

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



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/2022/09/05

5th September, 2022

BSE Ltd.,
24th Floor,
DCS- CRD,
Pheroze Jeejeebhoy Towers,
Mumbai- 400021.

Dear Sir,

Sub: Notice of 39th Annual General Meeting (AGM) of the Company for the FY 2021-22 and
Intimation of the Book Closure Date for the 39th AGM.

Ref 1: Regulation 30, 34 & 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,
2015 [SEBI LODRR 2015]

Ref 2: HFL Equity Shares – Scrip Code – 524013.

* * * *

In Compliance with Regulation 30 & 34 of SEBI (Listing Regulation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of 39th Annual General Meeting of the Company viz. Hindustan Fluorocarbons Limited to be held on Tuesday, the 27th September, 2022 at 03:00 p.m. through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) to transact the Ordinary and Special Businesses as appended in the 39th AGM Notice. The AGM notice is being sent electronically to all the members of the company whose email addresses are registered with the company/Registrar and Share Transfer Agent (RTA) of the company. The AGM notice is also available on the website of company at www.hfl.co.in and also on the website of CDSL at www.evotingindia.com

Further, in Compliance with Regulation 42 of LODR Regulations, intimation is also hereby given that, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 21st September, 2022 to Tuesday, the 27th September, 2022 (both days inclusive) for the purpose of 39th Annual General Meeting of the Company (HFL). The record date/cut-off date for the purpose of remote e-voting will be Thursday, 20th September, 2022.

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

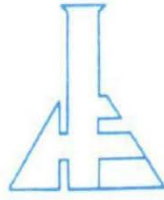
टेलीफोन: 2324 0047, 2324 1051, 2323 7125, 2329 7160

फैक्स: +91-40-2329 6455

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



NABCB
QM 004

HINDUSTAN FLUOROCARBONS LIMITED

A Subsidiary of Hindustan Organic Chemicals Ltd.
(A Govt. of India Enterprise)

Regd. Office:

303, 3rd Floor, Babukhan Estate, Basheerbagh,
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CIN-L25206TG1983PLC004037

The remote e-voting period commences on Saturday, 24th September, 2022 from 09:00 am onwards (IST) and ends on Monday, 26th September, 2022 at 05:00 pm (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. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e., as on Tuesday, 20th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Kindly take the above information on records and same is being disseminated on the website of the Company (HFL) in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours truly,

For Hindustan Fluorocarbons Limited.,

(MV NAGALAKSHMI)

DESIGNATED FILING OFFICER

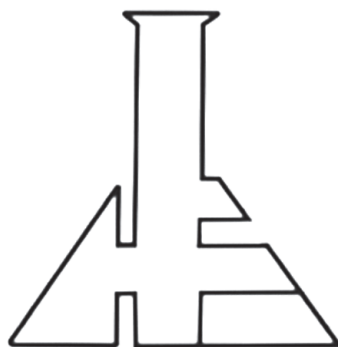
Encl: 39TH Annual Report

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 ।

39th
ANNUAL REPORT
2021 - 2022



HINDUSTAN FLUOROCARBONS LIMITED

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AUDITORS

SARATH & ASSOCIATES

Chartered Accountants (FRN: 005120S)
4th Floor, Maas Heights, 8-2-577/B,
Rd No.8, Banjara Hills, Hyderabad - 500 034.

BANKERS

State Bank of India

SME Branch, Saifabad, Hyderabad

BOARD OF DIRECTORS

Shri Sajeev B (DIN: 09344438)	Chairman & Managing Director (CMD HOCL)(w.e.f. 22.09.2021)
Shri D.K. Madan (DIN: 07924171)	Gol Nominee Director (w.e.f 09.08.2017 upto 31.01.2022) Managing Director (Additional Charge) (w.e.f. 02.08.2021 upto 21.09.2021)
Shri S K Navhale (DIN: 09536256)	Gol Nominee Director (w.e.f. 31.3.2022)
Smt. Susheela S Kulkarni (DIN: 09100453)	HOCL Nominee Director (w.e.f. 06.03.2021 upto 28.02.2022)
Smt. K.Kusumam (DIN: 09235912)	HOCL Nominee Director (w.e.f. 11.06.2021 upto 31.05.2022)
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 P O Luise (DIN: 09533670)	HOCL Nominee Director (w.e.f.01.03.2022)
Shri Shanil Lal (DIN: 09660092)	HOCL Nominee Director (w.e.f.01.06.2022)

REGISTRARS & SHARE TRANSFER AGENTS

M/s. KFin Technologies Private 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

ARS & ASSOCIATES

Company Secretaries, LLP (LLPIN: AAG 3878)
Hyderabad, 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. 01-06-2022)**AUDIT COMMITTEE OF THE BOARD**

Smt. Archana K	- Chairman
Dr. Bharat J. Kanabar	- Member
Shri Shanil Lal	- Member
Shri Subramonian H	- Secretary to the Committee

NOMINATION AND REMUNERATION COMMITTEE:

Dr. Bharat J. Kanabar	- Chairman
Smt. Archana K	- Member
Shri. Shanil Lal	- Member
Shri Subramonian H	- Secretary to the Committee

STAKEHOLDERS RELATIONSHIP COMMITTEE (S.R.C.)

Smt. Archana K	- Chairman
Dr. Bharat J. Kanabar	- Member
Mr. Shanil Lal	- Member
Shri Subramonian H	- Secretary to the Committee

SHARE TRANSFER COMMITTEE

Shri. Shanil Lal	- Chairman
Dr. Bharat J. Kanabar	- Member
Smt. Archana K	- Member
Shri Subramonian H	- Secretary to the Committee



Notice of the 39th Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting of the Members of Hindustan Fluorocarbons Limited will be held on **Tuesday the 27th September, 2022** at 3.00P.M through Video Conference or Other Audio-Visual Means (“OAVM”) without physical presence of the shareholders at a common venue, to transact the following businesses:

Ordinary Business:

ItemNo.1 –To consider and to adopt the Audited Financial Statements comprising the Balance Sheet as at 31stMarch, 2022, the Profit & Loss Account for the year ended 31stMarch, 2022, 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).

ItemNo.2 – To re-appoint Shri P O Luise (DIN: 09533670) , as per HOCL order, who Retires at this AGM 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 the statutory auditors as and when appointed by the Comptroller & Auditor General of India [C&AG] for the FY 2022-23 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following resolution, as an Ordinary Resolution.

“**RESOLVED THAT** 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 2022-23.

Special Business:

Item No. 4 – Appointment of Shri Sanjay Krishna Navhale (DIN 09536256) as Government Nominee Director

To consider and, if thought fit, to pass, with or without modifications, the following resolution, as a special Resolution:

RESOLVED THAT pursuant to the provisions Sections 149,152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof and pursuant to the Articles of Association of the company, applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Sanjay Krishna Navhale [DIN 09536256] who was appointed by President of India vide Ministry of Chemicals & Fertilizers Order No.P-52011/2/2011-32 III-CPC dated 31st March, 2022, as Government Nominee Director on the Board of Directors of Hindustan Fluorocarbons Limited for a period of three (3) years or till further orders, whichever is earlier be and is hereby appointed as Government Nominee Director of the Company with effect from 31st March, 2022 on terms and conditions fixed by Government of India and he shall be liable to retire by rotation.”

**Item No.5 – Appointment of Smt Archana K (DIN 09461596) as Non-Official Part-time Independent Director**

To consider and, if thought fit, to pass, with or without modifications, the following resolution, as a Special 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 pursuant to the Articles of Association of the company, applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Smt. Archana K [DIN 09461596] who was appointed by President of India vide Ministry of Chemicals & Fertilizers order No.P-53013/8/2019-CHEM.III-CPC dated 24th December, 2021 as part time Non-official Independent Director on the Board of Hindustan Fluorocarbons Limited for a period of three (3) years with effect from the date of the order or until further orders, be and is hereby appointed as Non-official Independent Director with effect 24th December, 2021 and she shall be not liable to retire by rotation.”

Item No.6 – Appointment of Dr Bharat J Kanabar (DIN 09466694) as HOCL Nominee Independent Director

To consider and, if thought fit, to pass, with or without modifications, the following resolution, as a Special 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 pursuant to the Articles of Association of the company, applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Bharat J Kanabar, [DIN 09466694] who was appointed by Hindustan Organic Chemicals Limited (holding company of HFL) as Independent Director on the Board of Directors of Hindustan Fluorocarbons Limited till tenure of Dr. Bharat J Kanabar in Hindustan Organic Chemicals Limited or till further orders whichever is earlier be and is hereby appointed as HOCL nominee Independent Director with effect 28th January, 2022 and he shall be not 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 : 03-09-2022

Regd. Office

303, Babukhan Estate,

Basheerbagh, Hyderabad – 500 001.

**NOTES:**

1. In the view of continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No.2/2022 dated 5th May, 2022 read with the General Circular No.20/2020 dated 5th May, 2020, General Circular No.02/2021 dated 13th January, 2021, General Circular No.19/2021 dated 8th December, 2021, and 21/2021 dated 14th December, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), SEBI circulars and MCA Circulars, the 39th AGM of the company is being held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only. The Head Office of the Company shall be deemed to be the venue of the AGM. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and Vote at 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. Since this AGM is being held pursuant to the 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 AGM and hence Proxy Form, Attendance Slip are not annexed to this Notice
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. As per the provisions under the MCA/SEBI Circulars, members attending the 39th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business are appended to this notice.
6. 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@arscslip.com and hfshareholders@gmail.com with a copy marked to evoting@cDSLindia.com and einward.ris@kfintech.com.
7. 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. September 27, 2022. Members seeking to inspect such documents can send an email to hflshareholders@gmail.com.

8. 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 (C&AG). As per 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 2022-23 is yet to be appointed by the C&AG. Accordingly, the Members may authorize the Board to fix an appropriate remuneration to the Statutory Auditors for the year 2022-23.
9. 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, Hyderabad 500 032. Ph.: 1800 345 4001/ 1800 309 4001 and inward.ris@kfintech.com.

