

हिन्दुस्तान फ्लूरोकार्बन्स लिमिटेड

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड की सहायक कंपनी
(भारत सरकार का उद्यम)

पंजीकृत कार्यालय: 303, 3तल, बाबूखान एस्टेट,
बशीरबाग, हैदराबाद - 500 001 तेलंगाना भारत

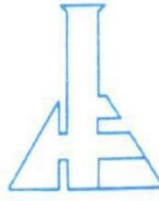
टेलीफोन: 2324 0047, 2324 1051, 2323 7125, 2329 7160

फैक्स: +91-40-2329 6455

वेबसाइट: www.hfl.co.in

ई-मेल: hiflon@hotmail.com

hiflonpurchase@gmail.com



INDIANS/NAB-C2975/2948



HINDUSTAN FLUOROCARBONS LIMITED

A Subsidiary of Hindustan Organic Chemicals Ltd.

(A Govt. of India Enterprise)

Regd. Office:

303, 3rd Floor, Babukhan Estate, Basheerbagh,

Hyderabad - 500 001 Telangana, INDIA

Phones: 2324 0047, 2324 1051, 2323 7125, 2329 7160

Fax: +91-40-2329 6455 Website: www.hfl.co.in

E-mail: hiflon@hotmail.com

hiflonpurchase@gmail.com

CIN-L25206TG1983PLC004037

HFL/BSE/2023/08/30

30th August, 2024

BSE Ltd.,
Phiroze Jeejeebhoy
Towers, Mumbai- 400 001

Sir/ Madam,

Sub: Submission of 41st Annual Report of the Company (HFL) for the Financial Year 2023-24 along with AGM notice

Ref 1: Regulation 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our earlier communication informing the details of AGM, we hereby submit the 41st Annual Report of the Company viz. Hindustan Fluorocarbons Limited which comprises of AGM Notice, Chairman Speech, Director's Report, Audited Financial Statements, together with schedules, notes etc., Statutory Auditor's Report, report of Comptroller & Auditor General of India thereon, for the Financial Year ended 31st March, 2024. In accordance with various circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India the 41st Annual General Meeting (AGM) of the company is scheduled to be held on **Tuesday, the 24th September, 2024 at 03:30 p.m.** (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM").

Further, in compliance with various Ministry of Corporate Affairs Circulars read with the Securities Exchange Board of India Circulars, 41st AGM Notice and the Annual Report for the FY 2023-24 is being electronically sent to all the Members of the Company whose e-mail addresses are registered with the Company/Registrar and Share Transfer Agents (RTA)/their depositories. The AGM Notice and Annual Report is also available on the website of the company.

फैक्टरी: रुद्रराम डाकघर, संगारेड्डी जिला, तेलंगाना भारत. पिन - 502 329. ई-मेल: hiflonworks@gmail.com
Factory: P.O. Rudraram, Dist. Sangareddy, Telangana INDIA Pin: 502 329. E-mail: hiflonworks@gmail.com

हिन्दी में पत्राचार का स्वागत है ।

हिन्दुस्तान फ्लूरोकार्बन्स लिमिटेड

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड की सहायक कंपनी
(भारत सरकार का उद्यम)

पंजीकृत कार्यालय: 303, 3तल, बाबूखान एस्टेट,
बशीरबाग, हैदराबाद - 500 001 तेलंगाना भारत

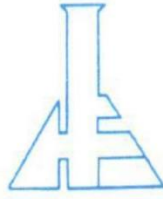
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hiflonpurchase@gmail.com



ISO 9001:2015
IND/QMS/NAB-C2975/2848



HINDUSTAN FLUOROCARBONS LIMITED

A Subsidiary of Hindustan Organic Chemicals Ltd.

(A Govt. of India Enterprise)

Regd. Office:

303, 3rd Floor, Babukhan Estate, Basheerbagh,
Hyderabad - 500 001 Telangana, INDIA

Phones: 2324 0047, 2324 1051, 2323 7125, 2329 7160

Fax: +91-40-2329 6455 Website: www.hfl.co.in

E-mail: hiflon@hotmail.com

hiflonpurchase@gmail.com

CIN-L25206TG1983PLC004037

Further, in Compliance with Regulation 42 of LODR Regulations, and as already informed, intimation is again given that, the Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 18th September, 2024 to Tuesday, 24th September, 2024** (both days inclusive) for the purpose of 41st Annual General Meeting of the Company. The record date/cutoff date for the purpose of remote e-voting will be **Tuesday, 17th September, 2024**.

The remote e-voting for 41st AGM begins on **Saturday, 21st September, 2024 (9:00 a.m. IST) and ends on Monday, 23rd September, 2024 (5:00 p.m. IST)**. The details of casting vote through remote e-voting and attending the AGM through VC/OAVM are set out in the Notice of AGM.

Kindly take the above information on records.

Thanking you.

Yours faithfully,

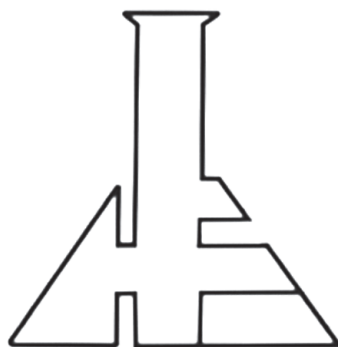
For Hindustan Fluorocarbons Ltd.,

Subramonian H

Company Secretary

Encl: 41st Annual Report of HFL for the FY 2023-24

41st
ANNUAL REPORT
2023 - 2024



HINDUSTAN FLUOROCARBONS LIMITED
[CIN: L25206TG1983PLC004037]

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AUDITORS

AVRSK AND ASSOCIATES LLP
Chartered Accountants (FRN: 003028S)
1st Floor, 180/2 RT, Upstairs, Park-2,
Opp.Vijayanagar Colony, Hyderabad - 500057

BANKERS

State Bank of India
SME Branch, Saifabad, Hyderabad

BOARD OF DIRECTORS

Shri Sajeev B (DIN: 09344438)	Chairman (CMD HOCL)(w.e.f. 22.09.2021)
Shri Awijit Rakshit (DIN: 09823270)	Gol Nominee Director (w.e.f. 28.10.2022 to 18.03.2024)
Shri Ram Sajeevan (DIN: 10652184)	Gol Nominee Director (w.e.f. 18.03.2024)
Smt.Archana K (DIN: 09461596)	Independent Director (w.e.f.24.12.2021)
Shri Bharat J Kanabar (DIN: 09466694)	Independent Director (w.e.f.28.01.2022)
Shri Shanil Lal (DIN: 09660092)	HOCL Nominee Director (w.e.f.01.06.2022 to 30.06.2024)
Shri P Ravi Kumar (DIN: 10663973)	HOCL Nominee Director (w.e.f.01.07.2024)
Shri Yogendra Prasad Shukla (DIN: 09674122)	HOCL Nominee Director (w.e.f 04.08.2022)
Shri TP Sachidanandan (DIN: 09811730)	HOCL Nominee Director (w.e.f.01.12.2022 to 31.05.2023)

REGISTRARS & SHARE TRANSFER AGENTS

M/s. KFin Technologies Limited
Formerly (Karvy Fintech Private Limited)
Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032.

KEY MANAGERIAL PERSONS (KMP)

Shri P.O. Luise, Chief Financial Officer
Shri Subramonian H, Company Secretary

SECRETARIAL AUDITORS

MEHTA & MEHTA
Company Secretaries
Mumbai, India

REGISTERED OFFICE

303, Babukhan Estate,
Basheerbagh, Hyderabad – 500 001

WORKS

Rudraram PO, Kandi Mandal,
Sangareddy Dist - 502 329. Telangana State

BOARD COMMITTEES (w.e.f. 01-07-2024)

AUDIT COMMITTEE OF THE BOARD

Smt. Archana K	-	Chairman
Dr. Bharat J. Kanabar	-	Member
Shri P. Ravi Kumar	-	Member
Shri Subramonian H	-	Secretary to the Committee

NOMINATION AND REMUNERATION COMMITTEE:

Dr. Bharat J. Kanabar	-	Chairman
Smt. Archana K	-	Member
Shri P. Ravi Kumar	-	Member
Shri Subramonian H	-	Secretary to the Committee

STAKEHOLDERS RELATIONSHIP COMMITTEE (S.R.C.)

Smt. Archana K	-	Chairman
Dr. Bharat J. Kanabar	-	Member
Shri P. Ravi Kumar	-	Member
Shri Subramonian H	-	Secretary to the Committee

SHARE TRANSFER COMMITTEE

Shri P. Ravi Kumar	-	Chairman
Dr. Bharat J. Kanabar	-	Member
Smt. Archana K	-	Member
Shri Subramonian H	-	Secretary to the Committee



Notice of the 41st Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting of the Members of Hindustan Fluorocarbons Limited will be held on **Tuesday, 24th September, 2024 at 3.30 P.M [IST]** through Video Conference ('VC') Other Audio Visual Means ("OAVM") without physical presence of the shareholders at a common venue to transact the following businesses:

Ordinary Business - Ordinary Resolution

Item No.1 – To consider, approve and to adopt the Audited Financial Statements comprising the Balance Sheet as at 31st March, 2024, the Profit & Loss Account for the year ended on that date, Cash Flow Statement, Schedules and Notes to Accounts attached thereto, together with the Directors' Report and the Auditors' Report along with the Report of the Comptroller & Auditor General (CAG).

Item No.2 – To re-appoint Shri Yogendra Prasad Shukla (DIN: 09674122), HOCL Nominee Director, who retires at this AGM in accordance with provisions of Articles of Association of the Company and being eligible offers himself for re-appointment.

Item No.3 – To authorize Board of Directors to fix remuneration to be paid as Statutory audit fees to statutory auditors as and when appointed by the Comptroller & Auditor General of India (C&AG) for the financial year 2024-25 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and, to consider and, thought fit, to pass the following resolution, as an Ordinary Resolution. "RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration to the Statutory Auditors of the Company as appointed by the Comptroller and Auditor General of India for the financial year 2024-25."

Special Business: Ordinary Resolution

Item No.4 – To appoint Shri Ram Sajeevan (DIN 10652184) as Government Nominee Director

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof and applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Articles of Association of the Company, Shri Ram Sajeevan [DIN 10652184] who was appointed by Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals vide Order no.P-51011/6/2011-32 dated 18th March, 2024 as Government Nominee Director on the Board of Directors of Hindustan Fluorocarbons Limited (HFL) for a period of three years or till the date of superannuation or till further orders whichever is earlier in place of Shri Awjitt Rakshit be and is hereby appointed as Government Nominee Director of the Company w.e.f 18th March, 2024 on terms and conditions fixed by Government of India and he shall be liable to retire by rotation."



Item No.5 – To appoint Shri P Ravi Kumar (DIN 10663973) as HOCL Nominee Director.

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof and applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Articles of Association of the Company, Shri P Ravi Kumar [DIN 10663973] who was appointed by Hindustan Organic Chemicals Limited (HOCL, holding company of HFL) as HOCL Nominee Director on the Board of Directors of Hindustan Fluorocarbons Limited (HFL) with effect from 01st July, 2024 till the date of superannuation or till further orders whichever is earlier be and is hereby appointed as HOCL Nominee Director of the Company w.e.f 01st July, 2024 and he shall be liable to retire by rotation."

**By order of the Board of Directors
of Hindustan Fluorocarbons Ltd.,**

**Sd/-
(Subramonian H)
Company Secretary
ACS 28380**

PLACE : HYDERABAD

DATE : 30-08-2024

Regd. Office

303, Babukhan Estate,

Basheerbagh, Hyderabad – 500 001.

Email: cs@hoclindia.com

**NOTES:**

1. The Ministry of Corporate Affairs (“MCA”) vide its General Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, and General Circular No.09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD1CIR/P/2020/79 dated May 12, 2020, and SEBI/HO/DDHS/P/CIR/2023/0164 dated October 6, 2023 issued by the Securities and Exchange Board of India (“SEBI”) (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/ OAVM, without the physical presence of members at a common venue till 30th September, 2024. Hence, in compliance with the provisions of the Companies Act, 2013 (“ACT”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, various MCA Circulars and SEBI Circulars, the 41st AGM is being held through VC/OAVM. For this purpose, necessary arrangements have been made by the Company in association with NSDL and instructions for the process to be followed for attending, participating and voting in the AGM through VC/OAVM is forming part of this notice. The proceedings of the AGM will be deemed to be conducted at the registered office of the Company.
2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and proxy need not to be a member of the Company. However, the 41st AGM of the Company is being held pursuant to MCA/SEBI circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxy by the members will not be available for the 41st AGM of the Company and hence proxy form, attendance slip is not annexed to this notice.
3. As per the provisions under the MCA Circulars, members attending the 41st AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the e-AGM are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to mail@arscsllp.com and hflshareholders@gmail.com with a copy marked to premkumar.nair@kfintech.com and cs@hoclindia.com.
5. Pursuant to section 139 (5) of the Companies Act, 2013, the auditors of the Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (CAG). In pursuance of Section 142 of the Companies Act, 2013 the remuneration to the auditors shall be fixed by the Company in the AGM or in such manner as the Company in general meeting may determine. The statutory auditors of the Company for the year 2024-25 is yet to be appointed by the CAG. Accordingly, the members may authorize the Board to fix an appropriate remuneration to the statutory auditors for the FY 2024-25.
6. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection



by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 24th September, 2024. Members seeking to inspect such documents can send an email to hflshareholders@gmail.com or cs@hoclindia.com.

7. Members are requested to address all correspondence, to RTA, KFin Technologies Private Limited, Unit: Hindustan Fluorocarbons Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032. Ph.: 1800 345 4001/ 1800 309 4001 and premkumar.nair@kfintech.com
8. SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 mandated submission of PAN, KYC and nomination details by the members holding shares in physical form by 1st October, 2023. For submitting this information members may access this link [http:// www.hfl.co.in/investors](http://www.hfl.co.in/investors).
9. Members are requested to intimate immediately any change in their addresses registered with the Company, their PAN, KYC details immediately to the RTAs.
10. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 18th September, 2024 to Tuesday, 24th September, 2024 (both days inclusive)** for the purpose of AGM of the Company.
11. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (“e-voting”) facility provided by the National Securities Depositories Limited (“NSDL”). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the **“Instructions for e-voting”** section which forms part of this Notice. The Board has appointed ARS and Associates, Company Secretaries LLP, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
12. Members holding shares either in physical or dematerialized form, **as on cut-off date, i.e. as on 17th September, 2024**, may cast their votes electronically. **The e-voting period commences on Saturday, 21st September, 2024 (9:00 a.m. IST) and ends on Monday, 23rd September, 2024 (5:00 p.m. IST)**. The e-voting module will be disabled by NSDL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on 17th September, 2024. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.



14. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. 17th September, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if he / she is already registered with NSDL for remote e- voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. 17th September, 2024, may follow steps mentioned in the Notice under “Instructions for e- voting.”
15. In compliance with the various MCA & SEBI Circulars, the Annual Report 2023-24, the Notice of the 41st AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
16. We urge members to support our commitment to environmental protection by choosing to receive the Company’s communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company’s RTA, KFin Technologies Private Limited at einward.ris@kfintech.com to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual Report.

Type of Holder	Process to be followed for Registering email address
Physical	Send a written request to the RTA of the Company, KFin Technologies Private Limited at Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, providing Folio Number, name of member, copy of the share certificate (front & back), PAN (self-attested copy of PAN card), AADHAAR (self-attested copy of Aadhaar card) for registering email address.
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.

17. Members may also note that the Notice of the 41st AGM and the Annual Report 2023-24 will also be available on the Company’s website, [https:// www.hfl.co.in/](https://www.hfl.co.in/), website of the Stock Exchange, i.e. BSE Limited, at www.bseindia.com and on the website of NSDL www.evoting.nsdl.com
18. Additional information pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM forms part of this Notice.
19. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
20. SEBI has established a common Online Dispute Resolution Portal (ODR Portal) for resolution of disputes arising in the Indian Securities. After exhausting the option to resolve the grievances with



RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the SMART ODR portal ie. <https://smartodr.in/login>

21. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.
22. The Scrutinizer will submit his report to the Chairman of the Company (“the Chairman”) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company’s website, www.hfl.co.in.
23. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
24. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at hflshareholders@gmail.com or cs@hoclindia.com on or before Tuesday, 17th September, 2024. The same will be replied by the company suitably through e-mail.
25. Shareholders who would like to register themselves as Speaker may do so by sending their request in advance at **least 7 days prior to AGM** mentioning their name, demat account number/ folio number, e-mail ID, mobile number at hflshareholders@gmail.com or cs@hoclindia.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on **Saturday, 21st September, 2024 (9:00 a.m. IST) and ends on Monday, 23rd September, 2024 (5:00 p.m. IST)** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **17th September, 2024**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **17th September, 2024**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 20px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e- Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>



Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary IDF or example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".



3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e- mail to mail@arscslp.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. 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 download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mahtre at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to hflshareholders@gmail.com or cs@hoclindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to hflshareholders@gmail.com or cs@hoclindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.



3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at



hflshareholders@gmail.com or cs@hoclindia.com on or before Tuesday, 17th September, 2024.

The same will be replied by the company suitably through e-mail.

6. Shareholders who would like to register themselves as Speaker may do so by sending their request in advance at **least 7 days prior to AGM** mentioning their name, demat account number/ folio number, e-mail ID, mobile number at hflshareholders@gmail.com or cs@hoclindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013:**Item No.4: To appoint Shri Ram Sajeevan (DIN 10652184) as Government Nominee Director**

As per the Articles of Association of the Company, Directors representing Government of India shall be the nominee of the Ministry of Chemicals & Fertilizers. Accordingly, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India vide Order no.P-51011/6/2011-32 dated 18th March, 2024 had conveyed appointment of Shri Ram Sajeevan as Government Nominee Director on the Board of Directors of Hindustan Fluorocarbons Limited (HFL) w.e.f 18th March, 2024 for a period of three years or till the date of superannuation or till further orders whichever is earlier in place of Shri Awijit Rakshit.

