

INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF HINDUSTAN ORGANIC CHEMICALS LIMITED FOR THE QUARTER ENDED JUNE 30, 2021 PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Hindustan Organic Chemicals Limited
Mumbai

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **Hindustan Organic Chemicals Limited** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter ended June 30, 2021 ("the statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with relevant circulars issued by SEBI ("the Listing Regulations").
2. This statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an Audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement Includes the financial results of M/s Hindustan Fluorocarbons Limited



1

1st Floor, OXO The Gallery Building, Signal Jn., Vengalloor, O., Thodupuzha - 685 608. KERALA, INDIA
Off: +91 486 2200124, E-mail: tdpa@bsjassociates.in, Web: www.bsjassociates.in

5. Based on our review conducted as above, and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under section 133 of the Act as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

a) Note No. 7 – Restructuring plan of Rasayani Unit:

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 at Kochi is in operation. In view of this the financial statements have been prepared on going concern basis.

- b) We also draw to attention the following Matter to the limited review conclusion of the financial statement of M/s Hindustan Fluorocarbons Limited, a subsidiary of the Holding Company issued by independent firm of Chartered Accountants vide its report dated July 27, 2021 reproduced as under:

- i) "We draw attention to Note 2 (Note No. 8 in Consolidated Financial Result) to the Statement which describes decision of the Cabinet Committee on Economic Affairs (CCEA), Govt. of India to close the Company with timelines for implementation of the closure and the steps already taken in this regard, progress made and the plan of action of the Company for implementing these directions. Based on the directions given by the Ministry and the steps initiated by the Company, the Company is no longer a Going Concern Entity. Our conclusion on the statement is not modified in respect of the above matter."


Our conclusion is not modified in respect of these matters.



7. Other Matters

1. Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015- as per Regulation 17(1)(b), the chairman being an executive director, at least half of the board of Directors should be comprised of Independent Directors. Currently, the Company does not have required number of Independent Directors on its board. Accordingly, there is consequent non-compliance of Regulations 18, 19 and 20 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 (Refer Note 6 to Financial Results).

For *BSJ & Associates*
Chartered Accountants
FRN: 010560S


CA. TOLY T KAPPEN
Partner (M. No.219867)
UDIN: 21219867AAAAES5574



Place: Ernakulam
Date: 30/07/2021