



## Hindustan Organic Chemicals Limited

[CIN L99999MH1960GOI011895]

Registered Office: P.O. Rasyani, Dist. Raigad, Maharashtra, Pin- 410207.

### NOTICE OF POSTAL BALLOT

**(Voting Period – 28-03-2017 to 26-04-2017)**

**Dear Member,**

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read together with the Companies (Management and Administration) Rules, 2014 and any amendment thereto, that the resolution appended hereunder is proposed to be passed as Special Resolutions by way of postal ballot. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning the resolutions and the reasons thereof is annexed hereto along with a postal ballot form (the "Form") for your consideration. The Board of Directors of the Company (the "Board") has appointed Ms. Malati Kumar, ACS No.15508, COP No.10980 and failing her Ms. Ashwini Vartak, ACS No. 29463, COP No. 16723 of M/s. S. N. ANANTHASUBRAMANIAN & Co., as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (FOR) or dissent (AGAINST) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours, i.e. by 5 p.m. on 26-04-2017. Any postal ballot received beyond the said date will not be valid. Therefore, Members are requested to send the duly completed Form well before this date allowing sufficient time for postal transit.

Members desiring to opt for voting by electronic means ("e-voting") as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to postal ballot in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/ Any other officer authorized by him. The result of the postal ballot would be announced by the Chairman & Managing Director or the Company Secretary of the Company on **29-04-2017** at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed and displayed along with the Scrutinizer's Report on the Company's website viz. [www.hoclindia.com](http://www.hoclindia.com).

#### RESOLUTIONS :

- 1. To consider and to approve the Transfer of Company's N2O4 / CNA Plant at HOCL, Rasayani to ISRO, Department of Space, GOI alongwith (approximate) 20 acres of land and manpower 'as is where is basis' as decided by Govt. of India., including other relevant Government approvals and if approved to pass the following as Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions and Rules thereunder and subject to such other approvals as may be necessary in this regard, approval of the Members be and is hereby accorded the transfer of Company's N2O4 / CNA Plant at HOCL, Rasayani to ISRO, Department of Space, GOI alongwith (approximate) 20 acres of land and manpower on 'as is where is basis' as decided by Governmnen. of India."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and shareholders or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company OR Chairman and Managing Director and Company Secretary of the Company be and are hereby authorized to take necessary steps to implement the aforesaid resolution and to all acts, deeds and things as may be necessary including to sign and execute necessary documents, agreements, declarations, transfer forms etc and to also affix the Common Seal of the Company on such documents, if necessary."

- 2. Proposal of Stoppage of 2 Plants viz. Nitrobenzene & Formaldehyde Plants at Company's (HOCL) Rasayani Unit , along with approval for disposal of 7 Plants (of Rasayani Unit), namely, Nitrobenzene II & III, Formaldehyde, Aniline II & III, Hydrogen III and Nitro toluene and Super Structures disposal and consequent Closure of Rasayani Unit Operations and if approved to pass the following as Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions and Rules thereunder and subject to such other approvals as may be necessary in this regard, the approval of the Members be and is hereby accorded to the Company to Stoppage of 2 Plants viz. Nitrobenzene & Formaldehyde Plants at Company's (HOCL) Rasayani Unit, alongwith approval for disposal of 7 Plants (of Rasayani Unit) namely, Nitrobenzene II & III, Formaldehyde, Aniline II & III, Hydrogen III and Nitro toluene and Super Structures disposal and consequent Closure of Rasayani Unit Operations. "

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."



“RESOLVED FURTHER THAT the Board of Directors of the Company OR Chairman and Managing Director and Company Secretary of the Company be and are hereby authorized to take necessary steps to implement the aforesaid resolution and to all acts, deeds and things as may be necessary including to sign and execute necessary documents, agreements, declarations, transfer forms etc and to also affix the Common Seal of the Company on such documents, if necessary.”