The Company has received all statutory disclosures/declarations from Shri Ram Sajeevan as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 20th May, 2024 noted the Government Order appointing Shri Ram Sajeevan as Government Nominee Director on the Board of HFL in place of Shri Awijit Rakshit.

As per Articles of Association, though the power to appoint Government Nominee Directors in HFL vest with Government of India through administrative ministry, as per the provisions of Section 152(2) of the Companies Act 2013, every director shall be appointed by the company in general meeting. Further, as stipulated under Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), approval of the shareholders for the appointment of person on the Board of Public Sector companies (PSUs) shall be taken in the next general meeting. Hence, the Board recommends the resolution set forth in Item No.4 for the approval of members by way of Ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Ram Sajeevan to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed Ordinary Resolution set out in item no.4.

Item No.5: To appoint Shri P Ravi Kumar (DIN 10663973) as HOCL Nominee Director

As per the Articles of Association of the Company, Hindustan Organic Chemicals Limited (HOCL), the holding company of HFL shall nominate Directors in HFL Board. Accordingly, HOCL Board has nominated Shri P Ravi Kumar as Nominee Director in HFL Board w.e.f 1st July, 2024 till the superannuation of the said officer or till further orders, whichever is earlier in place of Shri L. Shanil Lal who has superannuated from the service w.e.f 30th June, 2024.

The Company has received all statutory disclosures/declarations from Shri P Ravi Kumar as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 20th May, 2024 noted the nomination of Shri P Ravi Kumar as HOCL Nominee Director on the Board of HFL in place of Shri L. Shanil Lal.



As per Articles of Association, though HOCL can nominate Directors in HFL Board, as per the provisions of Section 152(2) of the Companies Act 2013, every director shall be appointed by the company in general meeting. Further, as stipulated under Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders for the appointment of person on the Board of Public Sector companies (PSUs) shall be taken in the next general meeting. Hence, the Board recommends the resolution set forth in Item No.5 for the approval of members by way of Ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri P Ravi Kumar to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed Ordinary Resolution set out in item no.5.

ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARDS 2 IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE:

1. Brief Profile of Shri Yogendra Prasad Shukla

DIN	09674122
Date of Birth	01.07.1974
Date of appointment	04.08.2022
Relationship with Directors/KMP	No
Shareholding in the company	No
Remuneration proposed to be paid	No
Expertise in specific functional area and brief resume	Shri Yogendra Prasad Shukla is a science graduate and professionally a Cost Accountant. Previously, he was heading the Finance Department of the 1,760 MW Tanda Thermal Power Project of NTPC Limited Located in Faizabad, Uttar Pradesh. He has undergone several pieces of training with reputed institutions. He carries with him a rich professional experience of over 22 years having served organization's like BEML and NTPC having exposure to the entire gamut of Finance and Accounts functions.
List of directorship in other Listed Companies	One (1) Hindustan Organic Chemicals Limited
Membership of the committee of other listed companies	Nil
Details of Listed entities from which Director has resigned in the past three years	Nil



Terms of appointment	Pursuance of Article 77(a) of Articles of Association of Hindustan Fluorocarbons Limited [HFL], Hindustan Organic Chemicals Limited [HOCL], the parent company of HFL had appointed Mr Yogendra Prasad Shukla as HOCL Nominee Director on HFL Board w.e.f 04 th August, 2022 till the date of superannuation of the said officer or till further orders whichever is earlier.
Number of Board Meetings attended during 2023-24	Six (06)

2. Brief Profile of Shri P Ravi Kumar

DIN	10663973
Date of Birth	12.12.1966
Date of appointment	01.07.2024
Relationship with Directors/KMP	No
Shareholding in the company	No
Remuneration proposed to be paid	No
Expertise in specific functional area	Shri P Ravi Kumar is a B. Tech, MBA graduate. He has got immense experience in Petro-chemical plants in various capacities. Shri P Ravi Kumar is Executive Director & Unit In charge of HOCL, the holding company of HFL.
List of directorship in other Listed Companies	Nil
Membership of the committee of other listed companies	Nil
Details of Listed entities from which Director has resigned in the past three years	Nil
Terms of appointment	Pursuance of Article 77(a) of Articles of Association of Hindustan Fluorocarbons Limited [HFL], Hindustan Organic Chemicals Limited [HOCL], the parent company of HFL has appointed Mr P Ravi Kumar, Unit-in-Charge of HOCL as HOCL Nominee Director on HFL Board w.e.f 1 st July, 2024 till the date of superannuation of the said officer or till further orders whichever is earlier
Number of Board Meetings attended during 2023-24	Not applicable



3. Brief Profile of Shri Ram Sajeevan

DIN	10652184
Date of Birth	10/08/1985
Date of appointment	18/03/2024
Relationship with Directors/KMP	No
Shareholding in the company	No
Remuneration proposed to be paid	No
Expertise in specific functional area	Shri Ram Sajeevan is Master in Science in statistics
List of directorship in other Listed Companies	Nil
Membership of the committee of other listed companies	Nil
Details of Listed entities from which Director has resigned in the past three years	Nil
Terms of appointment	Shri Ram Sajeevan, Director, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India, was appointed as Government Nominee Director, by the President of India vide Ministry of Chemicals & Fertilizers order no. P-51011/6/2011-32 dated 18 th March, 2024, for a period of three years or till the date of superannuation or till further orders whichever is earlier
Number of Board Meetings attended during 2023-24	No Board meetings held after appointment, hence not applicable



CHAIRMAN SPEECH

I extend my hearty welcome to all members to the 41st Annual General Meeting of your Company. We are again meeting virtually in the AGM as the Government authorities and/regulatory bodies have permitted holding of AGM through Video Conference (VC) mode. It gives immense pleasure to connect with you all, although through VC. I am sure, you must have received the Annual Report of the Company for the year ended 31st March, 2024 comprising Notice of AGM, Director's Report, audited Financial Statements etc. and with your permission I take them as read.

Now, I proceed to share with you briefly the activities of your Company.

1. CCEA APPROVAL

The company had received letter from Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals vide File.No.9-5101506/2019-Ch.III dated 29th January, 2020 informing the decision of Cabinet Committee on Economic Affairs (CCEA) directing closure and shutting of operations of HFL.

2. SHUTTING OF OPERATIONS

Pursuant to CCEA directions for Closure of HFL, all production activities of HFL has been shut/completed as on 31st March, 2021. In view of this, there were no production & sales during the year under review. The activities during the year under review were towards the implementation of the CCEA directions.

3. SALE/DISPOSAL OF HFL FREEHOLD LAND

Pursuant to CCEA directions for Closure of HFL, approval from shareholders for the sale of 126 acres of the company's land on 'as and where is basis' was obtained on 28th July, 2020. The sale of land is subject to receipt of NOC from TSIDC/TS Govt.

4. PLANT AND MACHINERY AND OTHER MOVABLE ASSETS

Pursuant to CCEA directions for Closure of HFL, approval from shareholders for the sale of plant and machinery and other immovable assets of the company was obtained on 28th July, 2020. During March 2023, Sale of Plant & Machinery and other movable assets was done through MSTC e-Auction, as per decision taken by CCEA on 22nd January, 2020 and executed as per DPE guidelines. The sale proceeds were received and the same was deposited in a separate bank account with State Bank of India.

5. RECEIPT OF GOI INTEREST FREE LOAN

HFL had received interest free loan of Rs.73.70 crore from Gol on 26th May, 2020 and Rs.2.17 Crore from Gol on 15th March, 2022 totalling to Rs.75.87 crores. As per Gol order HFL has to utilize funds for payment of liabilities viz. VRS/VSS to existing employees, Clearing liabilities of Ex-employees, Statutory dues and secured/unsecured creditors, etc. related to shutting down of plant/unit of HFL as per CCEA decision dated 22nd January, 2020.

**6. VRS**

The VRS-2020 scheme was implemented by the company, accordingly 65 employees were relieved on VRS-2020 scheme; 16 employees got superannuated; 3 employees resigned and remaining 5 employees were transferred to Hindustan Organic Chemicals Limited (HOCL) during September, 2022.

The VRS sums paid to employees towards VRS/VSS and arrears to retired employees etc. are made after audit by an Independent auditor, Internal Auditor and Statutory Auditor. Further, as directed VRS payments are made as per DPE guidelines and same are also verified by DCPC, MoC&F.

7. CORPORATE GOVERNANCE

Your Company lays emphasis in conducting its affairs within the frame work of policies and guidelines set by the Government in a transparent manner. It is the endeavor of the Company to build trust between shareholders, employees & customers based on the basic principles of Corporate Governance. The detailed Report on the Corporate Governance as well as Management Discussion Analysis Report is forming part of the Director's report. This Report analyses in brief the potentialities

of the Company as well as the focus of the Company's business. Your company had generally complied with Corporate Governance Guidelines issued by Department of Public Enterprises.

8. ACKNOWLEDGEMENTS

I place on record my appreciation and gratitude to everyone who had extended their support and co-operation during the year. In particular, I am grateful to various officials of the Govt of India especially from the Ministry of Chemicals & Fertilizers, Department of Chemicals and Petrochemicals, the Finance Ministry, Govt. of Telangana, Department of Public Enterprises, Promoter Company i.e. HOCL and all Board Members. I would like to convey my sincere appreciation to Statutory Bodies, Investors, our bankers State Bank of India, Statutory auditors, Internal auditors, Secretarial auditors & CAG auditors for their continued support.

Sd/-
(SAJEEV B)
Chairman & Managing Director
DIN: 09344438

Date: 30.08.2024
Place: Kochi, Kerala



DIRECTORS' REPORT 2023-24

Your Board of Directors takes pleasure in presenting their 41st Annual Report on the performance of the Company, together with the Audited Annual Accounts for the year ended 31st March, 2024 and reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

1. FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2024 is summarized below: (Rs. in lacs)

Particulars	2023-24	2022-23
Revenue from operations	0.00	0.00
Other income	208.21	210.90
Total Income	208.21	210.90
Total expenditure	85.49	722.21
Profit/(Loss) before tax	122.72	(511.31)
Other Comprehensive income/(loss)	0.00	0.00
Total comprehensive income/(Loss)	122.72	(511.31)

2. RESERVES (Section 134(3)(i))

Company has not transferred any amount to reserves due to continuous losses.

3. DIVIDEND (Section 134(3)(k))

The Board of Directors did not recommend any dividend on the equity shares for the year ended 31st March, 2024 as HFL had stopped its operations.

4. OPERATIONS AND OVERALL PERFORMANCE

Pursuant to CCEA order for closure and shutting of operations, HFL had stopped its operations.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

i. DECISION FOR CLOSURE OF HFL

HFL Board at its meeting held on 30.07.2019, after considering all options, concluded that sustainable operations of HFL is not feasible and recommended for closure of the unit subject to approval of the administrative Ministry. The Board of HOCL, parent company of HFL, at its meeting on 09.08.2019 has also given 'in principle' approval for closure of HFL subject to approval of Administrative Ministry.

ii. CCEA APPROVAL

HFL had received letter from Ministry of Chemicals and Fertilizers, Department of Chemicals and Petro chemicals vide File. No. 9-5101506/2019-Ch.III dated 29.01.2020 informing the decision of Cabinet Committee on Economic Affairs (CCEA) for closure and shutting of operations of HFL.

HFL has received approval of shareholders for the shutting down of the plant/unit and closure of the company and to sell or otherwise dispose off the whole or substantially the whole of the undertaking of the company through postal ballot notice dated February 10, 2020.

iii. SALE/DISPOSAL OF HFL FREEHOLD LAND

HFL is in the process of sale of land and the subject to receipt of NOC from TSICC/TS Govt.



iv. PLANT AND MACHINERY AND OTHER MOVABLE ASSETS

Sale of Plant & Machinery and other movable assets was done through MSTC as per decision taken by CCEA on 29.01.2020 and was executed as per DPE guidelines. HFL has only one plant/unit located at Rudraram, District Sangareddy in Telangana.

v. RECEIPT OF GOI INTEREST FREE LOAN

HFL had received interest free loan of Rs.75.87 crore from GoI for closure related activities. As per GoI order HFL to utilize funds for payment of liabilities viz. VRS/VSS to existing employees, Clearing liabilities of Ex-employees, Statutory dues and secured / unsecured creditors, etc. related to shutting down of plant / unit of HFL as per CCEA decision dated 29.01.2020.

vi. OBTAINING MLF FUNDING FROM MOEFCC FOR THE PLANT CLOSURE

In case of closure of HCFC-22 plant, Multilateral Fund (MLF) is providing the financial assistance for this process through World Bank. HFL is in touch with DCPC and MoEFCC on MLF funding.

A DO letter No.42/31/2017-PMU-OC dated 28-Sep-2021 addressed to Director (C&PC), from Hon'ble Additional Director (Ozone Cell), MoEFCC and intimated that an email was received from World bank and informed that MLF funding will not be provided to HFL since closure decision was taken by GoI and HFL would be closed by December, 2021 no further intervention from MoEFCC is admissible as per the rules and procedures of Ex-Com of the MLF.

vii. VRS –2020 SCHEME

The VRS-2020 scheme is implemented in the company wide Part-I Order No.01/2020, Dated: 19.02.2020, accordingly the employees were relieved on 30.05.2020 (30), 30.06.2020 (25) 20.07.2020(9) and 31.07.2021 (1), 16 employees got superannuated, one employee left the organisation on lien, 02 employees were resigned and other 05 employees were transferred to Hindustan Organic Chemicals Limited (HOCL).

6. SHARES

There was no change in the equity share capital of the company during the year. The Authorized Share Capital of the company is Rs. 21,00,00,000 and the paid up capital of the company is Rs.19,59,91,000. The company's shares are listed in BSE (Scrip ID: 524013). During the period under review, the company has not: (i) bought back any of its securities (ii) issued any sweat equity shares (iii) issued any bonus shares (iv) provided any stock option scheme to employees.

7. THE RIGHT TO INFORMATION ACT, 2005.

In consonance with the provisions of the Right to information Act, 2005, Company has appointed Appellate Authorities/ Public Information officer at the office of the company to respond effectively to the request of the applicants under the acts in synchronization with the direction of Central Information Commission (CIC), for promotion of Institutional transparency within the public authority through proactive and effective implementation of section 4 of the RTI Acts, 2005.

The number of RTI applications received and disposed off during the year 2023-24 is given below:

Total number of RTI applications received during the year 2023-24	28
Applications rejected during the year 2023-24, if any	Nil
Information submitted during the year 2023-24	28
Pending to reply as on 31.03.2024	Nil

**8. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The company was not required to transfer any amount towards IEPF

9. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Board of Directors met six (6) times during the financial year 2023-24 on: 17th May, 2023, 7th August, 2023; 09th October, 2023; 8th November, 2023; 25th January, 2024 and 08th February, 2024. For details of meetings of the Board, refer to Corporate Governance Report, which is a part of this report.

10. BOARD OF DIRECTORS

Changes in the Board of Directors during the year is given below:

1. Shri T P Sachidanandan, was ceased to be HOCL Nominee Director w.e.f. 31.05.2023.
2. Shri Awijit Rakshit was ceased to be Government Nominee Director w.e.f. 18.03.2024.
3. Shri Ram Sajeevan was appointed as Government Nominee Director w.e.f. 18.03.2024.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2024 are:

1. Shri. P.O. Luise, Chief Financial Officer;
2. Shri Subramonian H, Company Secretary.

11. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company being a CPSE, appointment of all the Directors on the Board of the Company are made by the Government of India/President of India and under the supervision, control and directions of the Department of Chemicals & Petro-Chemicals (DCPC) and by parent company (HOCL) and the prescribed DPE Guidelines are also followed.

12. COMPANY'S POLICY RELATING TO APPOINTMENT AND PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES OF KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Company has constituted Nomination and Remuneration Committee under section 178(1) of the Companies Act 2013 and complied the criteria for determining qualifications positive attributes and independence of appointment and remuneration of a Key Managerial Personnel and other employees as provided under Section 178(3) of the Companies Act, 2013.

13. FORMAL ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Company being a CPSU is governed by the DPE Guidelines and the Annual Evaluation of Performance of Board, its committees and of individual Directors are carried out by the Administrative Ministry.

14. RATIO OF DIRECTORS REMUNERATION TO MEDIAN EMPLOYEES REMUNERATION AND OTHER PRESCRIBED ELABORATE DISCLOSURES AND DETAILS

The Company being a CPSE which is under the supervision, control and direction of the Administrative Ministry the prescribed DPE Guidelines are being followed in respect of employee's remunerations and DPE Guidelines are being followed, as regards other prescribed Perquisites

15. TRAINING OF BOARD OF DIRECTORS:

The company furnishes set of documents and booklets to the Directors on their joining the Board. This includes important data about the performance of the Company, Memorandum & Articles of Association, Corporate Governance guidelines, Delegation of powers, Product line brochures etc.



A copy of the monograph on position, duties and liabilities of Directors is also circulated among the Directors. Besides, the Directors also attend various training/workshops organized by the Department of Public Enterprises (DPE).

16. COMMITTEES OF THE BOARD

The Committees of the Board includes, Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee. For details of Composition and meeting of Committee, refer to Corporate Governance Report, which is a part of this report.

17. INDEPENDENT DIRECTORS DECLARATION

Company has obtained necessary declarations from the Independent Directors as stipulated under Section 149(7) of the Companies Act, 2013.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 Regarding Conservation of energy, Technology Absorption and Foreign Exchange Earning and outgo are given at **Annexure I**, Form A and B to this Report.

19. RESEARCH & DEVELOPMENT:

As the company is in the process of closure of operations, R&D operations were not carried out during the period.

20. INDUSTRIAL RELATIONS

Employee relations continued to be cordial throughout the year. Your Company had been implementing reservation policies of GOI for SCs/STs/OBCs/Persons with disabilities. Representatives of SCs/STs Categories are associated in Recruitment of Departmental Promotion Committees. As on 31.3.2024, there are no employees in your company.

21. ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 of the Companies Act 2013, read with Section 92 (3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return as at March 31, 2024 is available in the website of the company at <http://www.hfl.co.in/investors>

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Management Discussion and Analysis Report is annexed hereto in **Annexure – II** and forms part of the Directors' Report.

23. CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance Code. Report on the Compliance with Corporate Governance Code is attached as **Annexure-III**

The certificate obtained from Practicing Company Secretary regarding compliance of the conditions of corporate governance are attached in **Annexure – IV**.

24. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility statement:



- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) Cabinet Committee on Economic Affairs [CCEA], Government of India has approved the closure and shut down of operations of the Company. Accordingly, company is no longer a Going Concern Entity and
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

25. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company do not have any Subsidiary, Joint venture or Associate Company.

26. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review and the company has not accepted any deposits during the previous years

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There were no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review accordingly disclosure in form AOC 2 is not required.

29. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS U/S 143 OTHER THAN THOSE REPORTABLE TO CENTRAL GOVERNEMENT:

During the year, no frauds were reported by the auditors and the same is not applicable to the company.

30. CORPORATE SOCIAL RESPONSIBILITY:

As the Company is making Continuous losses and the company is in the process of closure the provision of Section 135 of the Companies act related to the CSR is not applicable to the Company for the financial year 2023-24.

**31. RISK MANAGEMENT**

The company has put in place Risk Management process which includes risk identification, risk assessment, risk evaluation, categorization and risk treatment plan for mitigation of risks and escalation / reporting of risks to Board. Risk Management Committee is not applicable for the Company.

32. VIGILANCE

With the approval of the Ministry, an officer of the company has been nominated as “Vigilance Officer” (Part time) from amongst the Officers of the Company to take care of Vigilance functions. Vigilance activities have mainly been directed to check the improvements in the existing systems and procedures through periodic checks and to encourage preventive vigilance. The instructions of the Central Vigilance Commission received from time to time have been implemented to strengthen the vigilance machinery in the company. There is part time Chief Vigilance Officer in HFL.

33. MATERIAL ORDERS OF JUDICIAL BODIES/ REGULATORS

In the case of Rockwell Industries Limited vs. HFL, the High Court vide Order Dated: 02.11.2022 (Case No. COM.C.A. 16/2020) has directed HFL (Appellant) permitted to dispose of the plant, machinery and other equipment through Metal Scrap Trading Corporation Limited, a Central Government corporation. The appellant shall furnish the inventory of plant, machinery and other equipment to decree holder and decree holder shall also be put on advance notice of date of conducting of auction. After successful auction, the appellant shall inform the amount realised from out of the sale proceeds to the decree holder; shall open a separate bank account and the proceeds of auction shall be kept in a fixed deposit in said bank account and said bank account shall not be operated without orders of this Court.

34. AUDITORS:

The Statutory Audit for the FY 2023-24 of your Company was conducted by M/s. AVRSK & Associates LLP, Chartered Accountants who were appointed as Statutory Auditors for the Financial year 2023-24 by Comptroller and Auditor General of India (C&AG) as per Section 139(5) of the Companies Act, 2013, Auditors Report on the Accounts of the Company for the financial year ended 31st March, 2024 forms part of Annual Report.

35. EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS

The Statutory Auditors has given unqualified report. The comments of the Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013 on the accounts of the company for the year 2023-24 is annexed to the Annual Report. C&AG have decided not to conduct the supplementary audit of the financial statements of the Company.

36. SECRETARIAL AUDIT

Board has appointed M/s. Mehta & Mehta, Company Secretaries LLP as Secretarial Auditor of the company for the financial year 2023-24. The explanations/comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished and forms part of Annual Report. The reply to the observation in the Secretarial Audit Report is given below:



Observation	Management Response
As per the requirement stated in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015), the Company has not maintained Structured Digital Database (“SDD”) for the Financial Year ended 2023-2024.	HFL had been recording the UPSI in digitally signed pdf document. Thus, HFL is maintaining the Structured Digital Database. Now, HFL has also obtained software solution provided by M/s. Orion Legal Supplies, Mumbai for updating the UPSI. Thus, HFL has complied with the relevant SEBI Regulations.

37. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has generally complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

38. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL Act, 2013

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company has not received any case relating to the sexual harassment of women at work place.

Annual Report for the year 2023 The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:-

No. of complaints received:	Nil
No. of complaints disposed of:	Nil
No. of cases pending for more than 90 days:	Nil

39. HEALTH AND ENVIRONMENT

Your Company has shut down the factory/plant. There are no production activities. Therefore, compliance relating to pollution norms are not applicable.

40. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

During the year under report, your Company continued to promote Hindi as official Language in day to day working in line with the Government policies for its intensive and extensive efforts for progressive use of the official language.

41. PARTICULARS OF EMPLOYEES

None of the employees of the company is drawing remuneration requiring disclosure pursuant to the provisions of the Companies (Particulars of Employees) Rules, 1975.

42. LEGAL COMPLAINTS

The Company has complied with all the applicable legal provisions effectively during the year 2023-24.

43. INSURANCE

All properties and insurable interest of the company including building, plant and machinery and goods are adequately insured.

**44. TRADING AND DEMAT FACILITIES FOR SHARES**

The shares of the Company are compulsorily traded in Dematerialized mode. To facilitate the shareholders to dematerialize the shares, the Company has signed the agreement with both i.e. National Securities depositories Limited (NSDL and Central Depositories Services (India) Ltd., (CDSL) under ISIN No. INE806J01013. 87.38% of the Share Capital of the Company has been dematerialized, as on 31st March, 2024.

45. COMPLIANCE OF DPE GUIDELINES & POLICIES

The Guidelines & policies issued by the Department of Public Enterprises from time to time are being complied with and implemented with the approval of the Board of Directors/ Competent Authority.

46. CODE OF CONDUCT

The Company has adopted “Code of Conduct and Ethics” for the Directors and Senior Executives of the Company as per DPE guidelines and as per HOCL (Parent Company). The object is to conduct the Company’s business ethically and with responsibility, integrity, fairness, transparency and honesty.

47. ACKNOWLEDGEMENTS

I place on record my appreciation and gratitude to all the employees and others who had extended their support and co-operation during the year to achieve the targeted goals of the Company. In particular I am grateful to various officials of the Govt of India, especially from the Ministry of Chemicals & Fertilizers, Department of Chemicals and Petrochemicals, the Finance Ministry, Ministry of Environment, Forest and Climate Change, Govt. of India, Govt of Telangana, Promoter Company i.e. HOCL and Board Members. I would like to convey my sincere appreciation to our valued customers, suppliers, Statutory Bodies, Investors, our bankers State Bank of India, Statutory/Govt Auditors etc. for the continued support.

For and on behalf of the Board of Directors

Sd/-

(SAJEEV B)

Managing Director

DIN: 09344438

Place: Kochi, Kerala

Date: 07.08.2024



ENERGY CONSERVATION MEASURES TAKEN:

The following Energy conservation measures were taken in the financial year 2023-24:

As HFL has received CCEA approval for shutting of plant, Future plan for energy conservation for the financial year 2023-24 is not applicable

FUTURE PLANS:

As HFL has received CCEA approval for shutting of plant, Future plan for energy conservation for the financial year 2023-24 is not applicable.

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

NOT APPLICABLE, SINCE THERE IS NO PRODUCTION.

FORM B

1. **SPECIFIC AREAS IN WHICH R&D WORK CARRIED OUT BY THE COMPANY:** Not Applicable
2. **BENEFIT DERIVED AS A RESULT OF THE ABOVE R&D:** Not Applicable
3. **FUTURE PLAN:** Not Applicable



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Hindustan Fluorocarbons Ltd (HFL) presents its Analysis Report covering the Performance and Outlook of the Company. The Report contains business perspective and prospects based on the current environment and strategic options to steer the Company through unforeseen and uncontrollable external factors. The Financial year of the company consists of 12 months ended as on 31st March, 2024.

INDUSTRY STRUCTURE & FUTURE OUTLOOK:

HFL was manufacturing HCFC 22 which is used as Refrigerant gas and the same was used for conversion to PTFE. Due to uneconomical plant capacity, old technology conversion of HCFC 22 to PTFE was not financially viable. Therefore, HFL had represented the same before its administrative ministry and the company is under the process of closure as directed by CCEA.

KEY OPPORTUNITIES: Company is under the process of closure as directed by CCEA.

KEY THREATS INCLUDE: Not Applicable

SEGMENT WISE PERFORMANCE: The company is primarily having one segment i.e., PTFE

Production (MT)	Year ended 31/03/2024	Year ended 31/03/2023
PTFE	0.00	0.00

OUTLOOK & INITIATIVE FOR CURRENT YEAR

Company is in the process of closure as directed by CCEA

INTERNAL CONTROL SYSTEM AND ADEQUANCY

Internal controls are supported by Internal Audit and Management reviews. Company ensures existence of adequate internal control through documented policy and procedures to be followed by the executives at various levels. As part of good Corporate Governance the Audit Committee constituted by the Board periodically re- views the internal controls, Audit programmes, Financial Results, Recommendations of the Auditors and Management replies to the Auditors qualifications, etc.

REVIEW OF FINANCIAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and generally accepted accounting principles. During the year under review pursuant to CCEA order for closure and shutting of operations, HFL had stopped its operations. During the year, the sales turnover is Nil as against Nil in the previous year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Pursuant to CCEA order for closure and shutting of operations of HFL, only Skelton staffs were retained to look after the closure related activities and day to day matters of the Company. These skelton staff were transferred to Parent Company HOCL. Now, there are no employees on the rolls of HFL.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS

As per communication received from Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals vide File. No. 9-5101506 /2019-Ch.III dated 29.01.2020 informing the decision of Cabinet Committee on Economic Affairs (CCEA) on closure of Unit of HFL, during the year 2023-24 there were no significant changes to the key financial ratios, as no revenue was generated due to discontinuation of operations.

DISCLOSURE OF ACCOUNTING TREATMENT

As regards preparation of the annual accounts on a going concern basis is concerned, it is submitted that as per communication received from Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals vide File. No. 9-5101506 /2019-Ch.III dated 29.01.2020 informing the decision of Cabinet Committee on Economic Affairs (CCEA) on closure of Unit of HFL, together with timelines for implementation of the said directions, the process of closure is initiated by the Board. Accordingly, HFL has adopted IND AS 105 'Assets held for Sale and Discontinuing Operations' and prepared the annual accounts on the basis of IND AS 105. **The Company is no longer a Going Concern Entity** and the same is also referred in the Statutory Auditor's Report.

CAUTIONARY STATEMENT

Statement in this Management Discussion Analysis describing the Company's objectives, Projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations.

**For and on behalf of the Board of Directors of
Hindustan Fluorocarbons Limited**

**Sd/-
(SAJEEV B)
Managing Director
DIN: 09344438**

**Place: Kochi, Kerala
Date: 07-08-2024**



CORPORATE GOVERNANCE REPORT AS ON 31.03.2024

1. A brief statement on listed entity's philosophy on Corporate Governance:

As per the Code of Governance propounded by the Government, Corporate Governance involves a set of relationships between a Company's management, its Board, its shareholders and other stakeholders. Corporate Governance provides a principled process and structure through which the objectives of the Company, the means of attaining the objectives and systems of monitoring performance are also set. The Management believes that strong and sound corporate governance is an important instrument of protection of stake holders, through transparency, professionalism, accountability and adequate disclosures. The company continuously endeavours to improve on these aspects on an ongoing basis.

The key to good Corporate Governance is well functioning Board of Directors. Board is responsible to shareholders for performance of the Company. Company cannot prosper without the trust and support of its shareholders.

Given below is the Report of Directors on Corporate Governance in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2. Board of Directors:

The Board of Directors oversees all major actions proposed to be taken by the Company. The Board also reviews and approves the strategic and business plans including monitoring corporate performance.

I. Composition of the Board:

In accordance with the provisions of the Articles of Association of the Company (as amended from time to time), the number of directors of the Company shall be neither less than three nor more than twelve. The Directors shall not be required to hold any qualification shares.

Your company (HFL) being a subsidiary of HOCL (CPSE) as per company's Articles of Association, the power to appoint directors on the Board of the company vests with Gol/ HOCL (parent company).

As on 31-03-2024, the Board of HFL consisted of six (6) Directors with 3 HOCL Nominee Directors, 1 Non Executive Gol Nominee Director and two (2) Independent Directors. All the directors are acknowledged as leading professionals in their respective fields.



Number of other Board Committees in which a Director is a member or chairperson as on 31.03.2024:

Sl. No.	Directors / Shri / Ms.	Category of Director (ED, NED, NEID, ID)	Date of appointment	Date of Cessation	No. of other Director-ships including HFL	Membership in other Board Committees including HFL	Chairmanship in Board and Other Board Committees including HFL
1	Shri Sajeev B	Managing Director (NED)	22.09.2021	-	2	2	1
2	Shri Awijit Rakshit	Govt Nominee (NED)	28.10.2022	18.03.2024	1	0	0
3	Dr Bharat J Kanabar	Independent Director (NED)	28.01.2022	-	2	7	3
4	Smt Archana K	Independent Director (NED)	24.12.2021	-	1	3	2
5	Shri Yogendra Prasad Shukla	HOCL Nominee Director (NED)	04.08.2022	-	2	0	0
6	Shri Shanil Lal	HOCL Nominee Director (NED)	01.06.2022	-	1	3	0
7	Shri TP Sachidanandan	HOCL Nominee Director (NED)	01.12.2022	31.05.2023	1	0	0
8	Shri Ram Sajeevan	Govt. Nominee (NED)	18.03.2024	-	1	0	0

ED: Executive Director

NED: Non-Executive Director

NEID: Non-Executive Independent Director

ID: Independent Director

The non-executive Independent Directors are independent of management and free from any business or other relationship that could materially influence their judgment. All the independent directors satisfy the criteria of independence as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with Indian Stock Exchanges' Corporate Governance standards.

II. Board Skills Matrix: as on 31-03-2024:

HFL is a Government Company and all the Directors are appointed by Administrative Ministry, Ministry of Chemicals & Fertilizers, Government of India in accordance with laid down process for selection of each category of Directors. Accordingly, the skill/expertise/competence required for the Directors forms part of the Government's selection process of Directors. In view of this, Board of the company is not required to identify core skills/expertise and competencies for Directors. However, a brief profile of Directors are given below.



Sl. No.	Name	Designation	Core skills, expertise and competencies
1	Shri Sajeev B	Chairman and Managing Director, NED (HOCL Nominee)	A brief profile is provided below
2	Shri Ram Sajeevan	Govt. Nominee, NED	A brief profile is provided below
3	Dr Bharat J Kanabar	Independent Director	A brief profile is provided below
4	Smt K Archana	Independent Director	A brief profile is provided below
5	Shri Yogendra Prasad Shukla	NED (HOCL Nominee Director)	A brief profile is provided below
6	Shri Shanil Lal	NED (HOCL Nominee Director)	A brief profile is provided below

A. Changes in the Board of Directors:

1. Shri Ram Sajeevan was appointed as Government Nominee Director in place of Shri Awijit Rakshith w.e.f 18.03.2024.
2. Shri T P Sachidanandan was ceased to be HOCL Nominee Director w.e.f.31.05.2023.

B. Profile of Director

1. Shri Sajeev B

Qualification: Bachelor of Chemical Engineering

Business / Occupation: Service

Experience: Shri Sajeev B. is a Chemical Engineering Graduate and a MBA holder. He also possesses Graduate Diploma in Materials Management. Since his joining as Management Trainee in HOCL on 27.08.1990, Shri Sajeev B. has acquired several years of experience in the company and had headed several departments in the past, like Materials, Production, Marketing TSS etc. He has also served as the senior Vigilance Officer of HOCL Kochi Unit.

2. Smt Archana K

Qualification: Graduation.

Business / Occupation: Self employed

3. Dr Bharat J Kanabar

Qualification: MBBS.

Business / Occupation: Service

Experience: Consulting surgeon, practicing since 37 years in Amreli - Chairman of Amreli Red-cross blood bank since 2006 - Active in many NGOS - Worked extensively during both waves of covid to help the needy families.

4. Shri Shanil Lal

Qualification: B.Tech; MBA; BOE; Lead Auditor ISO 14000

Business / Occupation: Service

Experience: 32 Years' experience in Petro Chemicals Plant in various capacities – mainly engineering & operations, Executed Projects, Member of revamping of Boilers etc., Board member of Kerala State Boiler Engineers Examination. Executive Committee Member of the National Safety council – Kerala Chapter.

**5. Shri Ram Sajeevan**

Qualification: MSC Statistics

Business / Occupation : Govt. Servant

Experience: Possessing relevant experience in Govt. Sector

6. Shri Yogendra Prasad Shukla

Qualification: CMA

Business / Occupation : Service

Experience: Shri Yogendra Prasad Shukla is a science graduate and professionally a Cost Accountant. Previously, he was heading the Finance Department of the 1,760 MW Tanda Thermal Power Project of NTPC Limited Located in Faizabad, Uttar Pradesh. He has undergone several pieces of training with reputed institutions. He carries with him a rich professional experience of over 22 years having served organisations like BEML and NTPC having exposure to the entire gamut of Finance and Accounts functions.

C. Responsibilities:

The Board has a formal schedule of matters reserved for its consideration and decision which includes review of corporate performance, financial resources, strategy formulation, policy and control, organizational structure and reporting to shareholders. The combined wisdom and experience of the Board has brought a wide range of skills and professionalism to the functioning of the organization.

D. Role of Independent Directors:

The independent directors including the nominee directors play an important role in the discussion & decision making at the Board Meetings and bring to the Company their wide-ranging experience in the fields of finance, audit, marketing, technical, engineering and public policy. All independent directors were members of the Audit Committee.

III. Board Meetings:

The meetings of the Board of Directors are generally scheduled well in advance and are generally held at Holding Company, HOCL Registered Office at Kochi and through Video Conference. The members of the Board have access to all information of the company and are free to recommend inclusion of any matter in the agenda for discussion. Senior management personnel are invited to attend the board meeting for clarifications as and when required.

The Board of Directors met **6 times** during the financial year 2023-24 on 17th May, 2023, 07th August, 2023; 09th October, 2023; 8th November, 2023; 25th January, 2024 and 08th February, 2024.