Company is sharing below mentioned important information along with this AGM notice

Important information:

- I. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, members holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the Company /Registrar & Transfer Agent (RTA).
- II. SEBI Gazette Notification dated June 08, 2018, read with notification dated January 24, 2022 any request for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in dematerialized form with a depository. Hence, shareholders holding shares in physical form, are advised to dematerialize their shares
- III. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
- IV. SEBI circulars Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 had mandated the submission of PAN, KYC and nomination details by members holding shares in physical form by 31st March, 2023. For submitting the information, Members may access relevant forms at <http://www.hfl.co.in>
- V. Members who hold physical shares may provide updated bank details by submitting hard copy of duly signed Form – ISR 1 along with relevant documents mentioned therein to RTA. The said form is available at <http://www.hfl.co.in/investors>.
- VI. Members who are holding shares in physical form and have not yet registered their nomination are requested to submit Form – SH 13 for registering their nomination, Form – SH 14 for making changes to their nomination details, Form – ISR 2 for updating the signature of member and Form



- ISR 3 to opt out of nomination along with the relevant documents to RTA. The relevant forms are available at <http://www.hfl.co.in/investors>
- VII. As per SEBI circular nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated 25th May, 2022 the listed companies with immediate effect shall issue the securities only in Demat mode while processing various investor request pertaining to issuance of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of share certificate etc. Therefore, members are requested to submit hard copy of duly signed Form – ISR 4 along with the relevant documents to RTA. The relevant form is available at <http://www.hfl.co.in/investors>
- VIII. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May, 2022 has simplified and standardized procedure for transmission of shares. Therefore, members are requested to make service request for transmission of shares by submitting hard copy of the duly signed Form – ISR 5 along with relevant documents to RTA. The relevant form is available at <http://www.hfl.co.in/investors>
10. Members are requested to intimate immediately as and when there is any change in their addresses registered with the Company, their PAN, KYC details immediately to the RTAs.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, September 21, 2022 to Tuesday, September 27, 2022** (both days inclusive) for the purpose of AGM of the Company.
12. 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 Central Depository Services Limited (“CDSL”). 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.
13. Members holding shares either in physical or dematerialized form, as on cut-off/record date, i.e. as on **September 20, 2022**, may cast their votes electronically. The e-voting period commences on **Saturday, September 24, 2022 (9:00 a.m. IST) and ends on Monday, September, 26 2022 (5:00 p.m. IST)**. The e-voting module will be disabled by CDSL 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 September 20, 2022**. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
14. 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.



15. The cut off date for sending 39th AGM notice & Annual report is on **26th August, 2022**. 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. 26th August, 2022, may obtain the login ID and password by sending a request at evoting@cDSL.co.in. However, if he / she is already registered with CDSL 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. 26th August, 2022 may follow steps mentioned in the Notice under “Instructions for e-voting.”
16. In compliance with the MCA/SEBI Circulars, the Annual Report 2021-22, the Notice of the 39th 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).
17. 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 2021-22 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 or email request to the RTA of the Company (einward.ris@kfintech.com), KFin Technologies Private Limited at Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, providing Folio Number, name of member, copy of the share certificate (front and 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.

18. Members may also note that the Notice of the 39th AGM and the Annual Report 2021-22 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 CDSL at www.evotingindia.com.
19. Additional information pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM forms part of this Notice.
20. 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.



21. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with the physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Kfin Technologies Pvt. Ltd. for assistance in this regard.
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, CDSL 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/OAVM in accordance with the MCA/SEBI Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

Instructions for e-voting:**CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders



Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA General Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at hfl.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGMAND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

Instructions for remote e-voting

- (i) The remote e-voting voting period begins on Saturday, September 24, 2022 (9.00 A.M. IST) and ends on Monday, September, 26, 2022(5:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories / Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the



ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 CDSL e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) 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.



Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) 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. 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<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. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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 abovementioned website.

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

Login type	Helpdesk details
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 022-23058738 and 22-23058542-43.
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.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ◆ Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ◆ If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (V).



- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; hflshareholders@gmail.com and mail@arscllp@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **14 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at hfl@shareholders.gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **14 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at hfl@shareholders.gmail.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like 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 **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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 **Company/RTA email id**.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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, IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE:

Profile of Shri P O Luise

DIN	09533670
Date of Birth	08/11/1964
Age	57
Date of appointment	01/03/2022
Relationship with Directors/KMP	No
Shareholding in the Company	No
Qualifications	B.com, MBA, FCMA
Expertise in specific functional area	Shri P O Luise has got immense experience as CFO of HOCL, the holding company of HFL.
Number of shares held in the company as on March 31, 2022	Nil
List of directorship in other Companies	Nil
Chairman/ Member of the committee of Directors of other companies in which he is a Director as on March 31, 2022	Nil
Number of Board meeting attended during the year 2021-22	One (1)



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4 – Appointment of Shri Sanjay Krishna Navhale (DIN 09536256) 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-52011/2/2011-32 III-CPC dated 31st March, 2022 appointed Shri Sanjay Krishna Navhale as Government Nominee Director on the Board of Hindustan Fluorocarbons Limited (HFL) for a period of three (3) years with effect from 31st March, 2022 or til further orders whichever is earlier.

The Company has received all statutory disclosures/declarations from Shri Sanjay Krishna Navhale as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 24th May, 2022 noted the Government Order appointing Shri Sanjay Krishna Navhale as Government Nominee Director on the Board of HFL for a period of three (3) years with effect from 31st March, 2022 or til further orders whichever is earlier.

As per Articles of Association, though the power to appoint Government Nominee Directors of 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. Hence, the Board recommends the resolution set forth in Item No.4 for the approval of members by way of special resolution.

No director, key managerial personnel or their relatives except Shri Sanjay Krishna Navhale, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no.4.

Profile of Shri Sanjay Krishna Navhale

DIN	09536256
Date of Birth	26/07/1974
Date of appointment	31.03.2022
Relationship with Directors/KMP	No
Shareholding in the Company	No
Remuneration proposed to be paid	Nil
Expertise in specific functional area	Possessing experience in Government Services
Number of shares held in the company as on March 31, 2022	Nil
List of directorship in other Listed Companies	Nil
Chairman/ Member of the committee of Directors of other companies in which he is a Director as on March 31, 2022	Nil
Number of Board meeting attended during the year 2021-22	NA


Item No.5 Appointment of Smt Archana K (DIN 09461596) as Non-Official Part-time Independent Director

In pursuance to the guidelines issued by Department of Public Enterprises from time to time, the President of India, through Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India vide Order No. P-53013/8/2019-CHEM.III-CPC dated 24th December, 2021 appointed Smt Archana K as Non-official Director on the Board of Hindustan Fluorocarbons Limited (HFL) for a period of three (3) years with effect from 24th December, 2021 or until further orders. Smt Archana K fulfils the requirement of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI LODRR.

The Company has received all statutory disclosures/declarations from Smt Archana K as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 24th January, 2022 noted the Government Order appointing Smt Archana K as Non-official part time Director on the Board of HFL for a period of three (3) years with effect from 24th December, 2021 or until further orders. The Board of Directors has considered that Smt Archana K possesses diverse skills, leadership capabilities, expertise in various management related aspects, experience in service sectors as being key requirements to this role.

As per the provisions of Section 152(2) of the Companies Act, 2013, every director shall be appointed by the company in general meeting. Hence, the Board recommends the resolution set forth in Item No.5 for the approval of members by way of special resolution.

No director, key managerial personnel or their relatives except Smt Archana K, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no.5.

Profile of Smt. Archana K

DIN	09461596
Date of Birth	20/04/1976
Date of appointment	24.12.2021
Relationship with Directors/KMP	No
Shareholding in the Company	No
Remuneration proposed to be paid	Nil
Expertise in specific functional area	Possessing experience in Service Sectors
Number of shares held in the company as on March 31, 2022	Nil
List of directorship in other Listed Companies	Nil
Chairman/ Member of the committee of Directors of other companies in which he is a Director as on March 31, 2022	Nil
Number of Board meeting attended during	Two (2) the year 2021-22

Item No.6 Appointment of Dr Bharat J Kanabar (DIN 09466694) as HOCL Nominee Independent Director

As per the Articles of Association of the Company, Hindustan Organic Chemicals Limited (HOCL), holding company of HFL shall have power to nominate not more than six directors on the Board of HFL. Accordingly, HOCL had appointed Dr Bharat J Kanabar as Independent Director on the Board of HFL w.e.f 28.01.2022 till tenure of Dr Bharat J Kanabar in HOCL or till further orders whichever is earlier. Dr Bharat J Kanabar fulfils the requirement of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI LODRR.



The Company has received all statutory disclosures/declarations from Dr Bharat J Kanabar as required under the provisions of Companies Act, 2013. The Board of Directors has considered that Dr Bharat J Kanabar possesses diverse skills, leadership capabilities, expertise in various management related aspects, experience in medical field as being key requirements to this role.

Considering the above, Board of Director in their meeting held on 25th March, 2022 noted the appointment of Dr Bharat J Kanabar as HOCL nominee Independent Director on the Board of HFL. As per the provisions of the Section 149(13) of the Companies Act, 2013, Independent Director is not liable to retire by rotation. Accordingly, Dr Bharat J Kanabar is not liable to retire by rotation for a period of three (3) years with effect from 28th January, 2022.

As per Articles of Association, though HOCL shall nominate Directors on the Board of HFL, as per the provisions of Section 152(2) of the Companies Act, 2013, every director shall be appointed by the company in general meeting. Hence, the Board recommends the resolution set forth in Item No.6 for the approval of members by way of special resolution.

No director, key managerial personnel or their relatives except Dr Bharat J Kanabar, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no.6.

Profile of Dr Bharat J Kanabar

DIN	09466694
Date of Birth	06/07/1955
Date of appointment	28.01.2022
Relationship with Directors/KMP	No
Shareholding in the Company	No
Remuneration proposed to be paid	Nil
Expertise in specific functional area	Possessing experience as Medical professional
Number of shares held in the company as on March 31, 2022	Nil
List of directorship in other Listed Companies	Independent Directors in Hindustan Organic Chemicals Limited
Chairman/Member of the committee of Directors of other companies in which he is a Director as on March 31, 2022	Four (4) committees
Number of Board meeting attended during the year 2021-22	One (1)

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

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

**PLACE : HYDERABAD
DATE : 03-09-2022**

**Regd.Office
303, Babukhan Estate,
Basheerbagh, Hyderabad – 500 001.**



CHAIRMAN'S SPEECH

Dear Shareholders,

I extend my hearty welcome to you to the 39th Annual General Meeting of your Company. Like previous year, we are again meeting virtually as the Government authorities and/regulatory bodies have permitted holding of AGM through Video Conference (VC) mode. It is my pleasure to connect with you all, although through VC. I am sure, you must have received the Directors' Report and Audited Annual Accounts of the Company for the year ended 31st March, 2022 and with your permission I take them as read.

Now, I proceed to share with you briefly the performance of the company and our activities.

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 29.01.2020 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, 2022.

