HINDUSTAN ORGANIC CHEMICALS LIMITED

[CIN L99999MH1960GOI011895]

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

NOTICE

Notice is hereby given that the 55th Annual General Meeting (AGM) of the Members of the Company will be held on Thursday, the 29th September, 2016 at 3.00 p.m. at the Registered Office of the Company at RASRANG HALL, Dr. Kasbekar Park, Rasayani, Dist. Raigad, 410 207 to transact the following :-

ORDINARY BUSINESS:

1. To receive, consider and to adopt the Audited Statement of Profit & Loss of the Company for the period from 1st April, 2015 to 31st March, 2016 and the Audited Balance Sheet as at 31st March, 2016 together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director or any other Director (as may be appointed by the GOI vide its Order) in place of Shri Samir Kumar Biswas, J.S., who retires at this AGM and being eligible offers himself for re-appointment.
3. To appoint a Director or any other Director (as may be appointed by the GOI vide its Order) in place of Shri Sunil Kumar Sharma, Director, who retires at this AGM and being eligible offers himself for re-appointment
4. To authorise and to ratify the actions of the Board of Directors of the Company to fix the remuneration of the Statutory Auditors and Branch Auditors of the Company for the FY 2016-17 appointed by the C&AG.

SPECIAL BUSINESS:

5. To ratify the actions of the Board of Directors of the Company for appointment and remuneration of M/s. BBS& Associates, Cost Accountants, Kochi and M/s. V.J.Talati & Co. Cost Accountants, Mumbai as Cost Auditors of Kochi Unit & Rasayani Unit of the Company, respectively for the FY 2016-17 a nd to pass the resolutions.
6. To consider and to approve and ratify the actions of utilisation pattern of Govt. Guaranteed, Rs. 150 Crore HOCL Bonds under Sr.XXI(21) and to pass the following resolutions with or without modifications.

   "RESOLVED THAT pursuant to the provisions of Section 180(1)a of the Companies Act, 2013 and the Rules there under and other applicable laws company hereby approves the manner in which the proceeds of Govt. Guaranteed Rs.150 Crore HOCL Bonds under Sr.XXI raised with the prior consent of the shareholders of the Company during 2014 and ratifies the actions on utilisation pattern thereof made during October – November, 2014 as noted by the Board of Directors at their Meeting held on 14-11-2014".

   "FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to take all such other actions and deeds as may be required in this regards in connection with Rs.150 Crores Bonds of HOCL under Sr.XXI(21)".

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Sd/-
(Mrs.Susheela S.Kulkarni)
Company Secretary

Place : Rasayani
Date : 05/08/2016

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

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting Rights may appoint a single person as proxy, who shall not act as proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.**
2. **Members may note that with effect from December, 2015 (from 07-12-2015) Company's Corporate Office was shifted** from the premises at Neco Chambers, CBD Belapur **to the Company's office at the Registered Office of the Company at : Hindustan Organic Chemicals Ltd.[HOCL], At & Post Rasayani, District Raigad, PIN 410207.**
3. **Members may also note that with effect from 1st April, 2016 Company has appointed new Registrar and Share Transfer Agents (RTA) viz. M/s. Bigshare Services Pvt. Ltd. having their Office address as : Bigshare Services Pvt. Ltd., E 2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072; Email: investor@bigshareonline.com ; Phone No.: 022-28470652/40430200 ;Fax No: 022-28475207;**

   Members can also correspond with the RTA at their email id: investor@bigshareonline.com
4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 6 is appended to this Notice..
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, the 22nd September, 2016 to Thursday, the 29th September, 2016 (both days inclusive**). The book closure dates have been fixed in consultation with the Stock Exchanges.
6. Members/Proxies should bring their attendance slip, duly filled in, at the meeting.
7. Members are requested to intimate immediately any change in their addresses registered with the Company.
8. Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification.
9. As per Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, electronic copies of the Annual Report 2015-2016 and the Notice of the 55th AGM are sent to all members whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered their email addresses, physical copies of the Annual Report 2015-2016 and the Notice of the 55th AGM are sent in physical mode.
10. Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014.

11. All documents referred to in the accompanying Notice and Explanatory statement shall be open for inspection at the Registered Office of the Company during the office hours on all working days up to the date of the Annual General Meeting of the Company.

Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and any amendments thereto, Secretarial Standard 2 on General Meetings ("SS-2") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Members are informed that the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL)

The instructions for members for voting electronically are as under:-

All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

In case of members receiving e-mail / physical copy:

(A) The voting period begins on September 23, 2016 at 09.00 a.m. and ends on September 28, 2016 5.00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 22, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(B) Any person, who acquires shares of the Company and becomes member of the Company after August 28, 2016 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2016, and not updated their PAN may obtain the login ID and sequence number by sending a request at investor@bigshareonline.com

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select "Hindustan Organic Chemicals Limited" from the drop down menu and click on "SUBMIT"

(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 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:

	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) • 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. This sequence number is given on the bottom of the attendance slip.
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.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.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of "Hindustan Organic Chemicals Limited" on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(C) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

(D) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. The Facility for Voting at meeting venue shall be decided by the company through "Ballot Paper"

(E) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

(F) The " remote e- voting " end time shall be 5:00 p.m. on the date preceding the date of Annual General Meeting.

(G) M/s.S.N.Ananthasubramanian & Co., Company Secretaries have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(H) Alternatively Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@snaco.net. and to Company at cs@hoclindia.com;

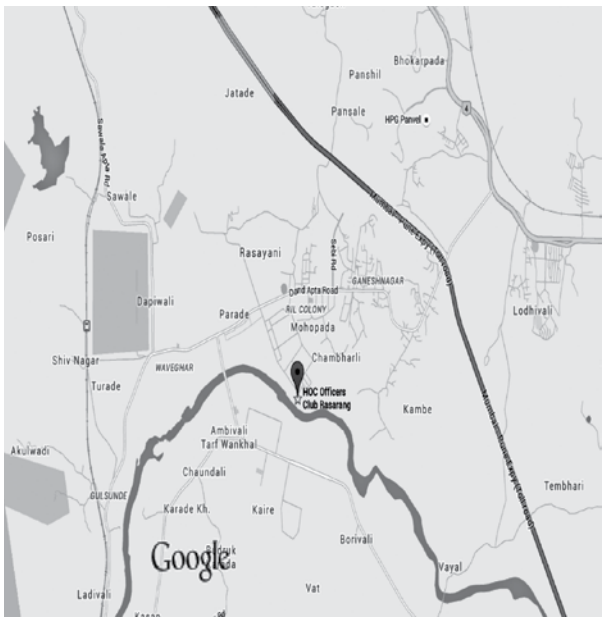
We may segregate these points under the head "Declaration of Results"

(I) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(J) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.hocl.gov.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed, details of the voting results as required under Regulation 44(3) of the Listing Regulations.

(K) All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, 17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

(L) The map for location of venue of AGM is given below.:



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013.

1. **ITEM NO. 6 of the Notice**

1.0 To consider and to approve and ratify the actions of utilisation pattern of Govt. Guaranteed, Rs. 150 Crore HOCL Bonds under Sr.XXI(21).

1.1 Earlier, during the year, 2014, the Board and the Shareholders ai their EGM held on 30-05-2014 , considering the financial crisis/cash crunch in the Company had approved to for raising of funds by issue of Govt. Guaranteed Rs.150 crore Bonds under Sr,XXI(21) on Private Placement basis for improving the Working Capital requirements , as the outstanding dues then existed to the extent of Rs. 114.43 crores comprising Statutory dues, Employees dues (including gratuity), dues towards raw materials supplies, contractors dues and dues towards electricity and water charges etc. as the non-payment of raw material supplies dues had then resulted in interruption in raw material supplies by BPCL, affecting the production at Kochi Unit. Further the non-payment of statutory dues had attracted interest, penalty etc.

1.2 Further the Shareholders at the said EGM also considered fact that the Company's Bankers, viz. SBI's cash credit limit Rs. 55 crore is fully utilized, the Board discussed elaborately the need for raising the funds for improving the working capital facilities and proposal for: i) payment of Raw Material suppliers dues of Rs. 88.62 Crore, ii)Payment of Statutory dues (TDS, PF) of Rs. 13.88 Crore iii) Payment of employees / retired employees dues (including gratuity contribution to fund) of Rs. 19.75 Crore iv) Contractors dues and payment of Electricity and water charges of Rs. 12.75 Crore v) Repayment of Corporate Loan of SBI of Rs. 15 Crore. The tabular form of the utilisation proposed and approved by the Shareholders at the EGM held on 30-05-2014 is given below:-

Amount in Rs-Crore

Raw material Supplies	88.62
Statutory dues including TDS, PF, etc	13.88
Employee dues including gratuity dues	19.75
Contractor dues, dues towards electricity and water charges	12.75
Repayment of Corporate Loan to SBI	15.00
Total	**150.00**

1.3 Accordingly, the Shareholders had approved the issue of HOCL Rs. 150 crore Bonds Series XXI (21) on Private Placement basis at their EGM held on 30-5-2014.