The attendance of the Directors at Board Meeting are as follows:



Sl.No	Directors	Board Meetings Held	Board Meetings Attended	Attendance at the Last AGM
1.	Shri Sajeev B	06	06	Yes
2.	Dr. Bharat J Kanabar	06	06	Yes
3.	Smt K Archana	06	06	Yes
4.	Shri Shanil Lal	06	06	Yes
5.	Shri Yogendra Prasad Shukla	06	06	Yes
6.	Shri Awijit Rakshit ¹	06	06	No
7.	Shri T P Sachidanandan ²	06	01	NA
8	Shri Ram Sajeevan ³	06	NA	NA

1. Shri Awjit Rakshit has ceased as Govt. Nominee Director 18.03.2024.
2. Shri T P Sachidanandan, was appointed as HOCL Nominee Director w.e.f.31.05.2023.
3. Shri Ram Sajeevan, was appointed as Gol Nominee Director w.e.f.18.03.2024.

IV. Meeting of Independent Directors:

During the year under review, company has conducted one (1) meeting of Independent Directors.

3. Committees of the Board

To enable better and more focused attention on the efforts of the company, the Board delegates particular matters to the Committees of the Board set up for the purpose with adequate delegations of powers and to discharge urgent business of the company. These Committees are (a) Audit Committee; (b) Nomination and Remuneration Committee; (c) Stakeholders Relationship Committee; (d) Share Transfer Committee.

The details of the Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee are as follows:

I. Audit Committee:

i. Terms of Reference:

Apart from all the matters provided in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 177 of the Companies Act, 2013 the Committee reviews reports of the Internal Auditors, meets internal Auditors periodically and discusses their findings, suggestions, internal control systems, compliance with the accounting standard, scope of audit, observations of the Auditors and other related matters. The committee also reviews the major accounting policies followed by the company. The committee invites senior executives as it considers appropriate at its meetings. MD of HFL Board shall act as invitees as required by the committee. The representatives of the Statutory Auditors are also invited to attend the meetings.

ii. Composition:

The composition of Committee as on 31st March, 2024 is given below:

1. Smt. Archana K – Chairperson
2. Dr. Bharat J. Kanabar – Member
3. Shri Shanil Lal L – Member

The Committee met 4 times during the year 2023-24.



iii. The attendance of the members at the meetings of the financial year 2023-24 was as follows:

1. Smt. Archana K – Chairperson
2. Dr. Bharat J. Kanabar – Member
3. Shri Shanil Lal L – Member and CS, HOCL will be the Secretary to the Audit Committee;

The Committee met 4 times during the year 2022-23.

iii. The attendance of the members at the meetings of the financial year 2022-23 was as follows:

Sl. No.	Directors	Audit Committee Meetings Held	Audit Committee Meetings Attended
1.	Smt K Archana	04	04
2.	Dr. Bharat J Kanabar	04	04
3.	Shri Shanil Lal	04	04

II. Nomination and Remuneration Committee:

i. Terms of Reference:

1. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
2. Remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

ii. Composition:

The Committee as on 31st March, 2024 comprised of

1. Dr. Bharat J. Kanabar – Chairman
2. Smt. Archana K – Member
3. Shri. Shanil Lal L – Member

iii. The Committee met once during the year 2023-24.

III. Stakeholders Relationship Committee:

i. Terms of Reference:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.



4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

ii. **Composition:**

The Committee comprised of the following members

1. Smt. Archana K – Chairperson
2. Dr. Bharat J. Kanabar – Member
3. Shri Shanil Lal L – Member and CS, HOCL will be the Secretary to the Committee

iii. **The Committee met once during the year 2023-24.**

IV. **Share Transfer Committee:**

As required under the Companies Act, 2013, the company has a Share Transfer Committee which was re-constituted comprising the following members.

1. Shri Shanil Lal L – Chairman
2. Dr. Bharat J. Kanabar – Member
3. Smt. Archana K – Member and CS, HOCL will be the Secretary to the Committee

Share transfer system:

In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transfer of securities held in physical mode has been discontinued w.e.f. April 01, 2019. The Shares of HOCL are compulsorily traded in Demat form. All requests for transmission of shares received are processed by the Share Transfer Agent. The Company's Share Transfer Committee is authorized to approve the transfer securities as and when they are received from the company's Registrar and Transfer Agents [viz. RTAs]. All the correspondence with the shareholders and investors are duly carried out on behalf of the company by the company's RTAs.

The letters received from the investors were attended/resolved to the satisfaction of investors. The transfers of shares if any were affected within the stipulated time.

Summarized information on complaints received and resolved during 1st April, 2023 to 31st March, 2024:

SI.No.	Nature of Complaint	Received	Redressed	Pending as on 31.03.2024
1.	Non-receipt of Dividend	NIL	NIL	NIL
2.	Non-receipt of shares lodged for transfer	NIL	NIL	NIL
3.	Others (N/R of Annual Report, etc.).	NIL	NIL	NIL

Please note that the grievances, if any, have been redressed within 30 days of the receipt thereof.

IV. **Risk Management Committee: Not Applicable**

V. **Senior Management : Not Applicable**



4. Details of Remuneration Paid to the Directors for the year 2023-2024: (Amount in Lakhs)

Name	Salary Including benefits Amount	Sitting fees to NEID	Total
Smt. Archana K	-	0.65	0.65
Dr. Bharat J Kanabar	-	0.65	0.65

The Executive Directors have been appointed by the President of India for a period of 5 years or till attaining the age of superannuation, whichever is earlier. The appointment may be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.

The company has not issued any stock options.

- i. **Non-executive Directors:** The Company does not pay any remuneration to non-executive Directors. The company pays Sitting Fees of Rs.5000/- per meeting for Independent Directors for attending each meeting of the Board & Committees.
- ii. Independent Directors does not hold any shares in the Company.
- iii. **Performance evaluation criteria for Independent Directors:** Not Applicable, being a Govt. PSU, all the Board of Directors are appointed by the Government. The performance evaluation of all the Directors including Independent Directors is done by the Department of the Central Government or Ministry, which is administratively in charge of the company.

5. Annual General Meetings

The last three Annual General Meetings of the company were held as under:

Particulars	FY-2020-21	FY-2021-22	FY-2022-23
Date	24.09.2021	27.09.2022	25.09.2023
Time	3.00 P.M.	3.00 P.M.	3.30 P.M.
Venue	Through VC/OAVM	Through VC/OAVM	Through VC/OAVM
Special Resolution	No	Yes	Nil

6. Postal Ballot

- I. Whether any special resolution passed last year /during the year through postal ballot – No
- II. During the year 2023-24, No Special Resolutions were passed.

7. Disclosures:

- There was no materially significant related party transaction with its Directors/or the management of Subsidiary or relatives that may have potential conflict with the interests of Company at large.
- There was no case of Non-compliance by the Company of Statutory Provisions of the Companies Act, 2013 or SEBI regulation or any other Statutory Authority. Further, these authorities have never passed any structure of imposed any penalties on the Company on any matter related to capital markets during the last three years.
- Whistle Blower policy: Your Company has instituted procedures for the receipt, retentions and dealing with complaints. Nonetheless no personnel have been denied access to the Audit Committee.



- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause are provided in this report.

8. Means of Communication:

- Quarterly results: These Quarterly, half-yearly reviewed and annual audited financial results of the Company are also submitted to the Stock Exchanges immediately after they are approved by the Board.
- Newspapers wherein results normally published: The results are published in a Regional Language (Telugu) News Papers (Mana Telangana) and English National Daily (Financial Express) as per the requirements under the Listing Regulations with the Stock Exchanges.
- Website, where displayed: The quarterly, half-yearly reviewed and annual audited financial results are regularly posted by the Company on its website: www.hfl.co.in
- Whether it also displays official news releases; — No
- Presentations made to institutional investors or to the analysts. – No
- Management Discussion and Analysis Report forms part of this Annual Report.
- Whenever a Director is appointed or re-appointed, Stock Exchanges are intimated through Fax/ Speed Post/Courier Service. - Yes, through on line filing of the e-filing portal of the Exchange– BSE.

9. General Shareholder Information:
I. Compliance Officer:

Mrs. Nagalakshmi is the Compliance Officer of the Company under Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Registered Office	303, Babukhan Estate, Basheerbagh, Hyderabad-1
Annual General Meeting	25th September-2024
Tentative Financial Calendar	1 st Un-audited Quarter Results on or before 14 th August of the year 2 nd Un-audited Quarter Results on or before 14 th November of the year 3 rd Un-audited Quarter Results on or before 14 th February of the year 4 th Un-audited Quarter Results on or before 15 th May of the following year / or Annual Audited Results on or before 30 th May of the following year
Date of book closure	(For the purpose of Annual General Meeting) September 18, 2024 to September 24, 2024 (both days inclusive)
Dividend payment date (tentative)	N.A
Listing on Stock Exchanges	Bombay Stock Exchange (BSE) Scrip Code: 524013
Registrar & Transfer Agents	M/s KFin Technologies Private Limited Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032



II. Market Price Data

Scrip Code: 524013

Scrip Id: HINFLUR

The high/low prices of Equity shares traded month wise as available at BSE site are stated here-under:

Month	Open Price	High Price	Low Price	Close Price
April, 2023	9.19	10.70	8.16	10.26
May, 2023	10.20	11.29	9.02	9.89
June, 2023	10.30	10.70	9.25	9.48
July, 2023	9.83	15.50	9.20	12.73
Aug, 2023	12.30	16.39	11.61	15.11
Sept, 2023	15.10	16.00	13.16	13.22
Oct, 2023	13.87	14.75	12.83	12.75
Nov, 2023	12.25	14.68	12.00	13.63
Dec, 2023	13.51	20.74	13.00	20.74
Jan, 2024	21.75	22.08	17.86	19.85
Feb, 2024	20.40	22.07	18.10	18.22
Mar, 2024	18.00	19.78	14.41	16.23

III. Distribution of Shareholding

Distribution of Shareholding as on 31/03/2024 (TOTAL)

Distribution Schedule As On 31/03/2024 (Total)

S.No.	Category	Cases	% of Cases	Amount	% Amount
1	1 - 5000	16192	91.63	24174800.00	12.33
2	5001 - 10000	850	4.81	7130050.00	3.64
3	10001 - 20000	334	1.89	5045280.00	2.57
4	20001 - 30000	105	0.59	2655330.00	1.35
5	30001 - 40000	42	0.24	1489040.00	0.76
6	40001 - 50000	40	0.23	1881630.00	0.96
7	50001 - 100000	53	0.30	3724430.00	1.90
8	100001 & Above	56	0.32	149890440.00	76.48
	Total:	17672	100.00	195991000.00	100.00

IV. Dematerialisation of Shares & Liquidity:

The shares of the Company are compulsorily traded in Dematerialized mode. To facilitate the shareholders to dematerialize the shares, the Company has signed the agreement with both i.e. National Securities depositories Limited (NSDL) and Central Depositories Services (India) Ltd., (CDSL) under ISIN No. INE806J01013.

87.38% of the Share Capital of the Company is in Demat Form as on 31st March, 2024.



V. Share Holding Pattern as on 31st March, 2023 was as under:

Statement showing shareholding pattern of the Promoter and Promoter Group					
Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of Shares Held	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 As a % of (A+B+C2))
(1)	Indian				
(a)	Individuals/Hindu undivided Family	0	0	0	0.00
(b)	Central Government/State Government(s)	1	11060000	11060000	56.43
	HINDUSTAN ORGANIC CHEMICALS LIMITED	1	11060000	11060000	56.43
(c)	Financial Institutions/Banks	1	870000	870000	4.44
	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION	1	870000	870000	4.44
(d)	Any Other	0	0	0	0.00
	Sub-Total (A)(1)	2	11930000	11930000	60.87
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00
(b)	Government	0	0	0	0.00
(c)	Institutions	0	0	0	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00
(e)	Any Other	0	0	0	0.00
	Sub-Total (A)(2)	0	0	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2	11930000	11930000	60.87



Statement showing shareholding pattern of the Public shareholder					
Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 As a % of (A+B+C2))
(1)	Institutions				
(a)	Mutual Funds	0	0	0	0.00
(b)	Venture Capital Funds	0	0	0	0.00
(c)	Alternate Investment Funds	0	0	0	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00
(e)	Foreign Portfolio Investors	0	0	0	0.00
(f)	Financial Institutions/Banks	1	1200	1200	0.01
(g)	Insurance Companies	1	97909	97909	0.50
(h)	Provident Funds/Pension Funds	0	0	0	0.00
(i)	Qualified Institutional Buyer				
	Sub Total (B)(1)	2	99109	99109	0.51
(2)	Central Government/State Government(s)/ President of India	0	0	0	0.00
	Sub Total (B)(2)	0	0	0	0.00
(3)	Non-Institutions				
(a)	KMP	3	21	21	0.00
	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	17038	4660084	4660084	23.78
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	18	2029555	2029555	10.36
(b)	NBFCs Registered with RBI	0	0	0	0.00
(c)	Employee Trusts	0	0	0	0.00
(d)	Overseas Depositories (Holding DRs) (Balancing figure)	0	0	0	0.00
(e)	Any Other				
	Trusts	1	100	100	0.00
	Non-resident Indians	297	151257	151257	0.77
	Clearing members	0	0	0	0.00
	Non-resident Indian non repatriable	0	0	0	0.00
	Bodies corporates	88	264042	264042	1.35
	HUF	75	464932	464932	2.37
	Sub Total (B)(3)	17520	7569991	7569991	38.62
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	17522	7669100	7669100	39.13
	Total Shareholding(C) = Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) +Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	17524	19599100	19599100	100.00



10. **Listing Fees:** Listing fees for the year 2023-24 have been paid in full to BSE Ltd.
11. **Share Transfer System:** Pursuant to Regulation 40(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the securities can be transferred only in dematerialized form w.e.f. 01st April, 2019 (except in case of Transmission or Transposition of Securities).
12. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: - Nil/None.
13. Commodity price risk or foreign exchange risk and hedging activities: - Nil/None
14. Plant location: - Rudraram PO, Kandi Mandal, Sangareddy District, Telangana. As per CCEA directions, the plant has been shut down and the company is in the process of closure.
15. Other disclosures:
 - There was no materially significant related party transaction with its Directors/or the Management or Subsidiary or relatives that may have potential conflict with the interests of Company at large.
 - Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; - None during the year 2023-24.
16. **Prevention of Insider Trading:** The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary of the company is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.
17. **The Board:** A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties. Chairman of HFL is non-executive and no reimbursement of expenses are provided.
18. **Shareholder Rights:** A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders. – Yes- Through placing on company website & uploading on BSE portal regularly/quarterly/half yearly/yearly.
19. **Modified Opinion(s) in Audit Report:** Company has complied with the same and have reported un-modified opinion on the Annual Audited Financial Statements for the year 2023-24
20. **Separate posts of chairperson and chief executive officer:** The Company has a non-executive Chairman.



- 21. Reporting of internal auditor:** The internal auditor reports directly to the audit committee and the Company has made adequate disclosures required under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.
- 22.** Details of unclaimed Shares: Nil
- 23. Secretarial Audit Report:** The Board has appointed M/s Mehta & Mehta, Company Secretaries LLP to conduct Secretarial Audit for the FY 2023-24. The Secretarial Audit Report for the Financial Year ended March 31, 2024 is annexed to this Report as Annexure and complied with Section 204 of Companies Act and Regulation 24A of SEBI LODRRs, the replies to observations from Auditor forms part of the Directors Report. The Company also obtained Annual Secretarial Compliance Report from M/s ARS & Associates, Company Secretaries LLP (LLPIN: AAG 3978) for the year 2023-24.
- 24.** Compliance of DPE Guidelines on Corporate Governance for the CPSEs: Company (HFL) being a CPSU is required to comply the Department of Public Enterprise (DPE) set out guidelines on Corporate Governance. The quarterly self-evaluation report of DPE Corporate Governance Guidelines shall be submitted in online mode. As HFL is in the process of closure no login credentials have been created by DPE. Accordingly, HFL requested DPE to provide exemption from submission of quarterly reports and the same is under consideration of DPE.
- 25.** Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount: HFL had availed loan from parent company; HOCL. The details are provided below.

Name of company	Amount of Loan Rs. In lakhs (As on 31.03.2024)
Hindustan Organic Chemicals Limited (Principal + interest)	4272.13

For Hindustan Fluorocarbons Limited

Sd/-
SUBRAMONIAN H
Company Secretary

Place: Kochi, Kerala

Date: 07.08.2024

**COMPLIANCE OFFICER'S RESPONSIBILITY STATEMENT:**

The Compliance Officer confirms as on 31st March, 2024 that the Company has:

- Maintained all the applicable Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and rules made hereunder.
- Filed all forms and returns and furnished necessary particulars in time to Registrar of Companies (ROC) and/or Authorities as required under the Act.
- Issued all notices as required to be given for convening the meeting of the Board of Directors and General Meetings of the shareholders within the time limits prescribed by the law.
- Conducted the meetings of the Board of Directors and Annual General Meeting as per the provisions of the Act.
- Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors and the shareholders.
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the directors.
- Obtained necessary approvals of the directors, shareholders, Central Government and other authorities as per the statutory requirements.
- Has not given loans or made investments in accordance with the requirements of the Act.
- Not exceeded the borrowing powers of the company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the ROC- None during the year under review
- Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into with the Stock Exchanges.
- The company has also complied with the requirements prescribed by Securities and Exchange Board of India (SEBI) and other statutory authorities and also the requirements under the Act and related statutes in force.

Sd/-

SUBRAMONIAN H
Company Secretary

Place: Kochi, Kerala

Date: 19.07.2024

**CEO AND CFO CERTIFICATION**

To,
The Board of directors
Hindustan fluorocarbons limited
Babukhan Estate, Basheerbagh,
Hyderabad, Telangana – 500 001.