**By Order of the Board of Directors of  
Hindustan Organic Chemicals Ltd.**

**Rasayani  
Date: 17.03.2017**

**Sd/-  
Mrs. Susheela S. Kulkarni  
Company Secretary**

**NOTES AND INSTRUCTIONS:**

1. Explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed Special Resolutions is appended herein below along with Form for your consideration.
2. The Notice is being sent to all the Members, whose names appear in the Register of Members/ list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on 22-03-2017.
3. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, notice of postal ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories are being sent this notice of postal ballot by e-mail and the members who have not registered their e-mail IDs will receive notice of postal ballot along with the Form through post/courier. Members who have received postal ballot notice by e-mail and who wish to vote using the Form, may download the Form from the ‘investors’ section on the Company’s website [www.hoclindia.com](http://www.hoclindia.com). Members may submit their queries/grievances, etc. connected to postal ballot on [cs@hoclindia.com](mailto:cs@hoclindia.com).
4. The attached self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board and the Form after casting of the vote should be put inside the same and the envelope should be duly sealed. Envelope containing the Form will also be accepted if physical copy thereof duly sealed inside the attached postage pre-paid envelope is sent by any other mode at the expense of the Member.
5. The Form should be signed by the Member as per the specimen signature registered with the Company. In case shares are jointly held, the Form should be completed and signed by the first named holder and in his/her absence, by the next named holder. Holders of Power of Attorney (PoA) on behalf of a Member may vote on the Form mentioning the Registration No. of the PoA registered with the Company or attach notarial attested copy of the PoA. Unsigned Form will be rejected.
6. Members holding shares in dematerialised form are advised, in their own interest, to get their signatures verified by their Bankers/ Depository Participants (“DPs”). The signature should be verified by their Bankers/ DPs by affixing seal mentioning name and address of the Banker/ DPs and name, stamp and signature of the Authorised signatory.
7. In case of shares held by companies, trusts, societies, etc. the duly completed Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably, with the attested specimen signature(s) of the duly Authorised Signatory(ies) giving the requisite authority to the person voting on the Form.
8. Members are requested not to send any document (other than the Resolution/ Authority as mentioned above) along with the completed Form inside the enclosed self-addressed prepaid envelope, as all such envelopes without opening will be sent to the Scrutinizer. Should any extraneous matter be found in any such envelope, the same will not be considered and would be destroyed by the Scrutinizer.
9. There will be only one Form for each Folio/ Client Id. Exercise of vote through postal ballot is not permitted through proxy.
10. Incomplete, improperly or incorrectly tick marked Form will be rejected.
11. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Listing Agreement entered into with the Stock Exchanges and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an option to all the Members of the Company with this postal ballot. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members, if they so opt, to cast their votes electronically instead of filling in and dispatching the Form. E-voting is optional.

The instructions for e-voting are as follows:

- (i) The voting period begins on 28-3-2017 at 9 A.M and ends on 26.04.2017 at 5 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 22.03.2017 may, if they so opt, cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:



(viii)

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN and choose Hindustan Organic Chemicals Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
12. In case a shareholder votes through e-voting and also by postal ballot by filling in the Form, voting through electronic means will be taken on record and voting through postal ballot will be ignored.
13. The Board has appointed Ms. Malati Kumar, ACS No.15508, COP No.10980 and failing her Ms. Ashwini Vartak, ACS No. 29463, COP No. 16723 of M/s. S.N. Ananthasubramanian & Co as the Scrutinizer for conducting the postal ballot voting process (including e-voting) in accordance with law in a fair and transparent manner.
14. The Scrutinizer shall, no later than seven working days from the conclusion of the e-voting period, unblock the votes and submit his report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.
15. The resolutions, where assented to by the requisite majority of the Members by means of postal ballot (which shall also include the results of e-Voting), shall be deemed to have been duly passed at a general meeting convened in that behalf on the date of the last date of receipt of postal ballot forms i.e., 26<sup>th</sup> April, 2017.
16. The Scrutinizer's decision on the validity of a completed Form shall be final.

**By Order of the Board of Directors of  
Hindustan Organic Chemicals Ltd.**

**Rasayani  
Date: 17.03.2017**

**Sd/-  
Mrs. Susheela S. Kulkarni  
Company Secretary**



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 :

### Resolution No. 1

#### Background :

HOCL (once a Mini Ratna PSU), due to continuous losses incurred by Rasayani unit over the past 2 decades (since 1997-98) (due to globalization & other unfavourable economic developments) resulted in overall losses in the Company. HOCL was referred to BIFR as a sick company in the year, 2003-04 and with the subsequent fund infusion by the Government, as per revival package, company's net worth became positive during the FY 2006-07 and the company came out of BIFR. Even though the company posted profits for 2 years, thereafter, due to global meltdown, high cost of raw materials, competition from cheaper imports and non-availability of working capital, lower capacity utilization, all resulted in the company posting of continuous losses, post revival, since FY 2008-09 except 2010-11, once gain for the second time, Company was referred to BIFR during the FY 2013-14 and registered as a sick unit consequent on complete erosion of net-worth. Though later Govt. considered the revival plan submitted by the company during the FY 2014-15, which were later kept in abeyance, and intermittent stoppage of plants owing to lack of sufficient working capital support from the company's bankers (SBI) and consequent stoppage of raw materials supplies, have caused operational set back and closure of majority of the plants. This has resulted into huge outstanding dues towards raw material supplies (to BPCL), non-payment of employees' salary dues for over 17 months and other dues, outstanding statutory liabilities (all aggregating to approx. Rs.1064.26Crores) non-availability of raw material and working capital for the operations of the company. Even though initially, the revival of the company was under consideration of the Govt. by partial closure of Rasayani unit (9 plants out of 12 plants) and operating 2 plants at Kochi, subsequently was modified as closure of Rasayani Unit, on the recommendations of the NITI Aayog, considering the operational inefficiencies and status of old and out dated plants at the Rasayani Units, except Conc. Nitric Acid/N2O4 plant which will be taken over by ISRO. Hence the proposal for "Transfer of Company's N2O4 / CNA Plant to ISRO along with approx. 20 acres of land" given in the agenda item.