1.4 Subsequently, on receipt of Govt. Guarantee Lettr in August/September, 2014 the proposed raising of Rs.150 crore and issue of Govt. Guaranteed Rs.150 crore HOCL Bonds under Sr. XXI(21) was completed in October 2014, pursuant to Section 42 (2), explanation II (ii) of the Companies Act, 2013 and the conditions specified in the section and as per Rule 14 (2) as per Companies (Prospectus & Allotment of Securities) Rule, 2014.

1.5 The said Govt. Guaranteed Rs.150 crore Bonds after mobilised and issued on 1-10-2014 the proceeds whereof were utilised during October-November, 2014 for the following purposes the details whereof as given in the Utilisation Details herein below was noted by the Board at their Board meeting held on 14-11-2014. :-

Details of Utilisation of Rs.150 Crore Bonds		
Sl.No	**Details of Payments**	**Rs. in crore**
1	**Raw materials**	**102.62**
2	**Statutory Dues**	**1.29**
3	**Salary & Allowances,Salary Recoveries**	**15.79**
4	**Electricity & Water Charges**	**6.82**
5	**Banks CC & Corporate Loan Interest**	**0.70**
6	**Corporate Loan Instalments to Bank**	**6.00**
7	**Suppliers & Contractors**	**4.75**
8	**Interest on Bond Series XX.**	**10.57**
9	**Bond Arrangers Fee & EMD**	**1.08**
10	**Rent/Vehcle Hire/Professional Charges etc.,**	**0.38**
	Total:	**150.00**

1.6 Further the above utilisation details *vary slightly* with the manner of the purposes for which said Bonds were proposed to be utilised as approved by the shareholders at the EGM held on 30-05-2014 and the variations are given below.

The Comparative Statement is as follows:-

The Purpose for which Shareholders Approval (at the EGM held on 30/05/2014) was obtained from mobilisation of Rs.150 crores Bonds Issue:-	Amt (Rs.)	The Actual Purposes for which Rs. 150 crores Bonds Proceeds was utilized:-	Amt (Rs.)	Deviation Amt (Rs.)
1. Payment of Raw Material Suppliers dues	Rs.88.62 crores	1. Payment of Raw Material suppliers dues	Rs.102.62 crores	
2. Payment of Statutory Dues (TDS, PF)	Rs.13.88 crores	2. Payment of Statutory dues (TDS, PF)	Rs.1.29 crores	
3. Payment of Employees / Retired employees dues (including gratuity contribution to fund)	Rs.19.75 crores	3. Payment of Salary & Allowances , Salary Recoveries	Rs.15.79 crores	
4. Contractors dues and payment of Electricity and water charges	Rs.12.75 crores	4. Electricity & Water Charges	Rs.6.82 crores	
5. Repayment of Corporate Loan to SBI	Rs.15 crores	5. Corporate Loan Installments to Bank	Rs.6.00 crores	
		6. Bank CC & Corporate Loan Interest	Rs.0.70 crores	
		7. Suppliers & Contractors	Rs.4.75 crores	
		8. Interest on Bonds Series XX (20)	Rs.10.57 crores	
		9. Bonds Arrangers Fee & EMD	Rs. 1.08 crores	
		10. Rent / Vehicle Hire / Professional Charges etc.	Rs. 0.38 crores	
Total	**Rs.150 crores**	**Total**	**Rs.150 crores**	

Note : There has been a misclassification of ₹ 3.93 crores taken under the head salary & wages to employees (₹ 15.79 crores) which should have been taken under the head Raw material payment (₹ 102.62 crores). Hence the figure reported to Board in the 355th meeting is corrected as salary and wages Rs.11.86 crores and Raw material Rs.106.55 crores.

1.7 Further, the Board at their Board Meeting held on 8th March, 2016 directed that, as the Bonds were issued with the approval of the Shareholders at their Meeting as a special business item, corresponding utilisation pattern as above also forms part of Special Business item as put up in Item No. 6 for approval and for ratification of the shareholders of the Company on the aforementioned utilisation details of Rs.150 Crore Govt. Guaranteed, HOCL Bonds under Sr.XXI (21) and thereafter to be submitted to the Administrative Ministry as per procedure.

1.8 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
Hindustan Organic Chemicals Ltd.

Sd/-
(Mrs.Susheela S.Kulkarni)
Company Secretary

Place : Rasayani
Date : 05/08/2016

Registered Office :
P.O. Rasayani, Dist. Raigad
Maharashtra 410207