In compliance with Regulation 17(8), 33(2)(a) read with Schedule II Part B of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 we certify that:

- a) We have reviewed audited financial statements/financial results and the cash flow statement for the year ended 31st March, 2024 pertaining to Hindustan Fluorocarbons Limited and that to the best of our knowledge and belief:
 - i. These statements do not contain any false or materially untrue statement or misleading statements or figures and do not omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year ended 31st March, 2024 which are fraudulent, illegal or in violative of the listed entity's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design of operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i. that there are no significant changes in internal control over financial reporting during the year 2023-24;
 - ii. that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. that no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-

SAJEEV B

Chairman and Managing Director

DIN: 09344438

Sd/-

P.O. LUISE

Chief Financial Officer

Place: Kochi, Kerala

Date: 20.05.2023

**CERTIFICATE OF CORPORATE GOVERNANCE**

Under Regulation 34(3) read with Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To,

The Members of

Hindustan Fluorocarbons Limited

(CIN: L25206TG1983PLC004037)

We have examined all the relevant records of **Hindustan Fluorocarbons Limited** (the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') for the period commencing from **1st April, 2023** and ended on **31st March, 2024**. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance wherever possible as stipulated in the SEBI Listing Regulations for the Financial Year ended on 31st March, 2024 as well as the guidelines issued by DPE on Corporate Governance.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For ARS & Associates Company Secretaries LLP

Date: 07th August, 2024

Place: Hyderabad

Sd/-

Dafthardar Soumya

Designated Partner

ACS No.29312

C P No.:13199

UDIN: F011754F000800729

**Form No. MR-3****SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hindustan Fluorocarbons Limited
CIN: L25206TG1983PLC004037
303, Babukhan Estate,
Basheerbagh, Hyderabad,
Telangana – 500001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Fluorocarbons Limited** (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliance and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(during the period under review not applicable to the Company);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(during the period under review not applicable to the Company);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(during the period under review not applicable to the Company);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(during the period under review not applicable to the Company);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**
- (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

We have examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by the Institute of Company Secretaries of India;
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- III. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except

As per the requirement stated in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015), the Company has not maintained Structured Digital Database (“SDD”) for the Financial Year ended 2023-2024.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



Board / Committee decisions were carried through requisite majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a) **The Company received exemption order dated September 12, 2023 issued by SEBI with regard to Delisting of HFL under Regulation 35 of SEBI (Delisting of Equity Shares) Regulations, 2021.**
- b) **Shri Ram Sajeevan, Director, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India, who was appointed as Government Nominee Director on the board dated 18th March, 2024 for a period of three years or till the date of superannuation or till further orders whichever is earlier in place of Shri Awijit Rakshit.**
- c) **Superannuation of Shri T P Sachidanandan, HOCL Nominee Director on the board w.e.f. 17th May, 2023.**
- d) ***Company is under the process of closure and not undertaking any business. Accordingly, on 08.10.2023 the Company has filed application seeking exemption from compliance of Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India and filing Quarterly/annual Compliance Report on Corporate Governance to DPE and the same is under consideration of DPE.***

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-

Atul Mehta

Partner

FCS No.5785,

C P No.:2486

PR No.: 3686/2023

UDIN: F005782F000897849

Date: 05.08.2024

Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

**Annexure A**

To,
The Members,
Hindustan Fluorocarbons Limited,
303, Babukhan Estate,
Basheerbagh, Hyderabad - 500 001

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred in Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- 7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-

Atul Mehta

Partner

FCS No.5785,

C P No.:2486

PR No.: 3686/2023

UDIN: F005782F000897849

Date: 05.08.2024

Place: Mumbai

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Hindustan Fluorocarbons Limited
CIN: L25206TG1983PLC004037
303, Babukhan Estate, Basheerbagh,
Hyderabad, Telangana – 500001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hindustan Fluorocarbons Limited** having CIN L25206TG1983PLC004037 and having registered office at 303, Babukhan Estate, Basheerbagh, Hyderabad, Telangana–500001 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending as on 31st March, 2023 have not been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

S.No.	Name of Directors	DIN	Date of Appointment in the Company
1	Shri. Sajeev Bhaskaran	09344438	22/09/2021
2	Shri. Shanil Lal Lalappan	09660092	01/07/2022
3	Smt. Kesarkar Archana	09461596	06/01/2022
4	Shri. BharatkumarJashvantrai Kanabar	09466694	28/01/2022
5	Shri. Yogendra Prasad Shukla	09674122	04/08/2022
6	Shri. Ram Sajeevan	10652184	18/03/2024

Ensuring the eligibility of Directors, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ARS & Associates Company Secretaries LLP

Date: 29th May, 2024
Place: Hyderabad

Sd/-
D Soumya
Designated Partner
FCS. No: 29312
C.P. No: 13199

UDIN: F011754F000486789



To,

The Board of Directors,

Hindustan Fluorocarbons Limited

(CIN: L25206TG1983PLC004037)

303, Babukhan Estate,

Basheerbagh, Hyderabad,

Telangana - 500001

BSE CODE: 524013

Sub: Annual Secretarial Compliance Report for the Financial Year 2023-24

Dear Sir,

We have been engaged by Hindustan Fluorocarbons Limited (hereinafter referred to as the "Company") bearing CIN: L25206TG1983PLC004037 whose equity shares are listed on BSE Limited to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019 and to issue the Annual Secretarial Compliance Report thereon.

It is responsibility of the management of the company to maintain records, devise proper systems to ensure compliance with the provisions of all the applicable SEBI Regulation and Circulars/Guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the company with provisions of all applicable SEBI Regulations and Circulars / Guidelines issued from time to time and issue a report thereon.

Our audit was conducted in accordance with Guidance note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered and necessary and adequate for the said purpose. Annual Secretarial Compliance Report is enclosed.

For **ARS & Associates Company Secretaries LLP**

Sd/-

D Soumya

Designated Partner

C P No: 13199

FCS. No. 11754

UDIN: **F011754F000482147**

Peer Review Cert. No: 2661/2022

Date: 29th May, 2024

Place: Hyderabad

**SECRETARIAL COMPLIANCE REPORT OF HINDUSTAN FLUOROCARBONS LTD****(CIN:L25206TG1983PLC004037)****for the year ended 31st March, 2024****(Pursuant to SEBI circular CIR/CFD/CMD1/27/2019 dated 08.02. 2019)**

To,

The Board of Directors,

Hindustan Fluorocarbons Limited**(CIN: L25206TG1983PLC004037)**303, Babukhan Estate,
Basheerbagh, Hyderabad,
Telangana - 500001

We have examined:

- (a) all the documents and records made available to us and explanation provided by Hindustan Fluorocarbons Limited CIN: L25206TG1983PLC004037 (hereinafter called as the "listed entity"),
- (b) the filings/ submissions made by the listed entity to the stockexchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2024(hereinafter called as the "Review Period") in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018;**Not applicable as there was no reportable event during the financial year under review**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable as there was no reportable event during the financial year under review**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations,2021;**Not applicable as there was no reportable event during the financial year under review**



- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;**Not applicable as Company has not issued and listed any debt securities during the financial year under review**
- (g) Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares)Regulations,2013;**Not applicable as Company has not issued and listed any preference shares during the financial year under review**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the period under Review:

- (a) **The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:**

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Nil										

- (b) **The listed entity has taken the following actions to comply with the observations made in previous report for the period ended 31st March, 2023:**

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	SEBI (LODR) Regulations 2015	Reg. 17(1)	Non-Appointment of Women Director and Composition of Board	BSE issued notice dated Nov. 21, 2022 for Quarter ended September 30, 2022; February	Fine	NIL	Rs.5,42,800 Rs.3,54,000 Rs.5,31,000 for respective quarters	Administrative Ministry vide order dated 24th December, 2021 appointed Smt. Archana K., as Non-Official Independent	The Company has complied with the requirements of Regulation 17 of LODR	Company has replied to BSE giving clarification and explanation and



Sr. No	Compliance Requirement Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
				21, 2023 for Quarter ended December 31, 2022 and May 22, 2023 for Quarter ended March, 2023				Director on the Board of HFL. Subsequently, the holding company, HOCL also had appointed one of its Independent Director, Dr. Bharat J Kanabar as HOCL Nominee Independent Director on the Board of HFL, w.e.f 28th January, 2021 in pursuance of its powers given under the (Article 77) Articles of Association of HFL. Accordingly, HFL has women director in its Board. Therefore, HFL has complied with the regulation 17(1) with regard to appointment of women director.		requesting for wavier of fine levied.



Sr. No	Compliance Requirement Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
2	SEBI (LODR) Regulations 2015	Reg. 27(2)	Composition of Board	Notice dated Jan. 23, 2023 for the Quarter ended 31 st December, 2022 in Corporate Governance Report	Rectification	NIL	NIL	Company comprises of two Independent Directors which is one-third of total strength of the Board (i.e $7 \times \frac{1}{3} = 2.33$, any fraction shall be rounded off)	The Company has complied with the requirements of Regulation 27(2) of LODR	Company has replied to BSE giving clarification and explanation regarding composition of board and requesting for taking on record and not to levy fine.

We also report that in terms of the circulars issued by BSE Limited and National Stock Exchange of India Limited on March 16, 2023 respectively, we also affirm the following(s):

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> ➤ All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities ➤ All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI 	Yes Yes	None None



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> ➤ The Listed entity is maintaining a functional website ➤ Timely dissemination of the documents/ information under a separate section on the website ➤ Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website. 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>None</p> <p>None</p> <p>None</p>
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	<p>Yes</p>	<p>None</p>
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: <ul style="list-style-type: none"> (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries. 	<p>Yes</p> <p>Yes</p>	<p>None</p> <p>None</p>
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	<p>Yes</p>	<p>None</p>
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	<p>Yes</p>	<p>None</p>
8.	Related Party Transactions: <ul style="list-style-type: none"> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) In case no prior approval obtained, the Company shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit Committee. 	<p>Yes</p> <p>NA</p>	<p>None</p>



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	None
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/ circular/guidance note etc.	Yes	None

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	No such case observed during the year
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	No such case observed during the year
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation has issued the limited review / audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	No such case observed during the year



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
2.	<p>Other conditions relating to resignation of statutory auditor</p> <p>i. Reporting of concerns by Auditor with respect to the listed entity / its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity /material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee /Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	<p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p>	<p>No such case observed during the year</p> <p>No such case observed during the year</p> <p>No such case observed during the year</p> <p>No such case observed during the year</p>



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No such case observed during the year

***Note :** The Company has received letter from Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals dated vide file no. 9-51015/06/2019-Ch.III dated 29/01/2020 informing the decision of Cabinet Committee on Economic Affairs (CCEA) directing Closure of Operations of Hindustan Fluorocarbons Limited. HFL submitted application to SEBI to proceed with Delisting in accordance with Regulation 35 of SEBI (Delisting of Equity Shares) Regulations, 2021 pertaining to delisting of small companies and requested SEBI to provide relaxation from the applicability of Regulation 35(1)(a) & (b) and 35(2)(d). Vide order dated 12th September 2023, SEBI granted exemptions from the applicability of Regulation 35(1)(a) & (b) and 35(2)(d).

For **ARS & Associates Company Secretaries LLP**

Sd/-

D Soumya

Designated Partner

C P No: 13199

FCS. No. 11754

UDIN: **F011754F000482147**

Peer Review Cert. No: 2661/2022

Date: 29th May, 2024

Place: Hyderabad

**INDEPENDENT AUDITOR'S REPORT**

To
The Members of
M/s Hindustan Fluorocarbons Limited
Hyderabad

Report on the Audit of Ind AS Financial Statements:**Opinion:**

1. We have audited the accompanying financial statements of **M/s Hindustan Fluorocarbons Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, Cash Flow Statement and Statement of changes in Equity for the year ended on that date and notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, and read with our comments below under the para 'Material Uncertainty relating to Going Concern', the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the said Company as at 31st March, 2024, the Loss for the year ended on that date including other Comprehensive Income, change in Equity and its Cash Flow for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Material Uncertainty related to Going Concern

4. Attention is drawn to Note 29 to the Notes of Accounts wherein there is disclosure regarding the decision of the Cabinet Committee on Economic Affairs to close the operations of the Company which has been communicated to them through letter dated 29th Jan, 2020 from Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Govt of India vide File No. 51015/06/2019 together with timelines for implementation of the said directions, the process of which is being initiated by the Board.



In this regard, while noting the above, in our view considering the decision of the Government to close the operations of the Company and the steps taken by the Company including grant of Interest Free Unsecured Loan for settling various liabilities by the GoI, receipt of the same, significant payments being made out of the total estimated liabilities by the year end, plan of action for balance payments, initiation of follow up measures regarding various legal cases filed by/against the Company and its follow up, adoption of applicable Ind AS 105 in the books of account, there is material uncertainty relating to Going Concern and the Company is no longer a Going Concern Entity.

Emphasis of Matter

5. We draw attention to Note No.2(a) in the Notes to Accounts regarding the decision of the Government of India to close the operations of the Company resulting in the Company ceasing to be a Going Concern entity and the adoption of applicable Accounting Standard Ind-AS 105 'Non Current Assets held for Sale or Discontinuing Operations'. Accordingly, the Company had re-classified the assets which are part of disposal group as 'assets held for sale' at its carrying cost without providing for any pro-rata depreciation in the absence of any specific cut off date being adopted for the purpose which is not determinable. Our opinion is not modified in this regard.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Ind AS Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, including other comprehensive income, cash flows and Statement of changes in Equity of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating



effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - ◆ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ◆ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- ◆ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in
 - (i) planning the scope of our audit work and in evaluating the results of our work; and
 - (ii) to evaluate the effect of any identified misstatements in the financial statements.
 13. We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.
 14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company, and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to Financial Statements.
- g) The Company did not pay any remuneration to its Directors during the year. Accordingly, we have nothing to report u/s 197(16) of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company had disclosed the impact of pending litigations as on 31st March, 2024 on its financial position in its Ind AS financial statements;
 - ii. The Company had made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contract. The Company neither entered into any derivative contracts during the year nor have any outstanding derivative contract at the end of the year;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding, whether writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries” or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) or Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company had not declared or paid any dividend during the year under report. Accordingly, we have nothing to report with regard to compliance of provisions of Section 123 of the Act



- i) As required under section 143(5) of the Companies Act, we report that:
- i. As per the information, explanations and records produced for our verification, the Company has a system in place to process all the accounting transactions through IT system and there are no instances of processing of accounting transactions outside the IT system;
 - ii. During the year under review, there are no instances of any restructuring of existing loan availed by the Company or cases of waiver/write off of debts/loans/interest made by a Lender to the Company except interest waiver for loan taken from the HOCL with effect from 01-04-2023 on account of company's inability to repay the loan;
 - iii. As per the information, explanations and records produced for our verification, as a part of closure direction given by Gol, an amount of Rs.7720 Lakhs was sanctioned by Gol as Interest Free Term Loan to be exclusively utilized for closure related expenditure including (a) implementation of VRS/VSS for HFL employees, their dues, statutory dues, payment to suppliers/contractors/ utilities dues and repayment of SBI working capital loan (b) salary/wages and administrative expenses of HFL's skeletal staff to be temporarily retained for completing the closure of HFL for two years.

Following table shows the said Interest Free Loan amount sanctioned, received and spent upto 31-03-2024 for the said purpose against each head of expenditure *(Amt. in Lakhs)*

Sl. No.	Particulars of Fund requirements for closure	Estimated Amount	Amount Released	Actual amount spent upto 31.03.2024	Amount yet to be spent
1	Implementation of VRS / VSS	2350	2232	1763	469
2	Payment of salary/ wages and statutory dues of employees	2000	1840	1793	47
3	Payment of wage revision arrears (1997 & 2007)	1430	1430	1415	15
4	Provision for salary/wages and administrative expenses of skeletal staff to be retained for implementation of closure plan (for 2 years @ 350 Lakhs per year)	700	967	967	0
5	Suppliers / Contractors dues	525	403	204	199
6	Working capital cash credit (SBI)	515	515	515	0
7	Water & Electricity dues	200	200	84	116
	Total	7720	7587	6741	846



Considering the timelines given for the purpose, as could be seen from the above, there was delay in spending the amounts, particularly in case of Suppliers/Contractor Dues, Water & Electricity Dues, Implementation of VRS as well as Payment of Salaries/Wages/Statutory Dues of employees

17. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **AVRSK AND ASSOCIATES LLP**
Chartered Accountants
FRN: 003028S/S000113

Sd/-
CA G.K. BABU
Designated Partner
Membership No. 213273
UDIN : 24213273BKAKHN1935

Date: 20.05.2024
Place: Hyderabad

**“Annexure – A” to the Independent Auditor’s Report of even date on the Ind AS Financial Statements of M/s Hindustan Fluorocarbons Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. We have audited the internal financial controls with reference to Financial Statements of **M/s Hindustan Fluorocarbons Limited** (“the Company”) as of 31st March, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Financial Statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.
3. The Company’s Management has in present financial year amongst other areas has specifically identified the following areas (i) Property Plant & Equipment (ii) Loans (iii) Trade Receivables (iv) Other Financial Liabilities (v) Trade Payables; and (vi) Provisions, as a benchmark criteria for establishing Internal Financial Controls with reference to Financial Statements.

Auditors’ Responsibility

4. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness.
6. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.



7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

8. A Company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

9. Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

10. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **AVRSK AND ASSOCIATES LLP**
Chartered Accountants
FRN: 003028S/S000113

Sd/-
CA G K BABU

Designated Partner
Membership No. 213273
UDIN : 24213273BKAKHN1935

Date: 20.05.2024
Place: Hyderabad

**“Annexure B” to the Independent Auditors Report**

(Referred to in paragraph 18 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of the M/s Hindustan Fluorocarbons Limited for the year ended 31st March, 2024)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

- i. In respect of the property, plant and equipment of the Company
 - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
B. The Company had written off Intangible assets during the Financial year 2021-22.
 - (b) Fixed Assets comprising of Property, Plant & Equipment have been physically verified by the management at reasonable intervals in accordance with its phased programme designed to cover all the assets by physical verification over a period of one to five years, which in our opinion, is reasonable having regard to the size of the Company and nature of assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the Company
 - (d) Accounting in respect the property, plant and equipment of the Company were made in accordance with the applicable provisions of the Ind-AS 105 ‘Assets held for Sale’ which is being followed consequent to the decision to close the Company
 - (e) There are no proceedings which were either initiated or pending against the Company for holding any benami properties under the Benami Transactions (Prohibition) Act 1988
- ii.
 - (a) The management has conducted the physical verification of inventories at reasonable intervals. In our opinion, the coverage & procedure of such verification is appropriate. The discrepancies noticed on physical verification of the inventory as compared to book records are not more than 10% and those have been properly dealt in the books of account.
 - (b) The Company was not sanctioned any Working Capital Loan during the year under review on the basis of current assets. Hence the provisions of Clause 3(ii)(b) are not applicable.
- iii. The Company has not made any investments in, or provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the period under review. Accordingly, the provisions of Clause 3(iii)(a) to Clause 3 (iii)(f) of the said Order are not applicable for the Company during the year under review
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.