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. Sale of Plant & Machinery and other movable assets would be done through MSTC e-Auction, as per decision taken by CCEA on 22-01-2020 and will be executed as per DPE guidelines. HFL has one plant/unit located at Rudraram, District Sangareddy in Telangana.

5. RECEIPT OF GOI INTEREST FREE LOAN

HFL had received interest free loan of Rs.73.70 crore from Gol on 26-05-2020 and Rs.2.17 Crore from Gol on 15-03-2022 totaling 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 22-01-2020.

6. VRS

The VRS-2020 scheme was implemented by the company, accordingly 65 employees were relieved on VRS-2020 scheme and 13 employees got superannuated during the year.

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 enclosed as a 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 all the employees and others 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, 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 their continued support.

Sd/-

(SAJEEV B)

Chairman & Managing Director

DIN: 09344438



DIRECTORS' REPORT

Your Board of Directors takes pleasure in presenting their 39th Annual Report on the performance of the Company, together with the Audited Annual Accounts for the year ended 31st March, 2022 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, 2022 is summarized below: (Rs. in lacs)

Particulars	2021-22	2020-21
Revenue from Sales	0.33	366.91
Other Income	281.43	249.90
Total Income	281.76	616.81
Total expenditure	894.63	3099.90
Profit/(Loss) before tax	(612.87)	(2483.09)
Other Comprehensive income/(Loss)	(4.19)	(48.98)
Total Comprehensive income/(Loss)	(617.06)	(2532.07)

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

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

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

In view of the losses at the end of the Financial Year 2021-22, the Board of Directors did not recommend any dividend on the equity shares for the year ended 31st March, 2022.

4. OPERATIONS AND OVERALL PERFORMANCE

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 (net) was Rs.0.33 lakhs as against Rs. 366.91 lakhs in the previous year.

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 of 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 TSIDC/TS Govt.

iv. **PLANT AND MACHINERY AND OTHER MOVABLE ASSETS**

Sale of Plant & Machinery and other movable assets would be done through MSTC as per decision taken by CCEA on 29.01.2020 and will be 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.73.70 crore from Gol on 26.05.2020. On 15.03.2022 HFL received an additional amount of Rs.2.17 crore from Gol. As per Gol 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 22.01.2020.

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 provided to HFL since closure decision was taken by Gol 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 vide Part-I Order No.01/2020, Dated: 19-02-2020, accordingly the employees were relieved on 30-May-2020 (30), 30-Jun-2020 (25) and 20-Jul-2020 (9) 31-Jul-2021 (1) totalling to 65 employees were relieved on VRS-2020 scheme and 13 of the employees got superannuated totalling to 78 as on date.

6. **IMPACT OF COVID-19**

The pandemic Covid-19 has significantly and adversely affected the business sentiments and economy in general. Company has evaluated the impact of COVID - 19 on the functioning of the company till the year end which is insignificant considering the overall operations of the company for the year and the decision of the Government to close the company.

7. **POSTAL BALLOT**

HFL has not conducted any postal ballot process during the year 2021-22.

8. **SHARES**

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.

9. **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. During the year company has received 10 applications and the same were resolved.

10. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The company was not required to transfer any amount towards IEPF

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

In view of the COVID-19 pandemic and restrictions on the movements apart from social distancing, the MCA vide circular dated 19th March, 2020 and subsequent exemptions thereto to Section 173 (2) and Rule 4(2) of Companies (Meeting of Board of Directors and its Powers) Amendment Rules, 2020, HFL has conducted all its Board Meeting through VC.

The Board of Directors met **5 times** during the financial year 2021-22 on: 24th May, 2021, 27th July 2021, 27th October, 2021 and 24th January 2022 and 25th March, 2022.

For details of meetings of the Board, refer to Corporate Governance Report, which is a part of this report.

12. BOARD OF DIRECTORS

Board of Directors of the company was constituted. During the year, the following additions / deletions were made:

1. Shri Sajeev B was appointed as Chairman & managing Director (Additional charge) w.e.f 22.09.2021.
2. Smt. Archana K was appointed as Independent Director on the of Board of HFL w.e.f 24.12.2021.
3. Shri. Bharat J Kanabar was appointed as HOCL Nominee Independent

Director on the of Board of HFL w.e.f 28.01.2022.

4. Smt. Susheela S Kulkarni, CGM & Company Secretary of HOCL was ceased as HOCL Nominee Director w.e.f. 28.02.2022
5. Shri. P O Luise, was appointed as HOCL Nominee Director w.e.f. 01.03.2022.
6. Shri Sanjay Krishna Navhale was appointed as Government Nominee Director in place of Shri Dharmendra Kumar Madan w.e.f 31.03.2022

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2022 are: 1. Shri. Srinivasa Raju Dalapathirao, Chief Financial Officer; 2. Mr Subramonian H, Company Secretary.

13. 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 DCPC and by parent company (HOCL) and the prescribed DPE Guidelines are also followed.

14. 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.



15. **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.
16. **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
17. **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.
18. **COMMITTEES OF THE BOARD**
The Committees of the Board includes, Audit Committee, Nomination and Remuneration Committee, Share Transfer 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.
19. **INDEPENDENT DIRECTORS DECLARATION**
Company has obtained necessary declarations from the Independent Directors as stipulated under Section 149(7) of the Companies Act, 2013.
20. **ANNUAL RETURN**
The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in hfl.co.in.
21. **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.
22. **RESEARCH & DEVELOPMENT**
As the company is in the process of closure of operations, R&D operations were not carried out during the period.
23. **INDUSTRIAL RELATIONS**
Employee relations continued to be cordial throughout the year. Your Company has 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. A statement showing representation of employees belonging to Scheduled Castes/ Scheduled Tribes/ Backward classes /Minorities categories is appended as **Annexure-II** to this report.



24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

26. 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 for the year ended 31st March, 2022, 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

27. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

28. 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

29. 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.

**30. 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.

31. 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.

32. CORPORATE SOCIAL RESPONSIBILITY:

As the Company is making Continuous losses, the provision of Section 135 of the Companies act related to the CSR is not applicable to the Company for the financial year 2021-22.

33. 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.

34. 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.

35. MATERIAL ORDERS OF JUDICIAL BODIES/ REGULATORS

In the case of Rockwell Industries Limited vs. HFL, the High Court vide Order Dated: 04.11.2020 (Case No. COM.C.A. 16/2020) has directed HFL (Appellant) not to dispose or transfer or to create a third party right with regard to its assets. HFL is in the process of vacating the stay on disposal of assets.

36. SECRETARIAL AUDIT

Board has appointed M/s. ARS & Associates Company Secretaries LLP (LLPIN: AAG-3878) as a Secretarial Auditor of the company for the financial year 2021-22. The explanations / comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished in **Annexure VII** is attached to this report. There were no adverse comments, qualifications or reservations or adverse remarks in the Secretarial Audit Report.

37. AUDITORS:

The Statutory Audit of your Company was conducted by M/s. Sarath & Associates, Chartered Accountants, who were appointed as Statutory Auditors for the Financial year 2021-22 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, 2022 is at **Annexure- VIII**

38. EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS

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 2021-22 is annexed to the Annual Report for the period 2021-22. C&AG have decided not to conduct the supplementary audit of the financial statements of the Company..



39. COMPLIANCE WITH SECRETARIAL STANDARDS

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

40. THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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 Work place (Prevention, Prohibition and Redressal) Act, 2013. Company has not received any case relating to the sexual harassment of women at work place.

41. HEALTH AND ENVIRONMENT

The management has taken the great responsibilities for continuous monitoring and protecting the health and environment as per statutory compliance. Company is following all pollution norms. The health record of employees working in production Division is maintained in the Health Register in Form 7.

42. FIRE & SAFETY PERFORMANCE

The Company pays special attention to ensure safety of the factory and workers employed therein. The Company accords the same attention to safety aspects as it does to production and productivity, be it in a personal safety, process safety, environment safety or product stewardship and allocated adequate resources of men, machine, money, time and energy to maintain the standards thus performance during the year was very good.

The Company continued to maintain good safety record in the financial year 2021-22.

A Mock Drill is a practice which trains an individual about the course of action to be

taken in case of real emergency occurs. This is one of the most effective techniques to train, aware & alert people in a process plant location. A surprise Mock Drill was conducted at site to analyze the capacities of Plant, Equipment operating & employees' skills towards Emergency Preparedness & Response.

43. 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. Official Language Implementation Cell of the Company continued to function effectively.

44. ISO CERTIFICATION

Company's quality management system is accredited as an ISO 9001:2015.

45. 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.

46. LEGAL COMPLIANCE

The Company has complied with all the legal provisions effectively. Although it has filed two petition to Company Law Board during the financial year 2011-12 regarding condonation of delay in filing of satisfaction of charge documents of Life Insurance Corporation of India, with the Registrar of Companies.

47. INSURANCE

All properties and insurable interest of the company including building, plant and machinery and goods are adequately insured. As required under Public Liability Insurance Act, 1991, the company has taken necessary insurance cover.

**48. 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. 86.89% of the Share Capital of the Company has been dematerialized, as on 31st March, 2022.

49. 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.

50. 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.

51. 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)
Chairman and Managing Director
DIN: 09344438**

**Place: Mumbai
Date: 24-05-2022**

**Annexure-I****ENERGY CONSERVATION MEASURES TAKEN:**

The following Energy conservation measures were taken in the financial year 2021-22:

As HFL has received CCEA approval for shutting of plant, Future plan for energy conservation for the financial year 2021-22 is not applicable.

FUTURE PLANS:

As HFL has received CCEA approval for shutting of plant, Future plan for energy conservation for the financial year 2022-23 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

Annexure-II

Consolidated report as on 31-03-2022 (SC / ST / OBC / WOMEN / MINORITY)

Group	Total Strength	SC	ST	OBC	MINORITIES	WOMEN
A	11	0	0	4	0	1
B	0	0	0	0	0	0
C	0	0	0	0	0	0
D	0	0	0	0	0	0
TOTAL	11	0	0	4	0	1



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, 2022.

INDUSTRY STRUCTURE & FUTURE OUTLOOK:

HFL manufactures HCFC 22 which is used as Refrigerant gas and the same is used for conversion to PTFE. Due to uneconomical plant capacity, old technology conversion of HCFC 22 to PTFE is not financially viable. Therefore, HFL has 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 31/03/2022	Year ended 31/03/2021
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 reviews 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. Pursuant to CCEA order for closure and shutting of operations, HFL had stopped its operations.

During the year, the sales turnover (net) was Rs.0.33 lakhs as against Rs. 366.91 lakhs 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 staff were retained to look after the closure related activities and day to day matters of the Company.

