



Hindustan Organic Chemicals Limited

[CIN L99999MH1960GOI011895]

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

NOTICE

Notice is hereby given that an Extra Ordinary General Meeting of the Members of the Company will be held on Friday the 30th May, 2014 at 3.00 P.M. at the Registered Office of the Company at RASRANG HALL, Dr. Kasbekar Park, Rasayani Dist. Raigad 410207 to transact the following business :

SPECIAL BUSINESS :

1. **To consider and to approve the proposal for Issue of Rs. 150 crore expected Govt. Guarantee, Unsecured, Redeemable Bonds on Private Placement basis and if approved pass the following Resolutions as Special Resolutions with or without modification :**

"RESOLVED THAT approval of the Shareholders be and is hereby given pursuant to the applicable provisions of the Companies Act, 2013 and subject to the receipt of GOI Guarantee for the issue of Rs. 150 crore Government of India Guaranteed HOCL 3 years Bonds under series XXI in the nature of Non Convertible Debentures on Private Placement basis, to be redeemed on the expiry of 3 years out of the proceeds of sale of Company's land at Panvel, Maharashtra and /or from internal generation of funds and such other sources of funds as may be available at the time of repayment AND THAT the Board of Directors or the Shares/ Bonds Transfer/ Grievances Sub Committee of the Directors of the Board be and is hereby authorized to allot unsecured, redeemable, Non- Convertible Bond Series – XXI and to complete all the necessary formalities relating to completion of proposed Issue."

"FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to take necessary actions to complete the formalities in connection with HOCL Bonds Series XXI."

2. **To consider and to approve the long lease (maximum period of 90years) of Company's land at Rasayani, Maharashtra to other PSUs AND to consider and approve the proposal to sell and dispose off the Company's land at Panvel, Maharashtra and if approved to pass the following Resolutions as Special Resolutions with or without modifications:**

"RESOLVED THAT pursuant to the provisions of Section 181 (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 Shareholders be and is hereby accorded for the long lease (maximum period of 90years) of the Company's Land at Rasayani presently to other PSUs AND to consider and approve the proposal to sell and dispose off the Company's Land at Panvel."

"FURTHER RESOLVED THAT the Board of Directors of the Company OR Chairman and Managing Director alongwith Director Marketing or Director Finance or Director Technical and Company Secretary of the Company be and are hereby authorized to take necessary actions in respect of long lease (maximum period of 90years) of land at Rasayani and in respect of sale of land at Panvel AND authorized to take all such other related actions as may be required to give effect to these resolutions."

Place : Rasayani

Date: 29/04/2014

Registered Office :

By Order of the Board of
Hindustan Organic Chemicals Ltd.

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

Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Members/Proxies should bring their attendance slip, duly filled in, at the meeting.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 [Section 173 (2) of the Companies Act of 1956] is enclosed.
4. Members are requested to intimate immediately any change in their addresses registered with the Company.
5. Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification.
6. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Extra-Ordinary General Meeting (EGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-Voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository participants(s)]
 - (i) Open email and open PDF file viz; "HOCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-Voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder- Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on e-Voting Active Voting Cycles.
 - (vii) Select "EVEN" of Hindustan Organic Chemicals Limited.
 - (viii) Now you are ready for e-Voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon Confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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 with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of EGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided as below/ at the bottom of the Attendance Slip of the EGM :
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from sl.no. (ii) to sl.no. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-Voting period commences on 24-05-2014 and ends on 26-05-2014. During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25-04-2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the Vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VII. Ms. Malati Kumar, Associate of S.N.ANANTHASUBRAMANIAN & Co., Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The results shall be declared on or after the EGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's Website www.hocl.gov.in and on the website of NSDL within two(2) days of passing of the resolutions at the EGM of the Company and communicated to BSE & NSE.

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Place : Rasayani

Date: 29/04/2014

Registered Office :

P.O. Rasayani, Dist. Raigad

Maharashtra 410207

Sd/-

(Mrs. Susheela.S. Kulkarni)

Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013 [SECTION 173(2) OF THE COMPANIES ACT OF 1956]

1. ITEM NO.1 & 2 of the Notice

1.0 To consider and to approve the proposal for Issue of Rs. 150 crore expected Govt. Guarantee HOCL Unsecured, Redeemable Bonds under the series XXI (in the nature of Debentures) on Private Placement basis.

1.1 Considering the present financial crisis/cash crunch in the Company, the Board of Directors at the Meeting discussed the need for raising of funds by issue of Bonds on Private Placement basis for improving the Working Capital requirements. Further, at present the outstanding dues 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.