- v. According to information and explanation given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of Paragraph 3 of the Order are not applicable to the Company
- vi. Going by the nature of the activities to be undertaken by the Company, maintenance of Cost Records specified under sub-section (1) of Section 148 of the Act are required to be maintained. However, the Company was ordered to be closed by the directions of the Central Govt and hence no manufacturing activity was carried out by the Company during the year under review
- vii. (a) The Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, GST, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024.
(b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or GST have not been deposited on account of any dispute.
- viii. There are no transactions recorded in the books which have been surrendered or disclosed as Income during the year in the Tax Assessments under Income Tax Act.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to Govt. of India, Ministry of Chemicals & Fertilizers (Dept. of Chemicals and Petrochemicals). However, as per the directions given by the Gol relating to closure proceeds, this existing loan of Rs.1580 Lakhs together with interest needs to be settled from the sale proceeds of the assets of the Company.

Nature of borrowing	Name of Lender	Amount not paid on Due date	Whether Principal or Interest	No. of days delay or unpaid	Remarks, if any
Loan for manufacture of MPTFE & refurbishment of P&M	Govt. of India	Rs.1580 Lakhs	Principal & Interest upto 31.03.2019	Unpaid since 2015-16	As part of closure order, interest on this loan frozen upto 31.03.2019 and this has to be paid out of sale proceeds of assets of the Company

- (b) Company had not been declared a Wilful Defaulter by any Bank.
- (c) There are no Term Loans which were raised by the Company.
- (d) There are no instances of any short term funds raised which were used for Long Term purpose.
- (e) There are no funds which are raised by the Company to meet the obligations of any other entities.
- (f) Company had not raised any loans on the pledge of any securities held.
- x. (a) During the year under review, Company had not raised any moneys by way of initial public offer or term loans from any Banks/Financial Institutions. However, as a part of closure



direction given by GoI, an amount of Rs.7720 Lakhs was sanctioned by GoI as Interest Free Unsecured Loan to the Company to be exclusively utilized for closure related expenditure including (a) implementation of VRS/VSS for HFL employees, their dues, statutory dues, payment to suppliers/contractors/ utilities dues and repayment of SBI working capital loan (b) salary/wages and administrative expenses of HFL's skeletal staff to be temporarily retained for completing the closure of HFL for two years.

The Company had received an amount of Rs.7,587 Lakhs (Rs.7,370 Lakhs during FY 2020-21 & Rs. 217 Lakhs during FY 2021-22) as Interest Free Term Loan, out of which an amount of Rs.6,741 Lakhs was utilized till 31.03.2024 for the purpose towards implementation of VRS/VSS, payment of salaries/wages/ statutory dues of employees, wage revision arrears, suppliers dues, repayment of entire Working Capital loan, Water & Electricity Dues as well as salaries/wages of skeletal staff.

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xi. (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year. Accordingly, there are no instances of filing of Form ADT-4 as prescribed during the year under review.
(b) As per the information and explanations given to us, there are no instances of any Whistle Blower complaints received during the year.
- xii. As the Company is neither carrying on business of Nidhi nor reported as a Nidhi company, paragraph 3(xii) of the order is not applicable.
- xiii. The transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the reports of the Internal Auditor while framing our report.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the paragraph 3(XV) of the order is not applicable.
- xvi. (a) The Company is not carrying on the business of Non- Banking Finance and hence the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) The Company did not conduct any Non Banking Financial or Housing Finance activities
(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India



- xvii. The Company had incurred cash profit during the current financial year and cash losses in the preceding financial year, amounting to Rs. 122.72 Lakhs and Rs. 511.31 Lakhs respectively.
- xviii. During the year under review, there has been no instance of any resignation of the Statutory Auditors. Hence the provisions of para (xviii) of the said Order are not applicable.
- xix. The Company, being a Govt Owned Entity was ordered to be shut down as per the directions of the Ministry of Chemicals & Petrochemicals and had granted Financial Assistance for the closure settlement related expenditure including implementation of VRS/VSS for employees, statutory dues payments, Bank Loan repayment, payment to various suppliers/utilities and the Company had cleared substantial portion of these liabilities and is in the process of clearing the balance obligations in this regard.

The Company is no longer a Going Concern Entity. Taking all these into consideration, we are of the opinion that Company's ability to meet its liability existing at the date of balance sheet are dependent on the amounts which they presently have (which are given for closure proceeds and are being utilized for the same) and in case if they fall short, Company again needs to take the financial assistance from the Ministry.

- xx. There are no amounts which are required to be spent in accordance with Section 135 of the Act by the Company by virtue of their regular losses. Accordingly, the provisions of para (xx) of the said Order is not applicable.
- xxi. The Company does not have any subsidiaries. Accordingly, the provisions of para (xxi) of the said Order is not applicable.

For **AVRSK AND ASSOCIATES LLP**
Chartered Accountants
FRN: 003028S / S000113

Sd/-
CA G K BABU

Designated Partner
Membership No. 213273
UDIN : 24213273BKAKHN1935

Date: 20.05.2024
Place: Hyderabad

**REPORT OF THE C&AG SUPPLEMENTARY AUDIT 2023-24****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN FLUOROCARBONS LIMITED FOR THE YEAR ENDED 31 MARCH, 2024**

The preparation of financial statements of Hindustan Fluorocarbons Limited, for the year ended 31st March, 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20th May, 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Hindustan Fluorocarbons Limited, for the year ended 31st March, 2024 under Section 143(6)(a) of the Act.

For and on behalf of the Comptroller and Auditor General of India

Sd/-

M S SUBRAHMANYAM

Director General of Commercial Audit
Hyderabad

Place: Hyderabad

Date: 06 June 2024

BALANCE SHEET AS AT 31st MARCH 2024

(Rs. in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
I ASSETS			
Non-current assets			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress		-	-
(c) Other Intangible assets		-	-
(d) Financial Assets		-	-
Total Non - Current Assets		-	-
Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade receivables	3	129.16	129.16
(ii) Cash and cash equivalents	4	60.33	262.35
(iii) Bank balances other than (ii) above	5	2,668.35	2,820.93
(iv) Others Financial Assets	6	178.73	10.98
(c) Other current assets	7	156.59	149.33
(d) Property, Plant & equipment held for sale	8	3,171.44	3,171.44
Total Current Assets		6,364.60	6,544.19
TOTAL ASSETS		6,364.60	6,544.19
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	9	1,961.46	1,961.46
(b) Other Equity			
i) Retained Earnings	10a	(11,822.49)	(11,945.21)
ii) Other comprehensive Income	10b	1,591.42	1,591.42
Total other equity		(10,231.07)	(10,353.79)
Total equity		(8,269.61)	(8,392.33)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(b) Provisions		-	-
Total Non - Current Liabilities		-	-
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	12,364.08	12,364.08
(ii) Trade payables			
Dues to micro and small enterprises		-	-
Dues to Others	12	5.86	15.94
(iii) Other financial liabilities	13	1908.21	1,910.83
(b) Provisions		-	-
(c) Other current liabilities	14	356.06	645.67
Total Current Liabilities		14,634.21	14,936.52
TOTAL EQUITY AND LIABILITIES (1+2+3)		6,364.60	6,544.19
General Information and Accounting Policies	1&2		

See accompanying notes forming part of the standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **AVRSK & Associates LLP**

of Hindustan Fluorocarbons Ltd.,

Chartered Accountants (FRN 003028S/S000113)

Sd/-

CA. G.K. BABU

Designated Partner

M No. 213273

UDIN No.24213273BKAKHN1935

Sd/-

SAJEEV B.

Managing Director & CEO

DIN No. 09344438

Sd/-

YOGENDRA PRASAD SHUKLA

Director

DIN No. 09674122

Sd/-

P.O. LUISE

Chief Financial Officer

Sd/-

SUBRAMONIAN H.

Company Secretary

Place: Hyderabad
Date: 20-05-2024Place: Kochi
Date: 20-05-2024


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024 (Rs. in lakhs)

Particulars	Notes	year ended March 31, 2024	year ended March 31, 2023
REVENUE			
Revenue from Sales		-	-
Other income	15	208.21	210.90
Total Income		208.21	210.90
EXPENSES			
Cost of materials consumed		-	-
Changes in inventories		-	-
Employee benefits expense	16	-	263.64
Finance costs	17	0.01	66.01
Depreciation and amortisation expense		-	-
Other expenses	18	85.48	392.56
Total Expenses		85.49	722.21
Profit / (Loss) from Discontinued Operations before tax		122.72	(511.31)
Tax expense		-	-
Profit / (Loss) from Discontinued Operations after tax		122.72	(511.31)
Profit / (Loss) from Continuing Operations before tax		-	-
Tax expense		-	-
Profit / (Loss) from Continuing Operations after tax		-	-
Profit / (Loss) for the Year		122.72	(511.31)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income / (loss) for the year		-	-
Total Comprehensive Income for the Year		122.72	(511.31)
Earnings per equity share (Face value of Rs. 10 each)			
a) Basic and Diluted - Discontinued Operations		0.63	(2.61)
b) Basic and Diluted - Continuing Operations		-	-
c) Basic and Diluted - Discontinued & Continuing Operations		0.63	(2.61)
Accounting Policies	2		
Notes to the Standalone Financial Statements	1&3-30		

As per our report of even date attached

For and on behalf of the Board of Directors

 For **AVRSK & Associates LLP**

of Hindustan Fluorocarbons Ltd.,

Chartered Accountants FRN 003028S / S000113

Sd/-

CA. G.K. BABU
 Designated Partner
 M No. 213273
 UDIN No.24213273BKAKHN1935

Sd/-

SAJEEV B.
 Managing Director & CEO
 DIN No. 09344438

Sd/-

YOGENDRA PRASAD SHUKLA
 Director
 DIN No. 09674122

Sd/-

P.O. LUISE
 Chief Financial Officer

Sd/-

SUBRAMONIAN H.
 Company Secretary

 Place: Hyderabad
 Date: 20-05-2024

 Place: Kochi
 Date: 20-05-2024

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024** (Rs. in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / Loss for the period before tax	122.72	(511.31)
Adjustments for:		
Depreciation & Amortization	-	-
Interest Income	(202.77)	(87.26)
Interest Expense	0.01	66.01
Remeasurements of the defined benefit liabilities / (asset)	-	-
Operating Cash Flows before Working Capital changes (A)	<u>(80.04)</u>	<u>(532.56)</u>
Adjustments for:		
(Increase)/Decrease in Inventories	-	140.06
(Increase)/Decrease in Trade receivables	-	-
(Increase)/Decrease in Other Financial Assets	152.58	(814.08)
(Increase)/Decrease in Other Current Assets	(7.26)	(5.97)
(Increase)/Decrease in Other Non Current Assets	-	-
Increase/(Decrease) in Trade Payables	(10.08)	(32.43)
Increase/(Decrease) in Other Financial Liabilities	(2.62)	56.45
Increase/(Decrease) in Other Current Liabilities & Provisions	(289.61)	(321.26)
Cash Generated from Operations (Working Capital Changes) (B)	<u>(156.99)</u>	<u>(977.23)</u>
Net Cash flow from Operating activities (1) (A+B)	<u>(237.03)</u>	<u>(1,509.79)</u>
CASH FLOW FROM INVESTING ACTIVITIES :		
Changes in Fixed Assets	-	1,538.16
Interest Income	35.02	145.20
Net Cash flow from / (used in) Investing activities	<u>35.02</u>	<u>1,683.36</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/Decrease in Secured Loans (Net of Repayments)	-	-
Increase/Decrease in Unsecured Loans (Net of Repayments)	-	-
Interest Paid	(0.01)	(66.01)
Net cash used in financing activities	<u>(0.01)</u>	<u>(66.01)</u>
Net Increase / Decrease in Cash and Cash Equivalents	(202.02)	107.56
Cash & cash equivalents at the beginning of the period	262.35	154.79
Cash & cash equivalents at the end of the period	<u>60.33</u>	<u>262.35</u>
Cash & cash equivalents as per above comprise of following		
a) Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	0.22	0.21
Deposits with original maturity of less than three months	60.11	262.14
b) Cash on Hand	0.00	0.00
Total	<u>60.33</u>	<u>262.35</u>

Previous year figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For **AVRSK & Associates LLP**

of Hindustan Fluorocarbons Ltd.,

Chartered Accountants FRN 003028S / S000113

Sd/-

Sd/-

Sd/-

CA. G.K. BABU

SAJEEV B.

YOGENDRA PRASAD SHUKLA

Designated Partner

Managing Director & CEO

Director

M No. 213273

DIN No. 09344438

DIN No. 09674122

UDIN No.24213273BKAKHN1935

Sd/-

Sd/-

Place: Hyderabad

P.O. LUISE

SUBRAMONIAN H.

Place: Kochi

Date: 20-05-2024

Chief Financial Officer

Company Secretary

Date: 20-05-2024



**Notes to the Standalone Ind AS financial statements
for the year ended 31st March , 2024**

3. Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Considered good -Secured	0.00	0.00
Considered good -Unsecured	129.16	129.16
Trade Receivables -credit impaired	31.65	31.65
Less: Provision for Doubtful Debts	(31.65)	(31.65)
Total	129.16	129.16

- (A) Balance standing to the debit/credit of parties is subject to confirmation by them and reviews by the Company.
 (B) Debts over due for a period exceeding six months includes towards case filed in High Court of Andhra Pradesh, which is pending amounting to Rs. 129.16 Lacs (2022-23: Rs 129.16 lakhs)

Trade receivable ageing schedule:

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Current year: 2023-24						
(i) Undisputed Trade Receivables - considered good	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Undisputed T.R. - which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables - considered good	0.00	0.00	0.00	0.00	129.16	129.16
(v) Disputed T.R - which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	31.64	31.64
Total	0.00	0.00	0.00	0.00	160.80	160.80
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	31.64	31.64
Net Amount	0.00	0.00	0.00	0.00	129.16	129.16
Previous year: 2022-23						
(i) Undisputed Trade Receivables - considered good	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Undisputed T.R. - which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables - considered good	0.00	0.00	0.00	0.00	129.16	129.16
(v) Disputed T.R - which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	31.64	31.64
Total	0.00	0.00	0.00	0.00	160.80	160.80
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	31.64	31.64
Net Amount	0.00	0.00	0.00	0.00	129.16	129.16


4. Cash and Cash Equivalents
(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with banks (of the nature of cash and cash equivalents)		
Current accounts	0.22	0.21
Deposits with original maturity of less than three months	60.11	262.14
Cash on hand	0.00	0.00
Total	60.33	262.35

5. Other Bank Balances
(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Fixed Deposits against BG / LC	0.00	3.24
Fixed deposit *	2668.35	2820.93
Total	2668.35	2820.93

* Fixed deposit amount of Rs. 1418.35 Lakhs (received from the Sales proceeds of Plant and other assets-Net of TCS) deposited in SBI, Saifabad Branch, Hyderabad on 31.3.2023 as per the directions of Court.

6. Other Financial Assets
Rs. in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Interest Receivable - Accrued Interest on deposits	178.73	10.98
Total	178.73	10.98

7. Other Current Assets
Rs. in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Sundry Deposits-APSEB/APTRANSCO	64.45	64.45
Sundry Deposits-Others	18.54	18.54
Statutory receivables - Duties & Taxes: TDS	52.01	32.97
Statutory receivables - Duties & Taxes: GST	10.60	16.91
Prepaid expenses	0.00	0.66
Advance to Employees	11.05	10.24
Other Current Assets	0.00	5.56
Total	156.59	149.33

8. Property, Plant & Equipments held for sale:
(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
a) Original Cost		
Land	3054.83	3054.83
Buildings	154.46	154.46
Plant and Machinery	0.00	0.00
Furniture & Fixtures	1.92	1.92
Computers	0.13	0.13
Total	3211.34	3211.34
b) Accumulated Depreciation		
Land	0.00	0.00
Buildings	39.56	39.56
Plant and Machinery	0.00	0.00
Furniture & Fixtures	0.34	0.34
Computers	0.00	0.00
Total	39.90	39.90



Particulars	As at 31-03-2024	As at 31-03-2023
c) Net Cost		
Land	3054.83	3054.83
Buildings	114.90	114.90
Plant and Machinery	0.00	0.00
Furniture & Fixtures	1.58	1.58
Computers	0.13	0.13
Total Carrying Value	3171.44	3171.44

- The above land is revalued as per Ind AS and the original land value before Ind AS revaluation is Rs.59 Lakhs. Factory land of 126.13 acres is located at Rudram P.O., Kandi Mandal, Sangareddy Dist. Telangana State and land is freehold. HOCL is secured part of land to the extent of 84.31 acres.
- Fair value of total land as on 31.03.2024 is Rs.14663.57 Lakhs. Since the fair value of the land is higher than the carrying value as per books of accounts, carrying value of the land held for sale continues to be reported in accordance with para 15 of Ind AS 105.
- Buildings include Time Office building (Gross value of Rs.4.33 Lakhs), Security Post (Gross value of Rs. 4.55 Lakhs) and Fencing & Compound Wall (Gross value of Rs.145.58 Lakhs). Total Gross value Rs.154.46, Accumulated depreciation: Rs.39.56 Lakhs and Net value Rs.114.90. Depreciation not provided during the year since there are no operations in the company.