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 2021-22 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)

Chairman & Managing Director

DIN: 09344438

Place: Mumbai

Date: 24-05-2022



CORPORATE GOVERNANCE REPORT AS ON 31.03.2022

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.

Our 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 31-03-2022, the Board of HFL consisted of six (6) Directors with 3 Non Executive HOCL Nominee directors including Chairman and Managing Director of the Board, 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 31.03.2022:

Sl. No.	Directors / Shri / Ms.	Category of Director (ED, NED, NEID, ID)	Date of appointment	Date of Cessation	No. of other Directorships including HFL	Membership in other Board Committees	Chairmanship in Board and Other Board Committees
1	Shri Sajeev B	Chairman and Managing Director NED (HOCL Nominee)	22.09.2021	-	2	4	1
2	Shri Sanjay Krishna Navhale	Govt Nominee, NED	31.03.2022	-	1	0	0
3	Shri Dharmendra Kumar Madan	Govt Nominee, NED	09.08.2017	31.03.2022	NA	NA	NA
4	Dr Bharat J Kanabar	NED	28.01.2022	-	2	8	3
5	Smt Archana K	NED	24.12.2021	-	1	4	2
6	Shri P O Luise	NED (HOCL Nominee)	01.03.2022	-	1	4	1
7	Smt Susheela S Kulkarni	NED (HOCL Nominee)	06.03.2021	28.02.2022	NA	NA	NA
8	Smt K Kusumam	NED (HOCL Nominee)	11.06.2021	-	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 31-03-2022:

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 Sanjay Krishna Navhale	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 P O Luise	NED (HOCL Nominee Director)	A brief profile is provided below
6	Smt K Kusumam	NED (HOCL Nominee Director)	A brief profile is provided below

**A. Changes in the Board of Directors:**

1. Shri Sajeev B was appointed as Chairman & managing Director (Additional charge) w.e.f 22.09.2021.
2. Smt. Archana K was appointed as Independent Director on the of Board of HFL w.e.f 24.12.2021.
3. Shri. Bharat J Kanabar was appointed as HOCL Nominee Independent Director on the of Board of HFL w.e.f 28.01.2022.
4. Shri. P O Luise, was appointed as HOCL Nominee Director w.e.f 01.03.2022
5. Smt. Susheela S Kulkarni, CGM & Company Secretary of HOCL was ceased as HOCL Nominee Director w.e.f 28.02.2022
6. Shri Sanjay Krishna Navhale was appointed as Government Nominee Director in place of Shri Dharmendra Kumar Madan w.e.f 31.03.2022

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. Shri P O Luise

Qualification: B.Com, MBA, FCMA

Business/Occupation: Service

Experience: 33 years of experience in HOCL Finance Department, Out of which 5 years as CFO of HOCL.

3. Smt. Kusumam

Qualification: B.Tech.

Business/Occupation: Service

Experience: Experience in HOCL, Out of which 10 years at senior management position at HOCL.

4. 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.

5. Smt Archana K

Qualification: Graduation

Business/Occupation: Self employed

6. Shri Sanjay Krishna Navhale

Qualification: Bachelor degree in Chemical Technology and Post Graduation in Master of Engineering in Chemical Engineering

Business/Occupation: Service

Experience: He is presently Working as Deputy Secretary to the Government of India in the Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers. He has immense experience in Working on FTAs with various nations for Chemicals & Investments (Regional



cooperation), Anti-Dumping, Taxes, duties, trade related matters, Project Import, Import / Export of chemicals etc. He is also, looking after administrative matter of three (3) CPSUs under the Department. Further, he is looking after important work such as Parliamentary matters, Standing Committees, DPCs, Reports, Public Procurement, Vision Document, Audit, RTI Appeal, Grievances, Court cases, budget, SFC.

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 either at Hyderabad where Regd. Office of the company is located or at Holding Company, HOCL Registered Office at Mumbai. 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.

In view of the COVID-19 pandemic and restrictions on the movements apart from social distancing, the MCA vide circular dated 19th March, 2020 and subsequent exemptions thereto to Section 173 (2) and Rule 4(2) of Companies (Meeting of Board of Directors and its Powers) Amendment Rules, 2020, HFL during the year 2021-22 has conducted all its Board Meeting through VC.

The Board of Directors met **5 times** during the financial year 2021-22 on:

24th May, 2021, 27th July 2021, 27th October, 2021 and 24th January 2022 and 25th March, 2022.

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

SINo	Directors	Board Meetings Held	Board Meetings Attended	Attendance at the Last AGM
1	Shri. S B Bhide, Chairman ¹	05	02	Yes
2	Shri Sajeew B ²	05	03	Yes
3	Shri. Dharmendra Kumar Madan ³	05	04	No
4	Smt Susheela S Kulkarni ⁴	05	04	Yes
5	Shri K K Kunjumon ⁵	05	01	NA
6	Smt K Kusumam ⁶	05	04	Yes
7	Smt K Archana ⁷	05	02	NA
8	Dr Bharat J Kanabar ⁸	05	01	NA
9	Shir P O Luise ⁹	05	01	NA



1. Shri. S B Bhide had ceased as Managing Director w.e.f 31.07.2021.
2. Shri Sajeev B was appointed as Chairman & Managing Director (Additional Charge) w.e.f 22.09.2021
3. Shri Dharmendra Kumar Madan has ceased as Govt. Director 31.03.2022
4. Smt Susheela S Kulkarni had ceased as HOCL Nominee Director w.e.f 28.02.2022
5. Shri K K Kunjumon had ceased as HOCL Nominee Director w.e.f 31.05.2021
6. Smt K Kusumam was appointed as HOCL Nominee Director w.e.f 11.06.2021
7. Smt K Archana was appointed as Independent Director w.e.f 24.12.2021
8. Dr Bharat J Kanabar was appointed as HOCL Independent Director w.e.f 28.01.2022
9. Shri P O Luise was appointed as HOCL Nominee Director w.e.f 01.03.2022

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, Share Transfer Committee, CSR & SD Committee and 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 and Chairman 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, 2022 is given below

1. Smt. Archana K – Chairperson
2. Dr. Bharat J. Kanabar – Member
3. Mr. P.O. Luise – Member and CS, HOCL will be the Secretary to the Audit Committee; The Committee did not meet during the year 2021-22.

iii. The Committee did not meet during the year 2021-22.

**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, 2022 comprised of

1. Dr. Bharat J. Kanabar – Chairman
2. Smt. Archana K – Member
3. Mr. P.O.Luise – Member and CS, HOCL will be the Secretary to the Committee

iii. The Committee did not meet during the year 2021-22.

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. Mr. P.O.Luise – Member and CS, HOCL will be the Secretary to the Committee

IV. CSR & SD Committee: (Not Applicable)**i. Terms of Reference:**

The terms of reference of the Board Committee on Corporate Social Responsibility and Sustainability Development for recommending the expenditure, Activities and their plans and monitoring system, under CSR & SD.

ii. Composition:

The Committee comprised Shri. Dharmendra Kumar Madan, Govt Nominee Director, as Member; Shri. C P Bhatia, HOCL Nominee Director as Member and Shri.S B Bhide, Chairman of the Company as Members of the Committee.

iii. The Committee did not meet during the year 2021-22.

**V. 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. Mr. P.O. Luise – Chairman
2. Dr. Bharat J. Kanabar
3. Smt. Archana K – Member and CS, HOCL will be the Secretary to the Committee

Share transfer system:

The company has a Share Transfer Committee which is authorized to transfer securities as and when they are received both under physical and electronic mode. Further for dematerialisation of Company shares can be done with CDSL and NSDL under ISIN No.INE 806J01013.

The share transfer committee meets regularly and approves all matters related to shares vis-à-vis transfers, deletions, transmissions, dematerialization and re-materialization of shares. There were no pending complaints and requests for demat. This committee is vested with requisite powers and authorities to specifically look into redressal of grievances of shareholders and investors.

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

The Committee did not meet during the year under review.

Summarized information on complaints received and resolved during 1st April, 2021 to 31st March, 2022:

Sl.No.	Nature of Complaint	Received	Redressed	Pending as on 31.03.2022
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.

VI. Risk Management Committee: Not Applicable**4. Details of Remuneration Paid to the Directors for the year 2021-2022: (Amount in Lakhs)**

Name	Salary Including benefits Amount	Sitting fees to NEID	Total
Shri. S B Bhide, CMD (Additional Charge)	-	-	-
Shri. D K Madan, Gol Nominee Director	-	-	-
Smt. Susheela S Kulkarni, HOCL Nominee Director	-	-	-
Shri. P.O. Luise, HOCL Nominee Director	-	-	-
Smt. Archana K	-	0.15	0.15
Dr. Bharat J Kanabar	-	0.10	0.10



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.

A. Non-executive Directors:

- i. **Non-executive Directors:** The Company does not pay any remuneration to non-executive Directors for attending the meetings of the Board of Directors thereof. The company pays Sitting Fees of Rs.5000/- per meeting per Non-Executive Director for attending each meeting of the Board of Directors and also Rs.5000/- for attending each meeting of Committee of the Directors. No sitting fees was paid during the year 2020-21.
- ii. Non-Executive 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-2018-19	FY-2019-20	FY-2020-21
Date	24.09.2019	24.09.2020	25.09.2021
Time	3.00 P.M.	3.00 P.M.	3.00 P.M.
Venue	Press club, Deshodharaka Bhavan, Basheerbagh, Hyderabad-500 001	Through VC/OAVM	Through VC/OAVM

No special resolutions were passed in 37th and 38th AGM.

6. Postal Ballot

- I. Whether any special resolution passed last year /during the year through postal ballot – No
- II. During the year 2020-21, 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
Website	www.hfl.co.in
Annual General Meeting	24-September-2021
Tentative Financial Calendar	1 st Un-audited Quarter Results on or before 14 th August, 2022 2 nd Un-audited Quarter Results on or before 14 th November, 2022 3 rd Un-audited Quarter Results on or before 14 th February, 2022 4 th Un-audited Quarter Results on or before 15 th May, 2023 or Annual Audited Results on or before 30 th May, 2023.
Date of book closure	21-09-2022 to 27-09-2022 (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 hereunder.

