/03/2019. Recovery proceeds of balance amount is under way.</p>

**Other Information**





The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report including Annexures to Board's Report, Corporate Governance and Shareholder's information and the chairman's statement but does not include the revised consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

In connection with our audit of the revised consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the revised consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Revised consolidated 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 revised consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the revised consolidated financial statements, the respective Board of Directors of the companies included in Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Revised consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the revised consolidated financial statements as a whole are free from material misstatement, whether due to fraud or





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

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

- Identify and assess the risks of material misstatement of the revised consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary company which is incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the revised consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the revised consolidated financial statements, including the disclosures, and whether the revised consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on revised consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the revised consolidated financial statements.

Materiality is the magnitude of misstatements in the revised consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably





knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

#### **Other Matter**

We did not audit the standalone financial statements/ information of subsidiary whose financial statements is included in the revised consolidated financial statements of the Company. The financial statements/financial information of the subsidiary reflects total assets of Rs. 6,474.69 lakhs as at 31st March 2019 and total revenue of Rs. 4126.82 lakhs and total comprehensive loss of Rs. 478.07 lakhs for the year ended on that date, as considered in the revised consolidated financial statements. We also, did not audit the financial statements/ information of Kochi unit of Holding Company included in the revised consolidated financial statements whose financial statements/financial information reflect total assets of Rs. 24,016.42 lakhs (excluding inter branch balance) as at 31st March 2019 and total revenue of Rs. 47,199.01 lakhs and total comprehensive profit of Rs. 4,326.20 lakhs for the year ended on that date, as considered in the revised consolidated financial statements.

These financial statements/information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the revised consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect the subsidiary and Kochi unit, and our report in terms of section 143(3) and (11) of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of its auditors.

Our opinion is not modified in respect of this matter.

#### **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 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 relating to preparations of the aforesaid revised consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The reports on the accounts of the branch offices of the Group audited under Section 143(8) of the Act by 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, the 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 accounts maintained for the purpose of preparation of revised consolidated financial statements.
  - (e) In our opinion, the aforesaid revised consolidated financial statements comply with the IndAS 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 director(s) are disqualified in terms of provisions contained in said section.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' which is based on the auditor's report of the company and its subsidiary incorporated in India.
  - (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 Group has disclosed the impact of pending litigations on its financial position in its revised consolidated financial statements – Refer Note no. 36 to the revised consolidated financial statements;
    - ii. The Holding Company has entered into long term transmission contract with the Gas Authority of India Limited (GAIL) for transmission of Liquefied Natural Gas in 2011 for a period of 15 years ending in 2026. Material foreseeable losses cannot be identified in the current scenario. The Group did not have any other derivative contract.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.





3. Based on the observations of the Comptroller and Auditor General of India, additions/revisions have been carried out. We give in Annexure C, the statements of the said additions/revisions which has been carried out.

For **M. B. Agrawal & Co.**  
Chartered Accountants  
(Firm's Registration No. 100137W)

*Ag. Harshal*

**Harshal Agrawal**

Partner

(Membership No. 109438)

UDIN : 19109438AAAACH4590

Place : Mumbai  
Date : 29-July-2019

