

HINDUSTAN DORR-OLIVER LIMITED

Regd. Office: Dorr-Oliver House, Chakala, Andheri (E) Mumbai- 400 099

Website: www.hdo.in Email: hdo@hdo.in

CIN: L74210MH1974PLC017644

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

(₹ in Lacs)

S.No.	Particulars	Quarter ended	
		June 30, 2016 (Unaudited)	June 30, 2015 (Unaudited)
1	Income from operations		
	a. Net Income from operations	2,287	4,570
	i. From Erection Procurement & Construction	2,287	1,433
	ii. From Finished Goods	-	3,137
	b. Other Operating Income	1	29
	Net Sales/ Income from operations	2,288	4,599
2	Total Expenditure	2,892	5,512
	a. (Increase) / Decrease in Inventories	-	-
	b. Cost of Materials/Services	1,943	1,570
	c. Purchase of stock in trade	-	3,136
	d. Employee benefits expense	420	496
	e. Depreciation and amortisation expense	13	16
	f. Other expenses	516	294
3	Profit/(Loss) From Operations before Other Income, Interest and Exceptional items. (1-2)	(604)	(913)
4	Other Income	151	168
5	Profit/ (Loss) from ordinary activities before Interest and Exceptional items. (3+4)	(453)	(745)
6	Finance Costs	3,979	3,254
7	Profit/ (Loss) from ordinary activities after Interest but before Exceptional items. (5-6)	(4,432)	(3,999)
8	Exceptional Items	-	-
9	Profit/(Loss) From Ordinary Activities before Tax (7-8)	(4,432)	(3,999)
10	Tax Expenses	-	1
	Current Tax	-	1
	Deferred Tax	-	-
11	Net Profit/ (Loss) From Ordinary Activities after Tax (9-10)	(4,432)	(4,000)
12	Extraordinary Items	-	-
13	Net Profit/ (Loss) for the period (11-12)	(4,432)	(4,000)
14	Other Comprehensive income (after tax)	11	1
15	Total comprehensive income (comprising loss for the period after tax and other comprehensive income) (13+14)	(4,421)	(3,999)
16	Paid Up Equity Share Capital	1,440	1,440
	Face Value (₹)	2	2
17	Earnings per Share (EPS) before extraordinary items (Not annualised)		
	a. Basic (₹)	(6.15)	(5.56)
	b. Diluted (₹)	(6.15)	(5.56)
18	Earnings per Share (EPS) after extraordinary items (Not annualised)		
	a. Basic (₹)	(6.15)	(5.56)
	b. Diluted (₹)	(6.15)	(5.56)

Notes

- The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 Companies Act, 2013, read with relevant rules issued thereunder. The date of transition of the Ind AS is 1 April 2015 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly. The published figures for the quarter ended June 30, 2015 have been recast to Ind AS to the extent applicable to the Company and have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 and has not been subjected to limited review by the Statutory Auditors of the Company. However, the Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.

- The above unaudited financial results for the quarter ended June 30, 2016 were taken on record at the meeting of the Board of Directors held on September 14, 2016 after being reviewed and recommended by the Audit Committee.



3 There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to changes in financial reporting requirements arising from the new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

4 A reconciliation of net loss as per previously reported under previous Indian GAAP and IND AS is as under:

Particulars	(₹ in Lakhs)
Net Loss reported as per previous Indian GAAP for the quarter ended June 30, 2015 (published)	(4,022)
Interest Expenses on Financial Liabilities	(24)
Actuarial gain on defined benefit obligation recognised in other comprehensive income	(1)
Interest Income on Financial Assets	47
Net profit recast to Ind AS for the quarter ended June 30, 2015	(4,000)
Other Comprehensive income (after tax)	1
Total comprehensive income (comprising loss for the period after tax and other comprehensive income)	(3,999)

5 The statutory auditors have qualified their opinion in their independent Auditors' Report as at March 31, 2016 (as per previous Indian GAAP) and Limited Review Report for the quarter ended June 30, 2016, in respect of following matters:

- During the quarter ended June 30, 2016, the Company has incurred a loss of ₹ 4,421 lacs resulting into accumulated losses exceeding its net worth. The Company has obligations towards borrowings (including interest) aggregating to ₹ 119,013 lacs which includes working capital loan from banks of ₹ 34,359 lacs, outstanding letters of credit/bill discounting from banks of ₹ 4,025 lacs, current maturities of long term debts of ₹ 13,641 lacs falling due over next twelve months period, liabilities towards Working Capital Term Loan, Funded Interest Term Loan, Working Capital Loan and interest of ₹ 61,810 lacs and interest accrued of ₹ 3,456, obligations pertaining to operations including unpaid creditors and statutory dues as at June 30, 2016. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. The Company has been unable to obtain financing for this purpose. The situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The statements does not include any adjustment in this respect.
- Certain unbilled revenue, trade receivables including bank guarantees encashed by the customers and withheld amount aggregating to ₹ 9,529 lacs which are subject matters of various disputes/negotiations with the customers and contractors and in respect of which material uncertainties exists. The management of the Company is confident of positive resolutions of disputes and recovering the aforesaid dues and no provision is considered necessary at this stage
- in respect of invocation of corporate guarantees of ₹ 14,118 lacs and initiation of recovery actions against the company in respect of such guarantees extended / executed for its one subsidiary in favour of the lender. The management has not made any provision in respect of this invoked corporate guarantee as the management is under discussion with the lender and confident that the same shall be settled amicably.
- Investment and advances in its indian subsidiary having book value aggregating to ₹ 15,380 lacs and ₹ 500 lacs respectively as at June 30, 2016 having negative networth, are carried at fair value. Considering a long term investment, no provision for diminution/bad debts in value of investment/advances is considered necessary by the management.
- Over due trade receivables and unbilled revenue as at June 30, 2016, aggregating to ₹ 5,766 lacs and ₹ 8,676 lacs have been considered good by the management. The management is in continuous engagement with the parties for realization of its dues and hence, no provision for the same considered necessary.
- Recovery proceedings against the Company by a lender under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of outstanding loan (including interest) aggregating to ₹ 59,612 lacs upto March 31, 2016. The Bank has however demanded ₹ 65,450 lacs. The difference of being penal and other charges, the company has not provided for the same as it is in the process of reconciliation.
- In respect of trade receivables, mobilization advances, retention money, trade payables and certain bank balances, external confirmations of the balances are not available. The management is of the opinion that these accounts will not require any material adjustments.
- The Company has not received confirmation from one of the lender having outstanding of ₹ 15, 201 lacs (including interest accrued of ₹ 2,764 lacs) as at March 31, 2016. In the opinion of the management, there will be no material adjustment on the confirmation by the lender.
- Certain creditors have filed winding up petitions against the Company under section 433 and 439 of The Companies Act, 1956 before the Hon'ble High Court of Mumbai. The Company is taking necessary steps including signing of Memorandum of Understandings and or filing the consent terms in the High court with the Creditors for withdrawal of such petitions. The matter is sub judice and the outcome of which is subject to the company fulfilling the payment conditions of Memorandum of Understandings/consent terms.



Hyderabad
September 14, 2016



For HINDUSTAN DORR-OLIVER LIMITED

R. Balarami Reddy

R BALARAMI REDDY
Director

DIN No. 00022176

CHATURVEDI & PARTNERS

Chartered Accountants

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Independent Auditor's Limited Review Report on Standalone Financial Results for the Quarter ended June 30, 2016 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,

Board of Directors of

HINDUSTAN DORR-OLIVER LIMITED

1. We have reviewed the accompanying standalone unaudited financial results ('the Statement') of **HINDUSTAN DORR-OLIVER LIMITED ("the Company")** for the quarter ended June 30, 2016, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016. Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2015 including the reconciliation of net loss for the corresponding quarter under IND AS vis-à-vis under previous GAAP, as reported in these reported financial results have been approved by Company's Board of Directors and have not been subjected to review.
2. The statement is the responsibility of the Company's Management and has been approved by the Board of Directors, at their meeting held on September 14, 2016. Our responsibility is to issue a report on these financial results based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We refer to:
 - a. Note 5 (a) to the accompanying statement in respect of preparation of the statements of the Company on going concern basis for the reasons stated therein. The Company has incurred net loss of Rs. 4,421 lacs during the quarter ended on June 30, 2016 resulting into accumulated losses exceeding its net worth. The Company has obligations towards borrowings (including interest) aggregating to Rs.119,013 lacs which include working capital loan and outstanding letters of credit/bill discounting from banks. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The statement does not include any adjustment in this respect.
 - b. Note 5 (b) to the accompanying statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to Rs. 9,529 lacs, which are subject matters of various disputes/negotiations with the customers and contractors. The management of the Company is confident of positive resolutions of dispute and recovering the aforesaid dues. In view of pending-certification of bills/slow progress of these projects and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.
 - c. Note 5 (c) to the accompanying statement in respect of invocation of corporate guarantees of Rs. 14,118 lacs and initiation of recovery actions against the company in respect of such guarantees



extended / executed for its one subsidiary in favour of the lender. No provision has been made in the accounts for such possible loss for the reason stated therein.

- d. Note 5 (d) to the accompanying statement regarding investments and advances in its Indian subsidiary having book value aggregating to Rs. 15,380 lacs and Rs. 500 lacs respectively as at June 30, 2016, which were carried at fair value. In absence of valuation of investments in the subsidiary, we are unable to comment whether any provision for diminution/bad debts in the value of investment/advances is required.
 - e. Note 5 (e) to the accompanying statement in respect of certain projects wherein the Management of the Company has considered overdue trade receivables aggregating to Rs. 5,766 lacs and unbilled revenue amounting to Rs. 8,676 lacs, as good and fully recoverable and no provisions for the same has been made for the reasons stated therein.
 - f. Note 5 (f) to the accompanying statement wherein one lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of outstanding loan (including interest) aggregating to Rs. 59,612 lacs. The Bank has however demanded Rs. 65,450 lacs. The difference being penal and other charges, the company has not provided for the same for the reason stated therein.
 - g. Note 5 (g) to the accompanying statement, in respect of trade receivables, mobilization advances, retention money, trade payables and certain bank balances, external confirmations of the balances are not available. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.
 - h. Note 5 (h) to the accompanying statement, wherein the Company has not received confirmation from one of the lender having outstanding of Rs. 15,201 lacs (including interest accrued of Rs. 2,764 lacs) as at March 31, 2016. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.
5. Based on our review conducted as stated above, except for the effects of the matter described under para 4(b) & 4(e) and the possible effects of the matter described under para 4(a), 4(c), 4(d), 4(f), 4(g) & 4(h) above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e., Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Attention is invited to Note 6 of the statement in respect of pending winding up petitions against the company and the matter is subjudice. Our review report is not qualified in respect of this matter.

New Delhi
September 14, 2016



For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E


ANUJ MAHANSARIA
Partner
Membership No. 500819