Month	Open Price	High Price	Low Price	Close Price
April,2021	7.85	7.85	6.70	7.07
May, 2021	7.92	9.79	7.65	9.02
June, 2021	9.00	12.53	8.67	11.29
July, 2021	11.40	12.00	9.82	11.14
Aug, 2021	11.69	12.70	8.55	10.00
Sept,2021	10.39	11.58	9.37	10.28
Oct, 2021	10.00	11.00	9.26	9.49
Nov, 2021	10.23	10.38	9.20	9.80
Dec, 2021	10.00	18.34	9.35	16.65
Jan, 2022	16.05	16.80	12.45	13.70
Feb, 2022	13.75	14.29	9.51	10.24
Mar, 2022	10.24	11.74	9.42	9.57

III) Distribution of Shareholding

Distribution of Shareholding as on 31/03/2022

S.No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	15187	91.22	24330760.00	12.41
2	5001 - 10000	845	5.08	7128400.00	3.64
3	10001 - 20000	317	1.90	4886290.00	2.49
4	20001 - 30000	107	0.64	2735710.00	1.40
5	30001 - 40000	41	0.25	1479420.00	0.75
6	40001 - 50000	49	0.29	2323930.00	1.19
7	50001 - 100000	53	0.32	3761660.00	1.92
8	100001 & ABOVE	50	0.30	149344830.00	76.20
	Total:	16649	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.

86.89% of the Share Capital of the Company has been Dematerialize the shares, the Company has been Dematerialized as on 31st March, 2022- total accounts Dematerialized is 4934 involving 17029425 shares (which constitutes 86.89% of the share capital).



V. Share Holding Pattern as on 31st March, 2022 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	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	0	0	0	0.00
(h)	Provident Funds/Pension Funds	0	0	0	0.00
(i)	Qualified Institutional Buyer	1	123820	123820	0.63
	Sub Total (B)(1)	2	125020	125020	0.64
(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)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	16059	4652606	4652606	23.74
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	17	1844734	1844734	9.41
(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	2	600	600	0.00
	Non-resident Indians	21	13544	13544	0.07
	Clearing members	10	9137	9137	0.05
	Non-resident Indian non repatriable	269	311100	311850	1.59
	Bodies corporates	90	279205	279205	1.42
	HUF	64	433154	433154	2.21
	Sub Total (B)(3)	16532	7544080	7544080	38.49
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	16534	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)	16536	19599100	19599100	100.00

**10. Listing Fees:**

Listing fees for the year 2021-22 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

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, as suitable explanations were submitted from time to time to the Exchange (BSE).

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. - Yes.

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 has reported un-modified opinion on the Annual Audited Financial Statements for the year 2021-22.
- 20. Separate posts of chairperson and chief executive officer:** The Company has a non-executive Chairman and Managing Director.
- 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 ARS & Associates, Company Secretaries LLP (LLPIN: AAG 3978) to conduct Secretarial Audit for the FY 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 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 as Annexure to the Directors Report. The Company also obtained Annual Secretarial Compliance Report form M/s ARS & Associates, Company Secretaries LLP (LLPIN: AAG 3978) for the year 2021-22.
- 24. Compliance of DPE Guidelines on Corporate Governance for the CPSEs:** Company (HFL) being a CPSU is required to comply with the Department of Public Enterprise (DPE) set out guidelines on Corporate Governance and in this respect the Quarterly Reports (SER-Self Evaluation Report) are being submitted to the DCPC, Administrative Ministry and Annual SARs are also submitted to the DPE.

For Hindustan Fluorocarbons Limited

Sd/-
SUBRAMONIAN H
Company Secretary

Place: Hyderabad

Date: 24.05.2022

**COMPLIANCE OFFICER'S RESPONSIBILITY STATEMENT:**

The Compliance Officer confirms as on 31st March, 2022 that the Company has:

- i. Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and rules made hereunder.
- ii. Filed all forms and returns and furnished necessary particulars in time to Registrar of Companies (ROC) and/or Authorities as required under the Act.
- iii. 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.
- iv. Conducted the meetings of the Board of Directors and Annual General Meeting as per the provisions of the Act.
- v. Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors and the shareholders.
- vi. Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the directors.
- vii. Obtained necessary approvals of the directors, shareholders, Central Government and other authorities as per the statutory requirements.
- viii. Has not given loans or made investments in accordance with the requirements of the Act.
- ix. Not exceeded the borrowing powers of the company.
- x. Registered all the particulars relating to the creation, modification and satisfaction of the charges with the ROC.
- xi. Effected share transfers and dispatched the certificates within the time limit prescribed under the Act and rules made there under.
- xii. Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into with the Stock Exchanges.
- xiii. 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: Mumbai
Date: 24.05.2022

**CEO AND CFO CERTIFICATION**

To,
The Board of directors
Hindustan fluorocarbons limited
Hyderabad.

- a) We have reviewed financial statements and the cash flow statement of Hindustan Fluorocarbons Limited for the year ended 31st March, 2022 and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the company'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 company during the year 2021-22 which are fraudulent, illegal or in violation of the company'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 company 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 they 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. Significant changes in internal control over financial reporting during the year 2021-22;
 - ii. Significant changes in accounting policies during the year 2021-22 and that the same have been disclosed in the notes to the financial statements; and
 - iii. 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 company's internal control system over financial reporting.

Sd/-

SAJEEV B

Chairman and Managing Director

Sd/-

P.O. LUISE

Chief Financial Officer

Place: Mumbai
Date: 24-05-2022

**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, 2021** and ended on **31st March, 2022**. 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, subject to the following:

- ♦ As on 31st March, 2022, composition of Board of Directors were in compliance with Regulation 17, as Independent Directors were appointed on to the Board of HFL in the Month of January, 2022.
- ♦ The composition of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee were adequate as on 31st March, 2022, as Independent Directors were appointed on to the Board of HFL in the Month of January, 2022 and respective committees were re-constituted in the month of March, 2022.

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, 2022 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.

Date: May 24, 2022

Place: Hyderabad

Sd/-

Dafthardar Soumya

Designated Partner

ACS No.29312

C P No.:13199

UDIN: A029312D000380410

**Form No. MR-3**

[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]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

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 conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms, 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 **31st March, 2022** 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 **Hindustan Fluorocarbons Limited** (“the Company”) for the financial year ended on **31st March, 2022** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- 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 Industry specific Acts, Labour laws and other applicable laws;
- vi. 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; **(Not Applicable as there was no Acquisition and Takeover of Shares)**.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable as the company did not issue any security during the financial under review)**
- (d) Applicable;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable as the company has not granted any options to its employees during the financial year under review.)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the company has not issued any debt securities during the financial under review).**
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable as the company has not delisted its equity shares from any stock exchange during the financial under review).**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the company has not bought back any of its securities during the financial under review).**

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

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

1. The Company has appointed two Independent Directors, Ms. Kesarkar Archana w.e.f 6th January, 2022 and Mr. Bharatkumar Jashvantraï Kanabar, w.e.f 28th January, 2022.
2. The company has re-constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship committee in the Board Meeting held on 25th March, 2022, till then the Constitution of Board was inadequate due to non-appointment of Independent Directors.
3. Due to lack of adequate balance in constitution of the Board of Directors as required, the company could not conduct any of the Committee meetings during the period under review.

We further report that

The Board of Directors of the Company was not constituted with proper balance of 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.

However, the company has appointed required Independent Directors in the last Quarter of the period under review and hence, the board was properly constituted as on the closure of the financial year 31st March, 2022.

Adequate notice is given to all directors to schedule the Board 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.



During the period under review, resolutions were carried through majority decisions. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review;

We Further report that there are adequate systems and processes in the Company to 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:

- i) 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.
- ii) Company had received approval of shareholders for the shutting down of the plant/unit and closure of the company and to sell or otherwise dispose of the whole or substantially the whole of the undertaking of the company through postal ballot notice dated February 10, 2020.
- iii) Company is in the process of sale of land, subject to receipt of NOC from TSICC/TS Govt.
- iv) Sale of Plant & Machinery and other movable assets of the company would be done through MSTC as per decision taken by CCEA on 29.01.2020.
- v) Company had received for interest free loan of Rs.73.70 crore from Gol on 26.05.2020 and Rs.2.17 crores on 15.03.2022. As per Gol 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 22.01.2020.
- vi) During the quarter ended 31st December, 2021, BSE has sent penalty letter for non-compliance with the regulations of SEBI (Listing Obligations and Disclosure Requirements, 2015) and the Company has given explanations for such non-compliance of Corporate Governance requirements due to pending appointment of Independent Directors and constitution of the various committees as required. However, the company has not received any further communication from BSE imposing of the penalty on the same.
- vii) The VRS-2020 scheme was implemented in the company accordingly 78 employees were relieved on VRS-2020.

For ARS & ASSOCIATES COMPANY SECRETARIES LLP

Date: May 24, 2022

Place: Hyderabad

Sd/-

Dafthardar Soumya

Designated Partner

FCS No.11754,

C P No.:13199

UDIN: A029312D000380401

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

**Annexure**

**To,
The Members,
Hindustan Fluorocarbons Limited,
Hyderabad**

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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 Companies Act, 2013 and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. 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.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws, Environment laws and Data protection policy.
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws, Labour Laws – General and Other Specific laws as may be applicable to the company, have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.
9. Under the situation of COVID-19 Pandemic prevailing during the period when the audit was conducted for the year 2019-20, all the documents, records and other information were verified and checked electronically as provided by the management.
10. We further report that during the audit report there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulation, guidelines, standards, etc.

For ARS & ASSOCIATES COMPANY SECRETARIES LLP

Date: May 24, 2022
Place: Hyderabad

Sd/-
Dafthardar Soumya
Designated Partner
FCS No.11754
C P No.:13199
UDIN: A029312D000380401

**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, 2022 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. Kusumam Karunakaran	09235912	12/07/2021
3	Smt. Kesarkar Archana	09461596	06/01/2022
4	Shri. Bharat Kumar Jashvantraï Kanabar	09466694	24/12/2021
5	Shri. Pullan Ouseph Luise	09533670	01/03/2022
6	Shri. Sanjay Krishna Navhale	09536256	31/03/2022

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: 24th May, 2022
Place: Hyderabad

Sd/-
D Soumya
Designated Partner
FCS. No: 29312
C.P. No: 13199
UDIN: A029312D000410550



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 2021-22

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: A029312D000380421

Date: May 24, 2022

Place: Hyderabad



SECRETARIAL COMPLIANCE REPORT OF HINDUSTAN FLUORO CARBONS LTD

(CIN:L25206TG1983PLC004037)

for the year ended 31st March, 2022

(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 stock exchanges,
- (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 31.03.2022 (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 there under; 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; and circulars/ guidelines issued thereunder wherever applicable;

And based on the above examination, we hereby report that, during the Review Period:

- (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:-

Sl. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1.	Regulation 17 of SEBI LODR	Inadequate Composition of Board of Directors	As on 31 st March 2022, Composition of Board of Directors was in compliance with Regulation 17 as the company have appointed requisite number of Independent Directors in the Month of January, 2022. Company being a Public Sector Undertaking such appointment of adequate number of Independent Directors is to be done by administrative Ministry and HOCL (parent company).
2.	Regulation 18 of SEBI LODR	Inadequate composition of Audit Committee	As on 31 st March 2022, Composition of Board of Directors was in compliance with Regulation 17 as the company have appointed requisite number of Independent Directors in the Month of January, 2022. Company being a Public Sector Undertaking such appointment of adequate number of Independent Directors is to be done by administrative Ministry and HOCL (parent company).
3.	Regulation 19 of SEBI LODR	Inadequate Composition of Nomination and Remuneration Committee	As on 31 st March 2022, the Nomination and Remuneration Committee of the company was duly constituted in the Month of March, as the Independent Directors were appointed on the Board of HFL in the Month of January, 2022.
4.	Regulation 20 of SEBI LODR	Inadequate Composition of Stakeholders Relationship Committee	As on 31 st March 2022, the Stakeholders Relationship Committee of the company was duly constituted in the Month of March, 2022, as the Independent Directors were appointed on the Board of HFL in the Month of January, 2022.



- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) No action was taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under: Penalty was inadequate composition of Board was levied, however the same was waived off as the company has made requests to GoI and HOCL (parent company) for making appointment of adequate number of Independent Directors and awaiting response from GoI and HOCL on the same.
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Regulation 17 of SEBI LODR - Inadequate Composition of Board of Directors	As on 31 st March 2021, Composition of Board of Directors was not in compliance with Regulation 17 as the Term of office of both the Independent Directors including Women director expired on 20.02.2020.	The company on following up with their administrative Ministry and parent company HOCL appointed of Independent Directors in the Month of January, 2022.	The Company has justified the delay and which was recorded by the PCS in their Annual Secretarial Compliance report for the FY 2020-21.
2.	Regulation 18 of SEBI LODR - Inadequate composition of Audit Committee	As on 31 st March 2021, Composition of Audit Committee was not in compliance with Regulation 18 as the Term of office of both the Independent Directors expired on 20.02.2020.	The company on following up with their administrative Ministry and parent company HOCL appointed of Independent Directors in the Month of January, 2022.	The Company has justified the delay and which was recorded by the PCS in their Annual Secretarial Compliance report for the FY 2020-21.



Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
3.	Regulation 19 of SEBI LODR	Inadequate Composition of Nomination and Remuneration Committee	The company on following up with their administrative Ministry and parent company HOCL appointed of Independent Directors in the Month of January, 2022.	The Company has justified the delay and which was recorded by the PCS in their Annual Secretarial Compliance report for the FY 2020-21.
4.	Regulation 20 of SEBI LODR	Inadequate Composition of Stakeholders Relationship Committee	The company on following up with their administrative Ministry and parent company HOCL appointed of Independent Directors in the Month of January, 2022.	The Company has justified the delay and which was recorded by the PCS in their Annual Secretarial Compliance report for the FY 2020-21.

***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.

For **ARS & Associates Company Secretaries LLP**

Sd/-

D Soumya

Designated Partner

C P No: 13199

FCS. No. 11754

UDIN: A029312D000380421

Date: May 24, 2022

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, 2022, 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, 2022, 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 35 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 Gol, 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.36 to the Notes to Accounts as regards Management's evaluation of COVID-19 impact on the future performance of the Company in the light of decision to close the operations of the Company as per the decision of the Govt. Our opinion is not modified in this regard.
6. We draw attention to Note No. 26 in the Notes to Accounts regarding the case filed by one party against the Company wherein the Hon'ble High Court has given stay on disposal of the assets of the Company; this may affect the process of closure of the Company as directed by the Govt. of India. Our opinion is not modified in this regard.
7. We draw attention to Note 27 depicting Litigations before Various Authorities and in particular therein case filed by M/s Rockwell Industries Limited (Petitioner) against the Company wherein there were filings/appeals from both the parties in several forums – Arbitration, City Civil Court, High Court, Supreme Court – and the said Petitioner got judgment in their favour, on which the Company obtained Stay Order. The Company had, during the year, made a provision for the principal amount of Rs.269 Lakhs in this case, taking into account the legal rulings/proceedings, while contesting the case. Our opinion is not modified in this regard.
8. We draw attention to Note No.2(a) in the Notes to Accounts regarding the decision of the GoI 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

9. 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

10. 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.

11. 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.
12. 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

13. 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.
14. 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.
15. 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.
 16. 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.
 17. 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.
 18. 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

19. 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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2022 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 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/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.

Following table shows the said Interest Free Loan amount sanctioned, received and spent during the FY 2021-22 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 31.03.2022	Amount yet to be spent
1	Implementation of VRS / VSS	2350	2232	1232	1000
2	Payment of salary/ wages and statutory dues of employees	2000	1840	1652	188
3	Payment of wage revision arrears (1997 & 2007)	1430	1430	1415	015
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	672	295
5	Suppliers / Contractors dues	525	403	137	266
6	Working capital cash credit (SBI)	515	515	515	0
7	Water & Electricity dues	200	200	84	116
	Total	7720	7587	5707	1880

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

20. 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 **Sarath & Associates**
Chartered Accountants
Firm Registration No: 005120S

Sd/-
CA S Srinivas
Partner

Membership No. 202471
UDIN : 22202471AKGTHE3539

Date: 24.05.2022
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, 2022 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, 2022, 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 **Sarath & Associates**
Chartered Accountants
Firm Registration No: 005120S

Sd/-
CA S Srinivas
Partner

Membership No. 202471
UDIN : 22202471AKGTHE3539

Date: 24.05.2022
Place: Hyderabad

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

(Referred to in paragraph 20 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, 2022)

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) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
B. The Company is also maintaining proper records showing full particulars of the Intangible Assets
- (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) During the year under review, the Company had undertaken the revaluation of its Property, Plant & Equipment through a Registered Valuer; this resulted in decrease in the value of carrying cost in respect of class of PPE pertaining to Furniture & Fixtures by more than 10% amounting to Rs.7.17 Lakhs and increase in the fair value of carrying cost in respect of land by more than 10% amounting to Rs.11708.74 Lakhs. Accounting in respect of these 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, 2022
- (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 not 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 freezed 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) (i) 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 Gol, an amount of Rs.7720 Lakhs was sanctioned by Gol as Interest Free Unsecured Loan to the Company to be exclusively utilized 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.
- The Company had received an amount of Rs.7587 Lakhs (Rs.7370 Lakhs during FY 2020-21 & Rs.217 Lakhs during FY 2021-22) as Interest Free Term Loan, out of which an amount of Rs.5707 Lakhs was utilized till 31.03.2022 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.
- (ii) 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 losses during the current financial year as well as in the preceeding financial year, amounting to Rs.236.87 Lakhs and Rs. 2313.65 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 **Sarath & Associates**
Chartered Accountants
Firm Registration No: 005120S

Sd/-
CA S Srinivas
Partner
Membership No. 202471
UDIN : 22202471AKGTHE3539

Date: 24.05.2022
Place: Hyderabad

**REPORT OF THE C&AG SUPPLEMENTARY AUDIT 2021-22****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, 2022**

The preparation of financial statements of Hindustan Fluorocarbons Limited for the year ended 31 March 2022 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is 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 24 May 2022.

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 31 March 2022 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: 15 June 2022

BALANCE SHEET AS AT 31st MARCH 2022

(Rs. in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3a	-	-
(b) Capital work-in-progress	3b	-	-
(c) Other Intangible assets	3c	-	-
(d) Financial Assets			
Total Non - Current Assets		-	-
2 Current assets			
(a) Inventories	4	140.06	266.86
(b) Financial Assets			
(i) Trade receivables	5	129.16	130.79
(ii) Cash and cash equivalents	6a	154.79	17.62
(iii) Bank balances other than (ii) above	6b	79.85	3.10
(iv) Others Financial Assets	7	2,089.26	2,442.29
(c) Other current assets	8	50.02	23.39
(d) Assets held for sale	3d	4,709.60	4,716.92
Total Current Assets		7,352.74	7,600.97
TOTAL ASSETS (1+2)		7,352.74	7,600.97
II EQUITY AND LIABILITIES			
EQUITY			
1 Equity			
(a) Equity Share capital	9	1,961.46	1,961.46
(b) Other Equity	10	(9,842.48)	(9,225.41)
Total equity		(7,881.02)	(7,263.95)
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(b) Provisions		-	-
Total Non - Current Liabilities		-	-
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	12,364.08	12,147.08
(ii) Trade payables	12	48.37	56.90
(iii) Other financial liabilities	13	1,854.38	1,797.13
(b) Provisions	14	195.45	232.38
(c) Other current liabilities	15	771.48	631.43
Total Current Liabilities		15233.76	14,864.92
TOTAL EQUITY AND LIABILITIES (1+2+3)		7352.74	7,600.97
General Information and Significant 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 **Sarath & Associates**

of Hindustan Fluorocarbons Ltd.,

Chartered Accountants (FRN 005120S)

Sd/-

S SRINIVAS

Partner

M No. 202471

Sd/-

SAJEEV B.

Chairman and Managing Director

DIN No. 09344438

Sd/-

SUBRAMONIAN H.