- 1) As per the decisions held in the Meeting chaired by CEO, NITI Aayog and communication from Administrative Ministry on 7<sup>th</sup> November 2016 and it was decided to Transfer of Company's N2O4 / CNA Plant at HOCL, Rasayani to ISRO, Department of Space, GOI alongwith (approximate) 20 acres of land and manpower on 'as is where is basis' as decided by Govt.of India.,

Based on discussions held in Niti Aayog, meetings were held with M/s. ISRO on 18<sup>th</sup> and 19<sup>th</sup> November, 2016.

A Committee of Secretaries was formed to expedite the matter.

The said Committee of Secretaries met on 18<sup>th</sup> January, and 10<sup>th</sup> February, 2017 and in the meeting it was decided that the transfer of CNA / N2O4 plant to ISRO on "as is where is basis" and recommended as under :

- a) Transfer of Company's N2O4 / CNA Plant at HOCL Rasayani to ISRO, Department of Space, GOI, along (approx.)20 acres of land and manpower 'as is where is basis' as decided by the Government of India, i.e. :
- HOCL would transfer the N2O4 plant to ISRO. Any reference to the plant would include about 20 acres of land which is essential for the running of the plant, in addition to plant and machinery of Nitric Acid/N2O4 Plant ;
  - ISRO will take over all the past liabilities associated with N2O4 plant including but restricted to these relating to employees, suppliers etc.. Exact modalities will be decided between HOCL and ISRO in the next 15 days. ;
  - HOCL will hand over the N2O4 plant along with all the employees associated with it which will be taken over by ISRO on their rolls and liabilities of these employees including those arising in future will stand transferred to ISRO. Similarly, all possible liabilities relating to even past employees of this plant shall also stand transferred to ISRO. ;
- b) Further, Board of Directors at their Board Meeting held on 17-03-2017 approved (in principle) the proposal of Transfer of Company's N2O4 / CNA Plant at HOCL, Rasayani to ISRO, Department of Space, GOI along (approx.) 20 acres of land and manpower 'as is where is basis' as recommended.

It was categorically informed that GOI would not fund the revival of HOCL. NITI Aayog in its meeting held on 7<sup>th</sup> November, 2016 recommended winding up of Rasayani Unit with transfer of CNA/N2O4 Plant to M/s. ISRO and also recommended sale of Rasayani land instead of leasing.

Your directors recommend passing of the Special Resolution as contained in Item No 1 of the Postal Ballot Notice.

None of the Directors and the Company Secretary (KMPs) are concerned or are interested in the Proposed Resolutions except to the extent of Shares held by them in their individual capacity.

### Resolution No. 2

#### Background :

In addition to the explanatory note given in respect of Item No.1 above, detailed inputs in respect of item No. 2 are given here under:

As indicated above, initially, the revival of the company was under consideration of the Govt. by partial closure of Rasayani unit (9 plants out of 12 plants) and operating 2 plants at Kochi, subsequently was modified as closure of Rasayani Unit, on the recommendations of the NITI Aayog, considering the operational inefficiencies and status of old and out dated plants at the Rasayani Units, except Conc. Nitric Acid/N2O4 plant which will be taken over by ISRO. As a part of land monetisation it is proposed to sell 442 acre of land at Rasayani to BPCL and another 20 acre of land along with the Conc.Nitric Acid / N2O4 plant is being taken over by ISRO. Since it has been decided to close the operation of all plants at Rasayani Unit except CNA / N2O4 plants, hence the "Proposal for Stoppage of NB-III, FD-II plants and disposal of Seven Plants namely, Nitrobenzene II & III, Formaldehyde, Aniline II & III, Hydrogen III and Nitro toluene including all Superstructures and Closure of Rasayani Unit operations", given in the agenda item regarding:

Accordingly Company's Board of Directors at their meeting held on 17-03-2017 have approved stoppage of 2 plants viz. Nitrobenzene, Formaldehyde plants which are not in operation since June 2016 and April 2013 (respectively) due to shortage of Raw material and financial crunch. In view of the directions from NITI Aayog is proposed to stop the operation of 2 Plants along with disposal of 7 Plants (of Rasayani Unit) namely, Nitrobenzene II & III, Formaldehyde, Aniline II & III, Hydrogen III and Nitro toluene.

M/s. BPCL indicated non-requirement of any superstructures and it is proposed to dispose all superstructures. The corresponding actions related to closure of Rasayani Unit operations has been initiated.

Your directors recommend passing of the Special Resolution as contained in Item No 2 of the Postal Ballot Notice.

None of the Directors and the Company Secretary (KMPs) are concerned or are interested in the Proposed Resolutions except to the extent of Shares held by them in their individual capacity.

**By Order of the Board of Directors of  
Hindustan Organic Chemicals Ltd.**

Rasayani  
Date: 17.03.2017

Sd/-  
Mrs. Susheela S. Kulkarni  
Company Secretary

Registered Office :  
P.O. : Rasayani, Dist. Raigad, Maharashtra 410 207