9. Share capital
(Rs. in Lakhs)

	As at March 31, 2024		As at March 31, 2023	
	No.of shares	Amount	No.of shares	Amount
9.1 Authorised:				
Equity shares of Rs. 10 each	21,000,000	2,100.00	21,000,000	2,100.00
	21,000,000	2,100.00	21,000,000	2,100.00
9.2 Issued:				
Equity shares of Rs. 10 each	19,630,000	1,963.00	19,630,000	1,963.00
	19,630,000	1,963.00	19,630,000	1,963.00
9.3 Subscribed and fully paid:				
Equity Share Capital				(Rs. in Lakhs)
Equity shares of Rs. 10 each	19,599,100	1,959.91	19,599,100	1,959.91
Forfeited Equity Shares of Rs.10 each partly paid at Rs. 5		1.55		1.55
Total Equity	19,599,100	1,961.46	19,599,100	1,961.46

9.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:
(Rs. in Lakhs)

	As at March 31, 2024		As at March 31, 2023	
	No.of shares	Amount	No.of shares	Amount
(a) Equity shares				
Opening balance	19,599,100	1,959.91	19,599,100	1,959.91
Add: Changes during the year	0	0.00	0	0.00
Closing balance	19,599,100	1,959.91	19,599,100	1,959.91



9.5 Details of equity shares held by each shareholder, holding more than 5% of shares: (Rs. in Lakhs)				
Name of equity shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding of that class	No. of shares	% of holding of that class
Equity shares M/s Hindustan Organic Chemicals Ltd	11,060,000	56.43%	11,060,000	56.43%
9.6 Rights, preferences and restrictions attached to equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. There are no restrictions attached to equity shares except as contained in the Articles of Association of the Company.				
9.7 Promoters Shareholding at the end of the Year				
Name	No of Shares	% of Total Shares	% Change during the Year	
Hindustan Organic Chemicals Ltd	11,060,000	56.43%	0%	
Andhra Pradesh Industrial Development Corporation	870,000	4.44%	0%	
Total		60.87%		
10. Other Equity (Rs. in Lakhs)				
	As at March 31, 2024	As at March 31, 2023		
A) Retained Earnings				
Opening balance	(11,945.21)	(11,433.90)		
Add: Profit for the year	122.72	(511.31)		
Closing balance	(11,822.49)	(11,945.21)		
B) Other comprehensive Income				
i) Revaluation Surplus				
Revaluation of Property, Plant and Equipment	2,995.76	2,995.76		
ii) Other Comprehensive Income				
Opening Balance of Other Comprehensive Income	(1,404.34)	(1,404.34)		
Items that will not be reclassified to profit or loss	-	-		
	(1,404.34)	(1,404.34)		
Total - Other comprehensive income	1,591.42	1,591.42		
Total - Other Equity	(10,231.07)	(10,353.79)		

**11. Short-term borrowings**

(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Cash credit facilities		
From Banks - Secured	0.00	0.00
Interest free Loan from GOI*	7,587.00	7,587.00
Govt Plan Loan	1,580.00	1,580.00
Loan from HOCL	3,197.08	3,197.08
Total	12,364.08	12,364.08

*GOI has disbursed loan of Rs.7370 Lakhs on 26.05.2020 for settling the dues of Employees, Creditors and closure of Loans and disbursed Rs.217 Lakhs on 15.03.2022 as per decision of CCEA.

- (A). The Term loan from HOCL is secured by part of the land to the extent of 84.31 acres of the Factory & Plant and Buildings at Rudraram Village.
- (B). The Term loan from HOCL of Rs. 2744.06 lakhs is Zero coupon loan as per terms of the BIFR agreement and is repayable in seven equal annual instalments as per the loan agreement commencing from FY 2010-11. The instalment due for FY 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 amounting to Rs.2744.06 lakhs is not paid by the company and the total loan amount due to HOCL is Rs.3197.08 lakhs.
- (C). The Term loan from HOCL of Rs.753.02 lakhs is Interest bearing @ 10.25% to 14.50% repayable in 5 annual instalments commencing from FY 2010-11 as per the loan agreement. The company is continuing default in payment of all the instalments due and interest during the FY 2010-11 to 2015-16 amounting to Rs.453.01 lakhs is not paid by the company. Since HOCL Board approved for waiver of interest from 01.04.2023 onwards, no interest has been provided from 01.04.2023 onwards.
- (D). The company had outstanding plan loan of Rs.360 Lakhs availed from Government of India for manufacture of MPTFE and Rs. 1320 Lakhs availed for refurbishment of the Plant @11.5% p.a. and both the loans repayable in 5 annual installments commencing from F.Y. 2015-16. The Company had repaid Rs.1.00 Crore with interest of Rs.24.92 lac during the month of March, 2017 and accordingly principal and interest outstandings were adjusted. The instalment due for F.Y. 2015-16,2016-17, 2017-18, 2018-19 and 2019-20 amounting to Rs. 1,580.00 lakhs shown in Note-14. Company had received letter no.P.51015/06/2019-Ch.III(Vol.II) dated 29.01.2020 on closure of HFL in which interest on Rs. 15.80 crore will be freezed upto 31.03.2019. Hence interest has not been provided from the year 2019-20 onwards.

12. Trade Payable

(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Dues to Micro and SSI units	0.00	0.00
Others	5.86	15.94
Total Trade Receivables	5.86	15.94



(A) Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006. (Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Principal amount remaining unpaid and interest due thereon	-	-
Interest paid in term of Section 16	Nil	Nil
Interest due and payable for the period of delay in payment	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil
Interest due and payable even in succeeding years	Nil	Nil

(B) The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

Trade Payables outstanding for following periods from due date of payment: (Rs. in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Current year : 2023-24					
i) MSME	0.00	0.00	0.00	0.00	0.00
ii) Others	0.00	0.00	0.00	5.86	5.86
iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	5.86	5.86
Previous year : 2022-23					
i) MSME	0.00	0.00	0.00	0.00	0.00
ii) Others	0.00	0.00	0.00	15.94	15.94
iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	15.94	15.94

13. Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued and due		
- on borrowings from Gol	787.54	787.54
- on borrowings from HOCL*	1,075.05	1,075.05
Other Payables	45.62	48.24
Total	1,908.21	1,910.83

* It was informed by HOCL that the Board of Directors approved the waiver of interest w.e.f. 01.04.2023 for the interest-bearing loans given from HOCL to HFL vide resolution No.404/4 dt.31.01.2023. Hence interest has not been provided from 01.04.2023 onwards.



(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
14. Other Current Liabilities		
Employee Salaries and Arrears Payables	41.67	61.87
Statutory Liabilities		
- GST	-	250.37
- Other Taxes	0.31	20.36
- Legal liability provision	269.00	269.00
Others	45.08	44.07
Total	356.06	645.67

15. Other income

(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Interest income from Banks	202.77	83.73
Interest received from Others	-	3.53
Miscellaneous income	5.44	123.64
Total	208.21	210.90

16. Employee benefits expense

(Rs. in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Salaries, wages and Bonus	-	190.87
Contribution to Provident and other fund	-	7.68
Staff welfare expenses	-	1.82
Termination Benefits	-	63.27
Total	-	263.64

The Company's Provident Fund was exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. As per the directives of Closure letter received from DCPC on 29.01.2020, company had started giving VRS to employees from May, 2020 onwards to Sept, 2022 and even non-regular employees were relieved on VSS during Oct, 2022. Remaining five (5) regular employees of HFL were transferred and posted to HOCL rolls w.e.f Sept, 2022. Since there is no employee in HFL, the Board in its meeting held on 30.01.2023 has approved to close the Employees Provident Fund Trust and surrender the balance amount with the Trust with Employees Provident fund Organisation after audit. Based on the application submitted to the Employees Provident Fund Organisation, they withdrew the exemption vide letter dt. 16.04.2024.

As per the directives of Closure letter received from DCPC on 29.01.2020, all the employees were relieved by Sept. 2022. Since there is no employee in HFL, the Board in its meeting held on 30.01.2023 has approved to close the Employees Group Gratuity Trust and surrender the Insurance Policies available with LIC. Accordingly the Trust was closed, settled the account by LIC and closed the bank account on 04.04.2024.

**17. Finance costs****(Rs. in Lakhs)**

Particulars	As at 31-03-2024	As at 31-03-2023
Interest on:		
- Borrowings	0.00	63.62
- Others	0.00	2.37
- Bank Charges	0.01	0.02
Total	0.01	66.01

18. Other expenses**(Rs. in Lakhs)**

Particulars	As at 31-03-2024	As at 31-03-2023
Power (Factory & Office)	1.17	3.98
Repairs and Maintenance to Other Assets	0.22	7.12
Rent	7.83	19.85
Insurance	0.66	13.90
Rates & Taxes	3.12	4.88
Professional / Consultancy charges	33.73	59.76
Payment to Auditors:		
For Statutory audit	1.75	1.60
For Other services	-	-
Security and Job Work	17.75	19.13
Advertisement expenses	-	4.08
Travelling and Transport charges	2.68	7.21
Printing and Stationery	0.79	0.84
Board meeting expenses	4.26	4.22
Other Misc. expenses	11.52	5.32
Loss on sale of assets	-	240.67
Total	85.48	392.56


19. Additional Disclosures in accordance with MCA Notification dated 24th March, 2021
Financial, Liquidity and Other Ratios
Details for the year ended 31.03.2024

Ratios	Components of Numerator	Components of Denominator	2023-24	2022-23	% Variance	Explanation by Management
Current Ratio	Current Assets	Current Liabilities	0.43	0.44	(0.74%)	-
Debt Equity Ratio	Total debt	Shareholders' Equity	(1.72)	(1.70)	1.48%	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	0.01	(0.04)	(125%)	Net profit generated during 2023-24 as against Net loss incurred during 2022-23
Return on Equity Ratio	Net profit after tax	Shareholders' Equity	(0.01)	0.06	(123%)	Net profit generated during 2023-24 as against Net loss incurred during 2022-23
Inventory Turnover Ratio	Sales	Average Inventory	0.00	0.00	0%	No purchase or sales due to discontinuation of operations
Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	0.00	0.00	0%	No purchase or sales due to discontinuation of operations
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	0.00	0.00	0%	No purchase or sales due to discontinuation of operations
Net Capital Turnover Ratio	Net Sales	Working Capital	0.00	0.00	0%	No purchase or sales due to discontinuation of operations
Net Profit Ratio	Net profit after tax	Net Sales	0.00	0.00	0%	No purchase or sales due to discontinuation of operations
Return on Capital Employed	Earnings Before Interest and Taxes (EBIT)	Capital Employed	(0.01)	0.05	(128%)	Net profit generated during 2023-24 as against Net loss incurred during 2022-23
Return on Investment	Dividend	Share Price	-	-	0%	-

20. Contingent Liabilities and Commitments

Particulars	As at 31-03-2024	As at 31-03-2023
i) Contingent Liabilities		
Claims against the company not acknowledged as debt		
a) ESI	13.46	13.46
b) Damages on Delayed Payment of Provident Fund with Interest *	94.89	94.89
c) Other Claims (Legal cases)	1,112.50	1,114.50
Total	1,220.85	1,222.85

Note: The differential interest @ 2.75% (14.25%-11.50%) on Govt. Plan loan is not provided in the books as Gol had freezed interest up to 31.3.2019.

**i) Claims against the company not acknowledged as debt: Details****a) ESI: Rs.13.46 Lakhs**

ESI demand by ESI Corporation dues of Rs. 15,99,902/- towards contribution of 153 employees for the period from 01.01.1997 to 30.09.2000. HFL has remitted Rs.7,99,951/- as per court order towards 50% of the principal amount. Interest claimed upto 31.03.2001 was Rs.5,46,139. Therefore, the balance amount of Rs. 13,46,090 (1599902+546139-799951) shown as contingent liability.

b) Damages on Delayed Payment of Provident Fund with Interest: Rs.94.89 Lakhs

This is the damages demanded by EPFO towards delayed payment of PF dues during the period 2000-01 to 2010-11. The Company has written to Central Provident Fund Commissioner for waiver of damages for delayed payment of PF dues during the period 2000-01 to 2010-11 considering the fact that the company was a BIFR referred Company.

c) Other Claims (Legal cases): Rs.1112.50 Lakhs

1. WP/24588/2013 before Hon'ble High court judicature for the state of Telangana & for AP: Mr. T.Eshwaraiah, Ex-Chief Mgr (HR) had opted VRS in 2009 and relieved from the services on 31.01.2009. Consequent to revision of pay scales of 1997 & 2007 a writ petition was filed by him in June, 2013 on account of wage revision arrears. Vakalat and Counter is filed by the company. Matter pending before Hon'ble High Court; The HFL Board had also clarified that VRS-2009 optees are not eligible for wage revision arrears. Even the DCPC also clarified the same. Hence, in the view of the Company, the case is not tenable in law.
2. WP/12909/2013 before Hon'ble High court Judicature for the state of Telangana and for AP: Mr. V. Giridhar & others had opted VRS in 2009 and relieved from the services on 31.01.2009. Consequent to revision of pay scales of 1997 & 2007 a writ petition was filed by them in June, 2013 on account of wage revision arrears. Vakalat and counter filed by the company. Matter pending before Hon'ble High Court; The HFL Board had also clarified that VRS-2009 optees are not eligible for wage revision arrears. Even the DCPC also clarified the same. Hence, in the view of the Company, the case is not tenable in law.
3. LC ID-1 of 2015, before Hon'ble Central Govt. Industrial Tribunal, Hyd.: Mr. N. Rambabu, Production Chemist filed ID before ALC (Central), Hyd. A Counter has been filed by the respondent company. The Company had terminated the employee during January, 2014 after following the laid down provisions of Certified standing orders of the company. Since the Company had terminated him by following the approved procedures, hence the case will not tenable before the Honorable Court.
4. ID No.72 of 2012 before the Hon'ble Central Govt. Industrial Tribunal-cum labour Court, Hyderabad: The HFL workers' trade union-A 4397 has raised an ID before ALC (Central), Hyd with a request to intervene in the matter of non-payment of overtime wages. In this connection, joint proceedings were held and issue could not settle amicably, having divergent views, the conciliation officer has submitted its failure report to Govt. of India. The respondent company has filed counter petition. As per GOI guidelines, the financial impact on account of Pay revisions for both 1997 and 2007 need to be borne by the company, since no budgetary support was not extended. Based on the commitment to DPE in writing by the recognized representative union A-3954, the Gol, had issued orders for pay revision was approved by the Board of HFL and implemented. The non-representative union -A 4397 had approached court of law for non-payment of overtime wages and filed a petition, hence this case is pending before court of law. Since existing employees are already availing the compensatory off in lieu of over time, the case will not tenable before the Honourable Court. On 25.04.2023 the case was heard and reserved for Judgement.



5. WP/9697/2000 & WA 483/2013 WA No.1194/ 2012 before Hon'ble High court, AP Hyd: Mrs. K. Nagaratnam, Asst. Mgr (Finance) has reinstated into service without back wages. Aggrieved on the order, she has filed writ appeal and counter was filed by the respondent company. The employee was re-instated as per High court order without back wages and superannuated from the services of the company on 31-Aug-2016. She has filed an appeal for back wages in the Hon'ble High court, Hyderabad and case is pending. The case is pending under CAV. The case is listed again on 28.02.2024 and continuing.
6. WP No. 20076/2019 before Hon'ble High Court Hyderabad: Smt K Rajani, Ex-Company Secretary, T.No. 262 had filed the WP against the reverification of "Pay Scale / Basic Pay anomaly fixed in September 2011". Some of the Officers have represented the company that there is an anomaly in fixation of Pay Scale and Basic Pays against 1997 Pay Revision and have requested for refixation. The same is refixed in September 2011 to 18 Officers, one of them being Smt K Rajani. whose Pay scale and Basic Pay also refixed under anomaly. She had filed a case in High Court that the reverification and refixation of her pay scale / basic pay in February 2019 is not correct.
7. CGIT No. 134/2018: HFL Employees Union A 3954. For implementation of 2017 Wage Revision.
8. OS 414/2008 before Hon'ble city civil court, Sec-bad, CCA No. 250/2017 before High Court: M/s. Shanthi boiler & Pressure Vessels Pvt Ltd, Sec-bad had delivered the boiler and failed to comply the contractual terms as agreed. Aggrieved on the supply of items a case was filed and counter was filed by the respondent company. The Company is pleading the case in the Court of Law and is of the view that the case will be in our favour as understood from the Legal advisors and the approximate legal implication in this matter is about Rs. 13.5 Lakh, in case HFL losses the case.
9. OP No. 709/1998 before CCC, Hyderabad. CMA 2861/203 before High Court, CMA 918/2018 before High Court, COP No. 42/2019 before XXIV Addl. Chief Judge, CCC, Hyderabad, COMCA 16/2020 before XXIV Chief Judge, CCC, Hyderabad. Now CMA 918/2018 and COMCA 16/2020 are tagged: Case filed by M/s Rockwell Industries Limited relating to supply of CFM-22 Gas. IDBI was impleaded in the case and IDBI has filed the counter. This dispute is going on since 1998 at various Forums – Arbitration in 1998, Hon'ble Chief Judge in 2001, Hon'ble High Court later which was sent back for fresh consideration. Again in 2017, Hyd Civil Court confirmed Order of Arbitrator, party filing fresh COP before Addl Chief Judge, City Civil Court and HFL filed case in Hon'ble High Court of Telangana. Matter presently is still before Hon'ble High Court of Telangana, which had vide its Order dated 04.11.2020 has given stay on disposal of the assets of the Company. The Case is Pending now. On 02.11.2022 the case was heard on vacating of Stay. The permission was granted to dispose of Plant and Machinery through MSTC and the Order copy is received on 04.11.2022. In this regard the court has directed HFL to open a separate Bank Account to deposit the sale proceeds of Plant and Machinery. The plant sale proceeds were received on 29.03.2023 and the amount of Rs.14.21 crore was deposited in SBI as as FD .
10. WP No. 35920/2021 in Hon'ble High Court, Hyderabad: The TSSPDCL has levied the differential wheeling charges and issued notice to pay the wheeling charges around Rs.6.14 Crores for the period 2002 to 2004. If the same is not paid within fifteen days alongwith the monthly power bill the service will be disconnected. Aggrieved by the Notice of TSSPDCL, HFL has approached the Hon'ble High Court and the matter was heard and the Hon'ble High Court had granted Stay on 24.12.2021.

**21. Taxes on Income**

The company has not provided deferred tax asset due to huge accumulated losses incurred since there is no virtual certainty to realise in future.