Company Secretary

Place: Hyderabad

Date: 24-05-2022

Sd/-

P.O. LUISE

Director & Chief Financial Officer

DIN No. 09533670

Place: Mumbai

Date: 24-05-2022

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022** (Rs. in lakhs)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUE			
Revenue from Sales (Gross)		0.39	432.79
Less: GST		(0.06)	(65.88)
Revenue from sales (Net)	16	0.33	366.91
Other income	17	281.43	249.90
Total Income		281.76	616.81
EXPENSES			
Cost of materials consumed	18	8.76	170.57
Changes in inventories of work-in-process	19	-	90.66
Employee benefits expense	20	239.12	2,218.67
Finance costs	21	72.63	89.02
Depreciation and amortisation expense	3c	-	169.44
Other expenses	22	574.12	361.54
Total Expenses		894.63	3,099.90
Profit / (Loss) before tax from Discontinued Operations		(612.87)	(2,483.09)
Tax expense		-	-
Profit / (Loss) for the year from Discontinued Operations		(612.87)	(2,483.09)
Profit / (Loss) before tax from Continuing Operations		-	-
Tax expense		-	-
Profit / (Loss) for the year from Continuing Operations		-	-
Profit / (Loss) for the Year		(612.87)	(2,483.09)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		(4.19)	(48.98)
Items that may be reclassified to profit or loss			
Other comprehensive income / (loss) for the year		(4.19)	(48.98)
Total Comprehensive Income for the Year		(617.06)	(2,532.07)
Earnings per equity share of face value of Rs. 10 each			
(for discontinued Operations)			
Basic and Diluted		(3.14)	(12.90)
Earnings per equity share of face value of Rs. 10 each			
(for continuing Operations)			
Basic and Diluted		-	-
Earnings per equity share of face value of Rs. 10 each			
(for discontinued & continuing Operations)			
Basic and Diluted		(3.14)	(12.90)

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors
of Hindustan Fluorocarbons Ltd.,For **Sarath & Associates**
Chartered Accountants (FRN 005120S)Sd/-
S SRINIVAS
Partner
M No. 202471Sd/-
SAJEEV B.
Chairman and Managing Director
DIN No. 09344438Sd/-
SUBRAMONIAN H.
Company SecretaryPlace: Hyderabad
Date: 24-05-2022Sd/-
P.O. LUISE
Director & Chief Financial Officer
DIN No. 09533670Place: Mumbai
Date: 24-05-2022

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022** (Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / Loss for the period before tax	(612.87)	(2483.09)
Adjustments for:		
Depreciation & Amortization	-	169.44
Interest Income	(116.19)	(114.86)
Interest Expense	72.63	89.02
Remeasurements of the defined benefit liabilities / (asset)	(4.19)	(48.98)
Operating Cash Flows before Working Capital changes (A)	(660.62)	(2,388.47)
Adjustments for:		
(Increase)/Decrease in Inventories	126.80	149.36
(Increase)/Decrease in Trade receivables	1.63	324.83
(Increase)/Decrease in Other Financial Assets	235.89	(2,244.65)
(Increase)/Decrease in Other Current Assets	(26.63)	36.65
(Increase)/Decrease in Other Non Current Assets	-	105.37
Increase/(Decrease) in Trade Payables	(8.53)	(114.44)
Increase/(Decrease) in Other Financial Liabilities	57.25	70.12
Increase/(Decrease) in Other Current Liabilities & Provisions	103.12	(2,703.41)
Cash Generated from Operations (Working Capital Changes) (B)	489.53	(4,376.17)
Net Cash flow from Operating activities (1) (A+B)	(171.09)	(6,764.64)
CASH FLOW FROM INVESTING ACTIVITIES :		
Changes in Fixed Assets	7.31	(3.08)
Interest Income	156.58	9.25
Net Cash flow from / (used in) Investing activities	163.89	6.17
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/Decrease in Secured Loans (Net of Repayments)	-	-
Increase/Decrease in Unsecured Loans (Net of Repayments)	217.00	6864.75
Interest Paid	(72.63)	(89.02)
Net cash used in financing activities	144.37	6,775.73
Net Increase / Decrease in Cash and Cash Equivalents	137.17	17.26
Cash & cash equivalents at the beginning of the period	17.62	0.36
Cash & cash equivalents at the end of the period	154.79	17.62

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

As per our report of even date

For and on behalf of the Board of Directors

For **Sarath & Associates**

of Hindustan Fluorocarbons Ltd.,

Chartered Accountants (FRN 005120S)

Sd/-

S SRINIVAS

Partner

M No. 202471

Sd/-

SAJEEV B.

Chairman and Managing Director

DIN No. 09344438

Sd/-

SUBRAMONIAN H.

Company Secretary

Sd/-

P.O. LUISE

Director & Chief Financial Officer

DIN No. 09533670

Place: Hyderabad

Date: 24-05-2022

Place: Mumbai

Date: 24-05-2022



A. EQUITY SHARE CAPITAL		Rs. in lakhs													
Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period												
	01.04.2021	2021-22	31.03.2022												
Equity shares of Rs. 10 each	1961.46	0	1961.46												
2. Previous reporting period (2020-21)															
Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period												
	01.04.2020	2020-21	31.03.2021												
Equity shares of Rs. 10 each	1961.46	0	1961.46												
B. OTHER EQUITY															
Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)			Money received against share warrants	Total							
	Share application money pending allotment	Equity component of compound financial instrument	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings			Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange diff. on translating the financial statements of a foreign operation	Other items of OCI (Specify)	
1. Current reporting period (2021-22)															
Balance at the beginning of the current reporting period (01.04.2021)	0.00	0.00	0.00	0.00	0.00	-10821.03	0.00	0.00	0.00	2995.77	0.00	-1400.15	0.00	31.03.2022	-9225.41
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance at the beginning of the current reporting period	0.00	0.00	0.00	0.00	0.00	-10821.03	0.00	0.00	0.00	2995.77	0.00	-1400.15	0.00	0.00	-9225.41
Total Comprehensive Income for the current year	0.00	0.00	0.00	0.00	0.00	-612.87	0.00	0.00	0.00	0.00	0.00	-4.19	0.00	0.00	-617.06
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Any other change (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the end of the current reporting period (31.03.2022)	0.00	0.00	0.00	0.00	0.00	-11433.90	0.00	0.00	0.00	2995.77	0.00	-1404.34	0.00	0.00	-9842.47
2. Previous reporting period (2020-21)															
Balance at the beginning of the current reporting period (01.04.2020)	0.00	0.00	0.00	0.00	0.00	-8337.94	0.00	0.00	0.00	2995.77	0.00	-1351.17	0.00	31.03.2021	-6693.34
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance at the beginning of the current reporting period	0.00	0.00	0.00	0.00	0.00	-8337.94	0.00	0.00	0.00	2995.77	0.00	-1351.17	0.00	0.00	-6693.34
Total Comprehensive Income for the current year	0.00	0.00	0.00	0.00	0.00	-2483.09	0.00	0.00	0.00	0.00	0.00	-48.98	0.00	0.00	-2532.07
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Any other change (Deferred Tax liability)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the end of the current reporting period (31.03.2021)	0.00	0.00	0.00	0.00	0.00	-10821.03	0.00	0.00	0.00	2995.77	0.00	-1400.15	0.00	0.00	-9225.41

In terms of our report attached For and on behalf of the Board of Directors of HFL

For Sarath & Associates
Chartered Accountants
FRN 005120S

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

Sd/-
P.O. LUISE
Director and CFO
DIN: 09633670

Sd/-
SUBRAMONIAN H.
Company Secretary

Place: Mumbai
Date: 24.05.2022



**Notes to the Standalone Ind AS financial statements
for the year ended 31st March , 2022**

3. Property, Plant & Equipment

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
a) Property, plant and Equipment	0.00	0.00
b) Capital Work-in-progress	0.00	0.00
c) Intangible Assets (Software and Technical know-how)		
i) Original Cost		
Software	14.60	14.60
M-PTFE Technical know-how	219.25	219.25
Additions	0.00	0.00
Disposals	0.00	0.00
Total	233.85	233.85
ii) Accumulated Depreciation / Amortisation Amount		
Opening balance		
Software	14.60	10.02
M-PTFE Technical know-how	219.25	54.39
Balance as on 1st April	233.85	64.41
Depreciation/Amortisation during the year		
Software	0.00	4.58
M-PTFE Technical know-how	0.00	164.86
Less: Depreciation/Amortisation expense for the year	0.00	169.44
Total	233.85	233.85
iii) Net Carrying Value		
Software	0.00	0.00
M-PTFE Technical know-how	0.00	0.00
Net Block / Carrying Value	0.00	0.00
d) Assets held for Sale: Carrying Value		
Land	3054.83	3054.83
Buildings	142.04	142.04
Plant and Machinery	1506.65	1506.65
Furniture & Fixtures	5.41	12.59
Computers	0.67	0.81
Total	4709.60	4716.92

The above land is the revalued as per Ind AS and the original land value before Ind AS revaluation is Rs.59 Lakhs. The other assets above are only optional for Ind AS valuation method of adoption and the Company has adopted the cost method. Factory land of 126.13 acres is located at Rudraram P.O., Kandi Mandal, Sangareddy Dist. Telangana State and land is freehold in which built up area is 6.72 acres and balance is vacant land. HOCL is secured part of land to the extent of 84.31 acres and part of the land i.e., 15.11 acres which was secured by SBI got vacated with ROC on 15.12.2020 based on the NOC given by SBI.



Deemed Cost as Fair Value

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
a) Original Cost		
Land	3054.83	3054.83
Buildings	306.32	306.32
Plant and Machinery	7403.43	7403.43
Furniture & Fixtures	93.20	93.20
Computers	43.17	43.17
Total	10900.95	10900.95
b) Accumulated Depreciation		
Land	0.00	0.00
Buildings	164.28	164.28
Plant and Machinery	5896.78	5896.78
Furniture & Fixtures	87.79	80.61
Computers	42.50	42.36
Total	6191.35	6184.03
c) Net Cost		
Land	3054.83	3054.83
Buildings	142.04	142.04
Plant and Machinery	1506.65	1506.65
Furniture & Fixtures	5.41	12.59
Computers	0.67	0.81
Total - Assets Held for Disposal	4709.60	4716.92

4. Inventories

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
a) Raw materials	2.33	12.05
b) Stores and spares	137.73	254.81
Total	140.06	266.86

5. Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Considered good -Secured	0.00	0.00
Considered good -Unsecured	129.16	130.79
Trade Receivables -credit impaired	31.65	293.47
Less: Provision for Doubtful Debts	(31.65)	(293.47)
Total	129.16	130.79

- (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 (2020-21: 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: 2021-22						
(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: 2020-21						
(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	1.53	0.00	0.00	0.00	129.26	130.79
(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	293.47	293.47
Total	1.53	0.00	0.00	0.00	422.73	424.26
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	293.47	293.47
Net Amount	1.53	0.00	0.00	0.00	129.26	130.79

6. Cash and Bank Balances

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
6a) Cash and Cash Equivalents		
Cash on hand	0.00	0.00
Balances with banks:		
in current accounts	(6.15)	(8.15)
in liquid deposits (less than three months)	160.94	25.77
	154.79	17.62
6b) Other Bank Balances		
Short term deposit (SBI)	76.61	0.00
Deposits accounts (Margin money deposit)	3.24	3.10
	79.85	3.10
Total	234.64	20.72


7. Other Financial Assets
Rs. in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Interest Receivable	68.92	109.31
Advance to Employees	10.35	9.99
Sundry Deposits	82.99	82.99
Short term deposits	1927.00	2240.00
Total	2089.26	2442.29

8. Other Current Assets
Rs. in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Prepaid expenses	8.94	8.67
Amounts withheld by Govt and other Departments	35.44	9.08
Other Current Assets	5.64	5.64
Total	50.02	23.39

9. Share capital
(Rs. in Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	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	30,900	1.55	30,900	1.55
Total Equity	19,630,000	1,961.46	19,630,000	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, 2022		As at March 31, 2021	
	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	-	-	-	-
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, 2022		As at March 31, 2021	
	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:				
<p>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.</p>				
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, 2022	As at March 31, 2021		
A Revaluation Surplus				
Revaluation of Property, Plant and Equipment	2,995.76	2,995.77		
B Surplus in statement of profit and loss				
Opening balance	(10,821.03)	(8,337.94)		
Add: Profit for the year	(612.87)	(2,483.09)		
Closing balance	(11,433.90)	(10,821.03)		
C Other Comprehensive Income				
Opening Balance of	(1,400.15)	(1,351.17)		
Other Comprehensive Income				
Remeasurements of the defined benefit liabilities / (asset)	(4.19)	(48.98)		
Income tax relating to items that will not be reclassified to profit or loss	-	-		
	(1,404.34)	(1,400.15)		
Total	(9842.48)	(9,225.41)		

**11. Short-term borrowings**

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Cash credit facilities @		
From Banks		
- Secured	0.00	0.00
Interest free Loan from GOI*	7587.00	7,370.00
Govt Plan Loan	1,580.00	1,580.00
Loan from HOCL	3,197.08	3,197.08
Total	12,364.08	12,147.08

@ Company had closed the cash credit facilities with the funds provided by GoI.