1.2 Further, the non-payment of raw material supplies dues has resulted in interruption in raw material supplies by BPCL, affecting the production at Kochi Unit. Further the non-payment of statutory dues will attract interest, penalty etc.

1.3 Further considering the fact that at present the 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.

1.4 The Board of Directors considering all the aspects as elaborated aforesaid approved the following at its 347th Board Meeting held on 13th November, 2013:-

a) To approach the Govt. of India (GOI) to obtain Sovereign/ Government Guarantee for Rs. 150 crores for the proposed issue of Bonds on Private Placement basis.

b) To raise Rs. 150 crores by issue of HOCL Bonds Series XXI (21) on Private Placement basis for a period of 3 years against expected GOI Guarantee redeemable on the due date out of the proceeds of sale of Land at Panvel, other internal generation of funds and such other sources of funds as may be available at the time of repayment. Accordingly, the Board approved the issue of HOCL Rs. 150 crore Bonds Series XXI (21) on Private Placement basis.

1.5 Subsequently, on the enactment of New Companies Act, 2013 as per 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 now it is mandatory for all the Companies that the Company shall not make private placement of its securities unless-

a) the proposed offer of securities or invitation to subscribe the securities has been previously approved by the shareholders of the company, by a Special Resolution, for each of the offers or invitations.

Proviso 2 to this sub-rule states that in case of offer or invitation for non-convertible debentures, it shall be sufficient if the company passes a previous special resolution only once in year for all the offers or invitation for such debentures during the year.

Accordingly, now it is proposed to convene an Extra- ordinary General Meeting of the Shareholders of the Company to obtain approval of the Shareholders on this proposal.

- 1.6 None of the Directors and the Company Secretary (KMPs) or their relatives are concerned or are interested in the Proposed Resolutions except to the extent of Shares held by them in their individual capacity
- 2.0 To consider and to approve the long lease (Maximum period of 90years) of Company's Land at Rasayani to other PSUs AND to consider and approve the proposal to sell and dispose off the Company's Land at Panvel**
- 2.1 Consequent to Company's incurring of continuous losses for the past 5 financial years the accumulated losses of the Company have resulted into erosion of Company's Net worth & at present the net worth has become negative as per the Audited Accounts of the Company for the year 2012-13 and the Company has referred to BIFR as sick unit under section 15 (1) of SIC (SP) Act, 1985 and the registration no. thereof is awaited.
- 2.2 Thereafter the Administrative Ministry has directed the Company to formulate/ indicate various revival plan for the Company comprising of resource mobilization, generation of funds through internal sources for the Revival of the Company alongwith other internal Revival Plans such as cost cutting measures, VRS etc.
- 2.3 Accordingly, the Board has discussed at its previous series of Meetings and finally has approved at its 349th Board Meeting (349/13) the proposal of long lease (maximum period of 90years) of Company's Land at Rasayani presently to 3 PSU's viz., M/s CONCOR, M/s HPCL and M/s BPCL for an approx. area of land ranging from 50-80 acres to M/s CONCOR, approx. 40-50 acres to M/s HPCL, approx. 50-80 acres to M/s BPCL aggregating approx.. an area of 200-250 acres of Land on long lease (maximum period of 90years) basis to these three PSUs.
- 2.4 Further in view of the enactment of New Companies Act, 2013 and in terms of the provisions stated under section 181 (a) of Companies Act, 2013 though it can be inferred that even if the land assets proposed to be leased (Rasayani Land)/ sold (Panvel Land) do not form part of undertaking as defined in the section, in view of the fact that Company has been referred to BIFR, it would be advisable as per abundant caution to obtain the approval of Shareholders of lease of 200-250 acres at present (and or more in future) land at Rasayani and proposed sale of 8.8 acres of land at Panvel.
- In view of the above it is proposed to include the item on long lease (maximum period of 90years) of 200-250 acres or more of land at Rasayani & proposal to sell 8.8 acres of land at Panvel to the shareholders for their approval at the ensuing Extra-ordinary General Meeting of the Company.
- 2.5 None of the Directors and the Company Secretary (KMPs) or their relatives 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
For Hindustan Organic Chemicals Ltd.
Sd/-

Mrs Susheela. S.Kulkarni
Company Secretary

Place: Rasayani

Date : 29/04/2014

Registered Office :

P.O. Rasayani, Dist. Raigad

Maharashtra 410207