22. Balances in respect of Trade payables, Other Liabilities, Trade Receivables and Other Loans and Advances are subject to Confirmation.

23. Related Party Disclosures**a) List of Related Parties**

Name of the Party	Nature of Relationship
Hindustan Organic Chemicals Limited (HOCL)	Holding Company
Shri. Sajeev B., Chairman and Managing Director	Key Management Personnel
Shri. P.O. Luise, Chief Financial Officer	Key Management Personnel
Shri. Subramonian H., Company Secretary	Key Management Personnel

b) Transactions with Related Parties**(Rs. in Lakhs)**

Particulars	2023-24	2022-23
Holding Company		
Interest Expense	0.00	63.62
Key Management Personnel (KMP)		
Remuneration Paid to		
P O Luise	9.15	3.00
ii Independent Directors		
(Sitting fee paid to NOIDs for attending the Meetings of the Board / Committees)		
Smt. Archana K	0.85	0.65
Dr. Bharat J Kanabar	0.85	0.65

c) Balances with Related Parties**(Rs. in Lakhs)**

Particulars	2023-24	2022-23
1. Loan Payable to HOCL (Principal)	3197.08	3197.08
2. Interest Payable to HOCL	1075.05	1075.05
	4272.13	4272.13

24. Segment Reporting

The Company's operations consist only of manufacturing and sales of fluoro-carbons, and incidental/ ancillary activities. Hence, there are no other reportable segments under Ind AS - 108 "Operating Segment". During the year, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. The Company does not have operations outside India and there is no other reportable segment on that account. There are no other reportable segments.

**25. Earnings Per Share****(Rs.in Lakhs)**

	Year ended 31.03.2024	Year ended 31.03.2023
Net profit after tax available to equity shareholders (Rs. lakhs)	122.72	(511.31)
Weighted Average number of equity shares for Basic & Diluted EPS (No's)	194.79	195.90
Face value per share (Rs.)	10/-	10/-
Basic & Diluted earnings per share (Rs.)	0.63	(2.61)

26. Financial Instruments**a) Capital Management**

The Company's capital management objective is to maximize the total shareholder return by optimizing cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarizes the total capital of the Company: (Rs.in Lakhs)

	As at 31.03.2024	As at 31.03.2023
Equity	1,961.46	1,961.46
Short Term Borrowings & Current Portion of Long Term Debt	12,364.08	12,364.08
Long Term Debt	-	-
Cash and Cash Equivalents	(60.33)	(262.35)
Other Bank balances	(2,668.35)	(2,820.93)
Net Debt	12,303.75	12,101.73
Total Capital/funds deployed (Equity + Net Debt)	14,265.21	14,063.19

b) Categories of financial instruments:**(Rs.in Lakhs)****As at 31.03.2024 As at 31.03.2023**

	As at 31.03.2024	As at 31.03.2023
Financial Assets		
Measured at Fair Value through Profit or Loss (FVTPL)	0.00	0.00
Measured at amortized cost	129.16	129.16
Cash and Bank Balances	60.33	262.35
Other Bank balances	2,668.35	2,820.93
Other financial assets at amortized cost	178.73	10.98
Measured at Cost	-	-
Financial Liabilities		
Measured at amortized cost	14,278.15	14,290.85



c) Financial Risk Management Objectives

The company's business activities exposed to a variety of financial risks viz., market risk, credit risk and liquidity risk. The company's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

i) Interest rate risk

Out of total borrowings, large portion represents short term borrowings and the interest rate primarily basing on the company's credit rating and also the changes in the financial market. Company continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

ii) Foreign currency risk

The company has no balances in foreign currency and consequently the company is not exposed to foreign exchange risk.

Equity Risks

The company does not have any financial instruments which are exposed to listed and non listed equity investments.

e) Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables from group companies. Credit risk on trade receivables, work in progress is limited as the customers of the company mainly consist of the Government promoted entities having strong credit worthiness. For doubtful receivables the company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers. The company has not made any provision towards amounts doubtful to receive during the year ended March 31, 2024 and March 31, 2023 respectively.

f) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. As per CCEA approval for Shut-down of the company, HFL has received an amount of Rs.75.87 Crores for implementation of VRS/VSS, Statutory dues, payment to suppliers/contractors/utilities and other dues. The proceeds from sale of Land, Building, Plant & Machinery and other assets shall be utilised for meeting its contractual obligations. Note no.37 about CCEA procedure for disinvestment and sanction of loan from GOI details that the Company has financial assets at its disposal to reduce liquidity risk.



- i) The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2024: (Rs. In Lakhs)

Particulars	Carrying Amount	Upto 1 Year	1-3 Years	More than 3 years	Total Contracted Cash Flows
Accounts Payable and Acceptances	5.86	-	5.86	-	-
Borrowings and interest thereon	14,226.67	-	14,226.67	-	-
Others	45.62	-	45.62	-	-
Total	14,278.15	-	14,278.15	-	-

The table below provides details of financial assets as at March 31, 2024:

	Carrying Amount (Rs. Lakhs)
Trade Receivable	129.16
Other financial assets	178.73
Total	307.89

- ii) The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023: (Rs. In Lakhs)

Particulars	Carrying Amount	Upto 1 Year	1-3 Years	More than 3 years	Total Contracted Cash Flows
Accounts Payable and Acceptances	15.94	15.94	-	-	-
Borrowings and interest thereon	14,226.67	14,226.67	-	-	-
Others	48.24	48.24	-	-	-
Total	14,290.85	14,290.85	-	-	-

The table below provides details of financial assets as at March 31, 2023:

	Carrying Amount (Rs. Lakhs)
Trade Receivable	129.16
Other financial assets	10.98
Total	140.14

g) Fair value measurements

Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used): (Rs. In Lakhs)

Particulars	Fair Value as at*		Fair Value Hierarchy	Valuation techniques & keyinputs used
	As at 31.03.2024	As at 31.03.2023		
Borrowings	14,226.67	14,226.67	Level 2	Refer Note Below
Security Deposits	82.93	82.99	Level 2	Refer Note Below
Total	14,309.60	14,309.66		

* Positive value denotes financial asset (net) and negative value denotes financial liability (net)

**Notes:**

- (1) There were no transfers between Level 1 and 2 in the period.
- (2) The Level 1 financial instruments are measured using quotes in active market
- (3) The following table shows the valuation technique and key input used for Level 2:

Financial Instruments	Valuation Technique	Key Inputs Used
Borrowings	Level 2	Fair Value as per discounted cash flows and present value computation based on the effective cost of capital

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Note on HOCL Interest Free Loan of Rs.2744 Lakhs

HOCL Loan will continue in the books at book value as against fair value as per discounted cash flows and present value computation based on the effective cost of capital.

FINANCIAL ASSETS

(Rs. In Lakhs)

	Fair Value Hierarchy	As at 31.03.2024		As at 31.03.2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortized cost					
• Trade Receivables	Level 2	129.16	129.16	129.16	129.16
• Other Financial Assets	Level 2	178.73	178.73	10.98	10.98
• Cash and cash equivalents	Level 2	60.33	60.33	262.35	262.35
• Bank balances other than above	Level 2	2668.35	2668.35	2820.93	2820.93
Total		3036.57	3036.57	3223.42	3223.42

FINANCIAL LIABILITIES

(Rs. In Lakhs)

	Fair Value Hierarchy	As at 31.03.2024		As at 31.03.2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities at Amortized cost					
• Borrowings	Level 2	14,226.67	14,226.67	14,226.67	14,226.67
• Other financial liabilities	Level 2	45.62	45.62	48.24	48.24
• Trade Payables	Level 2	5.86	5.86	15.94	15.94
Total		14,278.15	14,278.15	14,290.85	14,290.85

27. Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.


Reconciliation Statement of Liabilities arising from financing activities (Rs. in Lakhs)

Opening Balance as on 01.04.2023	14,226.67
Increase in Working capital limits including interest	0.00
Increase in the loans from GOI	0.00
Interest for the reporting period	0.00
Other Ind AS adjustments	0.00
Closing Balance as on 31.03.2024	14,226.67

28. During the year under review, the Company had revisited its status on the reporting of Financial Instruments through OCI at amortized cost based on updated developments. Accordingly, based on realistic assessment of the underlying transactions, the Company is of view that there are no Financial Instruments which are receivable/payable in future at discounted values and hence these are shown at actual values. Accordingly, the corresponding effect between previous year and current year is passed through OCI.
29. As per the letter dated 29.01.2020 from the Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals, under which the Company functions, Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 22nd Jan, 2020 had approved.
- Shutting down the operations of the plant/unit of HFL & closure of the Company.
 - Separating the employees (regular and non-regular/adhoc) rendered surplus due to closure of plant through VRS/VSSs, after payment of all their outstanding salary/wages and statutory dues, except for skeletal staff required to implement the full and final closure of the company. Employees not opting for VRS/VSS will be retrenched as per the provisions of Industrial Disputes Act, 1947.
 - Grant of interest free loan of Rs.77.20 crore by Govt. Of India to HFL to be utilized exclusively for closure related expenditure including (a) implementation of VRS/VSSs for HFL employees, their dues, statutory dues, payment to suppliers/contractors/utilities dues and repayment of SBI working capital loan (b) salary/wages and administrative expenses of HFL's skeletal staff to be temporarily retained for completing the closure of HFL for two years.
 - Above interest free loan will be repaid by HFL to Govt. of India from the sale proceeds of land and other assets of the company, as and when disposed off and after settling all the liabilities related to closure of the company
 - after settlement of all liabilities related to closure of HFL and repayment of interest free loan, surplus proceeds from disposal of land and other assets, if any, will be used for repayment of HFL's outstanding Govt of India (Rs. 15.80 crore) and interest thereon, with freezing of interest upto 31.3.2019. Full or part of the principal loan amount (Rs. 15.80 crore) and interest thereon upto 31.3.2019 remaining unpaid due to insufficient sale proceeds is to be written off/waived.
 - for facilitating disposal of HFL's land, M/s NBCC (India) Ltd may be appointed as Land Management Agency (LMA) to manage and assist in the land disposal subject to outcome of the decision of Telangana Govt/TSIIC on purchasing land of HFL.



- f) Disposal of plant, machinery and movable assets were done in March 2023 by HFL through e-auction by MSTC Ltd.
- g) In pursuance of the said decision, HFL had received an amount of Rs.73.70 Crores on 26.05.2020 and Rs.2.17 crores on 15.03.2022 as interest free loan from Gol. As per the above CCEA Order and as at 31.03.2023, all the employees were relieved before 31.08.2022 except five skeleton staff who were transferred to the roll of HOCL in Sept 2022. All the undisputed dues except Govt. loans and HOCL loans were settled by utilising the interest free loan sanctioned by the Govt. of India. The total amount utilized upto 31.03.2024 was Rs.67.41 Crores. The balance amount will be utilized for settling the other dues and other operating expenditure for completing the closure of the Company. The said process is still going on.
- 30.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For **AVRSK & Associates LLP**
Chartered Accountants
FRN 003028S / S000113

Sd/-

CA. G.K. BABU

Designated Partner

M No. 213273

UDIN No.24213273BKAKHN1935

For and on behalf of the Board of Directors
of Hindustan Fluorocarbons Ltd.,

Sd/-

YOGENDRA PRASAD SHUKLA

Director

DIN No. 09674122

Sd/-

SAJEEV B.

Managing Director & CEO

DIN No. 09344438

Sd/-

P.O. LUISE

Chief Financial Officer

Sd/-

SUBRAMONIAN H.

Company Secretary

Place: Hyderabad

Date: 20-05-2024

Place: Kochi

Date: 20-05-2024

**Notes to the Financial Statements as at and for the year ended March 31, 2024****1. General Information**

Hindustan Fluorocarbons Limited (HFL) was incorporated in 1983 as a subsidiary of Hindustan Organic Chemicals Limited (HOCL), a Government of India Enterprise under the Ministry of Chemicals & Fertilizers with a shareholding of 56.43%. HFL is engaged in manufacture of Polytetrafluoroethylene (PTFE) with annual capacity of 500 MT and intermediate product of Chlorodifluoromethane (CFM-22) with annual capacity of 1265 MT. The company also manufactures Modified Polytetrafluoroethylene (MPTFE). Shares of the company are listed in Bombay Stock Exchange.

2. Accounting Policies**a) Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Cabinet Committee on Economic Affairs (CCEA) Govt. of India in its meeting held on 22.01.2020 had approved shutting down of operations of the plant/unit of HFL and closure of the Company. Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals, under which the Company functions had given a detailed road map in this regard. The Board had initiated the said process of closure which got delayed due to Covid-19 pandemic. Hon'ble High Court of Telangana on 04-Nov-2020, in a legal case filed (Rockwell Industries Limited vs. HFL) had directed HFL (Appellant) not to dispose or transfer or to create a third party right with regard to its assets. Further, Hon'ble The High Court permitted to dispose of the plant, machinery and other equipment through MSTC with a condition to open a separate bank account by HFL to deposit the sale proceeds on 02.11.2022 in I.A. No.1/2022 in COM.C.A. No.16/2020. As approved by the Board on 30.01.2023, the plant, machinery and other assets were e-auctioned as a single lot through MSTC. The bid was opened on 15.03.2022, sold to the highest quoted bidder and full amount was received on 29.03.2023. Considering the above factors, management has concluded that the company will not continue as a going concern in the future.

Since the Company is in the process of closure and would not continue as a Going Concern, IndAS105 'Non-Current Assets held for Sale or Discontinuing Operations' had been followed by the Company.

b) Basis of Accounting and Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether



that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as a net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- ◆ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ◆ Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- ◆ Level 3 inputs are unobservable inputs for the asset or liability.

c) Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. Actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**d) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is net of returns and is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of GST. Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated—i.e., the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

i) Sale of goods

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is recognised, when the significant risks and rewards of the ownership have been transferred to the buyers and there is no continuing effective control over the goods or managerial involvement with the goods. Revenue from sale of chemical products is generally recognised at the time of dispatch.

ii) Other Income

Dividend income from investments is recognized when the right to receive payment is established. Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

e) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use. "The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is required to be included in the cost of the respective item of property plant and equipment" and "Cost of major inspections is recognized in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognized.



An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has reassessed the estimated useful life of its assets to align the useful life with those specified in Schedule II and there have been no change in the useful life of the asset. The useful lives, for the computation of depreciation rates are as follows:

Asset	Depreciation method	Useful life based on SLM
Building	SLM	30 years
Plant and equipment	SLM	20 years
Furniture and fixtures	SLM	10 years
Computers	SLM	3-5 years
Intangible Assets - Software	SLM	5 Years for Software and 20 years for MPTFE

*Pursuant CCEA decision to close the Company, as per IND AS 105, the Property, Plant and Equipment (PPE) has been reclassified to Assets Held for Sale and is valued at lower of Carrying value and Fair value less costs to sell. And no depreciation is charged after such reclassification. Further, entire carrying value of intangible assets has been written-off since the fair value of such intangible that could be realized from its sale is Nil.

f) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on de-recognition of the property is included in profit or loss in the period in which the property is de-recognised.

g) Intangible Assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**h) Depreciation and Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on Property, Plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 considering the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance, etc.

Intangible Assets are amortised, on straight line method based on the useful life as assessed by the Management. The amortization period and the amortization method for an intangible asset is reviewed atleast at each financial year end.

i) Impairment of Assets

Intangible assets and property, plant and equipment: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, there coverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

j) Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

k) Employee Benefits

The estimated liability for employee benefits for present and past services which are due as per terms of employment are determined in accordance with the requirements of Ind AS19 "Employee Benefits". A brief description of the employee benefits are as follows:

Gratuity:

The Company has an obligation towards gratuity, a defined benefit plan covering all eligible employees. The plan provides for lumpsum payment in accordance with the Payment of Gratuity Act, 1972 to vested employees on retirement, death while in employment or on separation. Vesting occurs on completion of five years of service. The liability, which is determined by means of an independent actuarial valuation, is partly funded under Group Gratuity Plan Scheme managed by the Life Insurance Corporation of India.

Provident Fund:

Provident Fund is a defined contribution plan of the Government of India under which both the employer and employee contribute on a monthly basis at a pre-determined rate (currently upto 10% of employee salary) and the Company has no further obligation.

Compensated Absences

- a. In respect of the employees at Head Office, the Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.



- b. In respect of the employees at the locations, the undiscounted amount of short term employee benefits which include the compensated absences such as paid leave expected to be paid in exchange for the services rendered by employees is recognised during the year when the employee renders the service and is calculated on an actual basis.

l) Inventories

- i) The closing stock of raw materials, packing material, stores and spares are valued at cost by adopting weighted average method. Stock in process (intermediate product) and finished goods are valued at cost or net realizable value whichever is lower.

Cost of stock-in-process includes costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

- ii) By-products are valued at NIL value.

m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Manufacture of Chemicals". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

n) Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortization is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

o) Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transactions

The functional currency of the Company is the Indian rupee.

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.

The exchange difference on restatement of long term receivables / payables from / to foreign operations that are considered as net investments in such operation are recognised in the statement of profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.



Foreign branches functional currency is other than reporting currency of its parent and foreign branch financial statements are translated into reporting currency of its parent using the following procedures.

Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate at the end of the respective month. All resulting exchange differences are recognised in other comprehensive income till the disposal of the net investment.

p) Income Tax

1) Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

2) Deferred Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3) MAT

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

q) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

**r) Earnings Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, which have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

s) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation.

Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

t) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

u) Operational Cycle

The Company adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non-current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

v) Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

w) Non-Current Assets held for Sale and Discontinued Operations

The company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets are ceased.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- (a) Represents a separate major line of business or geographical area of operations,
 - (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
 - (c) Is a subsidiary acquired exclusively with a view to resale.
- x) Ministry of Corporate Affairs (“MCA”), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following amendments to Ind AS.**

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in IndAS109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The company does not expect any impact from this amendment.

Ind-AS 116 – Leases

The new Ind-AS116 ‘Lease’ had replaced Ind AS 17 ‘Leases’. Here, Ind AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Under Ind AS116, leases have to recognize a lease liability reflecting future lease payments and a ‘right of use asset’ for almost all lease contracts.

The Company does not expect any impact from this amendment on its financial statements.