*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 F Y 2010-11. The instalment due for F Y 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 amounting to Rs.2744.06 lacs is not paid by the company amounting to Rs.3197.08 lacs.
- (C). The Term loan from HOCL of Rs.756.42 lakhs is Interest bearing @ 10.25% to 14.50% repayable in 5 annual instalments commencing from F Y 2010-11 as per the loan agreement. The company is continuing default in payment of all the instalments due and interest during the F Y 2010-11 to 2015-16 amounting to Rs.453.01 lacs is not paid by the company
- (D). The company had outstanding plan loan of Rs.360 Lakhs availed 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 lacs 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 freeze upto 31.03.2019. Hence interest has not been charged from the year 2019-20 onwards.

12. Trade Payable

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Dues to Micro and SSI units	0.00	3.48
Others	48.37	53.42
Total Trade Receivables	48.37	56.90



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

Particulars	As at 31-03-2022	As at 31-03-2021
Principal amount remaining unpaid and interest due thereon	-	3.48
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.

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Current year : 2021-22					
i) MSME	0.00	0.00	0.00	0.00	0.00
ii) Others	0.00	0.00	1.89	46.48	48.37
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	1.89	46.48	48.37
Previous year : 2020-21					
i) MSME	0.28	0.01	0.47	2.72	3.48
ii) Others	1.54	0.77	0.03	51.08	53.42
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	1.82	0.78	0.50	53.80	56.90

13. Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Interest accrued and due - on borrowings	1,805.33	1,748.06
Other Payables	49.05	49.07
Total	1,854.38	1,797.13



(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
14. Provisions		
Provision for employee benefits		
Provision for gratuity	140.74	145.02
Provision for compensated absences	53.45	86.61
P F company contribution	1.26	0.75
LTA and Other Provisions	0.00	0.00
Total	195.45	232.38
15. Other Current Liabilities		
Employee Salaries and Arrears Payables	425.98	574.41
Statutory Liabilities		
- GST and Other Taxes	6.80	2.07
Others	338.70	54.95
Total	771.48	631.43
16. Revenue from sales		
(i) Sale of products		
Polytetrafluoroethylene	0.00	11.08
Application Development Customer Support	0.00	2.50
CFM - 22	0.00	394.93
Hydrogenchloride	0.00	3.56
Others	0.39	4.49
	0.39	416.56
(ii) Other revenues:		
Sale of Scrap	0.00	16.23
Gross Revenue	0.39	432.79
Less: GST	(0.06)	(65.88)
Total	0.33	366.91
17. Other income		
Interest income from Banks	116.19	114.86
Miscellaneous income	165.24	135.04
Total	281.43	249.90
18. Cost of Material and components consumed:		
Opening balance	12.05	66.84
Add: Purchases during the year	0.00	115.78
Less: Closing balance	2.33	12.05
Less: Consumption of fuel	0.97	9.60
Cost of raw material and components consumed	8.76	170.57



(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
(A) Details of raw material and packing material consumed: (100% Indigenous)		
AHF	0.00	97.75
CHLOROFORM	0.00	50.83
OTHERS	0.00	21.86
PACKING MATERIAL	0.00	0.13
	0.00	170.57
(B) Details of closing Inventory :		
AHF	0.00	0.00
CHLOROFORM	0.00	1.35
OTHERS	1.00	9.37
PACKING MATERIAL	1.33	1.33
	2.33	12.05
19. Changes in inventories of work-in-process		
Opening balance:		
Stock-in-process	0.00	78.16
Finished products	0.00	12.50
	0.00	90.66
Closing balance:		
Stock-in-process	0.00	0.00
Finished products	0.00	0.00
	0.00	0.00
Total	0.00	90.66
20. Employee benefits expense		
Salaries, wages and Bonus	204.17	362.04
Contribution to Provident and other fund	23.01	34.62
Termination Benefits	6.43	1,805.07
Staff welfare expenses	5.51	16.94
Total	239.12	2,218.67

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

The employees' gratuity fund scheme managed by a trust (Life Insurance Corporation of India) is a defined benefit plan. The present Value of obligation is determined based on actuarial valuation using the Projected unit credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.


(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
21. Finance costs		
Interest on:		
- Borrowings	63.59	76.02
- Others	9.02	9.54
- Bank Charges	0.02	3.46
Total	72.63	89.02
22. Other expenses		
Consumption of stores and Spares	17.52	17.46
Power & Fuel	22.63	103.25
Water Charges	0.00	0.00
Rent	6.05	6.73
Rates & Taxes	3.28	12.70
Travelling and Transport charges	16.77	31.61
Insurance	13.02	68.35
Printing and Stationery	0.87	2.68
Communication Expenses	0.81	4.48
Repairs and Maintenance		
To Building	0.00	0.00
To Machinery	0.00	0.75
To Other Assets	2.07	2.90
Office Maintenance	5.61	5.04
Payment to auditors, statutory audit fees	1.85	1.85
Professional charges	86.01	81.52
Security and Job Work	19.68	19.63
Freight	0.00	0.06
Miscellaneous Expenditure	1.95	2.53
Impairment of Stores, spares and others	107.00	0.00
Legal liability provision	269.00	0.00
Total	574.12	361.54

23. Details of Actuarial Valuation of Gratuity
(Rs. in Lakhs)

Particulars	2021-22	2020-21
I. Change in Defined Benefit Obligation (Reconciliation of opening and closing balances of Defined Benefit Obligation)		
Defined Benefit obligation at beginning of the year	145.24	950.17
Current service cost	2.58	4.32
Interest cost	8.59	29.26
Actuarial(gain)/loss	4.28	49.31
Benefits paid	(18.15)	(887.82)
Defined Benefit obligation at the year end	142.54	145.24



(Rs. in Lakhs)

Particulars	2021-22	2020-21
II. Change in Fair Value of Plan Assets (Reconciliation of opening and closing balances of fair value of Plan assets)		
Fair value of plan asset at the beginning of year	4.73	4.40
Expected return on plan assets	0.00	0.00
Actuarial gain/(loss)	0.00	0.00
Employer contribution	18.20	887.82
Benefits paid	(18.20)	(887.82)
Remeasurement of return on assets	0.10	0.33
Fair value of plan asset at the year end	4.87	4.73
Actual return on plan assets		
III. Reconciliation of fair value of assets and obligations		
Fair value of plan assets	(4.87)	(4.73)
Present value of obligation	142.54	145.24
Amount recognised in Balance Sheet	137.67	140.51
IV. Expenses recognised during the year		
Current service cost	2.58	4.32
Interest cost	8.59	29.26
Expected return on plan assets	0.00	0.00
Actuarial gain/(loss)	4.19	48.98
Net Cost	15.36	82.56
V. Actuarial assumptions		
Mortality Table (LIC)	(ultimate) 2012-14	(ultimate) 2012-14
Discount Rate (per annum)	4.37%	6.31%
Salary Rise	4.00%	4.00%

23a.Details of Actuarial Valuation of Leave Encashment

I. Change in Defined Benefit Obligation (Reconciliation of opening and closing balances of Defined Benefit Obligation)	2021-22	2020-21
Defined Benefit obligation at beginning of the year	86.61	437.98
Current service cost	9.04	9.86
Interest cost	5.47	25.32
Actuarial (gain) / loss	(47.67)	(386.55)
Benefits paid	0.00	0.00
Defined Benefit obligation at the year end	53.45	86.61



(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
II. Reconciliation of opening and closing balances of fair value of Plan assets		
Fair value of plan asset at the beginning of year	NA	NA
Expected return on plan assets		
Actuarial gain/(loss)		
Employer contribution		
Benefits paid		
Fair value of plan asset at the year end		
Actual return on plan assets		
III. Reconciliation of fair value of assets and obligations		
Fair value of plan assets	0.00	0.00
Present value of obligation	0.00	0.00
Amount recognised in Balance Sheet	53.45	86.61
	53.45	86.61
IV. Expenses recognised during the year		
Current service cost	9.04	9.86
Interest cost	5.47	25.32
Expected return on plan assets	0.00	0.00
Actuarial gain/(loss)	(47.67)	(386.55)
Net Cost	(33.16)	(351.37)
V. Actuarial assumptions		
Mortality Table (LIC)	(ultimate) 2012-14	(ultimate) 2012-14
Discount Rate (per annum)	4.37	6.31
Attrition Rate	0.00	10.00
Salary Rise	4.00	4.00

**24. Additional Disclosures in accordance with MCA Notification dated 24th March, 2021****Financial, Liquidity and Other Ratios**

Ratios	Components of Numerator	Components of Denominator	2021-22	2020-21	% Variance	Explanation by Management
Current Ratio	Current Assets	Current Liabilities	0.48	0.51	-5.61%	-
Debt Equity Ratio	Total debt	Shareholders' Equity	-1.80	-1.91	-6.01%	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	-1.19	-1.00	19%	-
Return on Equity Ratio	Net profit after tax	Shareholders' Equity	0.08	0.34	-77%	No profit is generated due to discontinuation of operations
Inventory Turnover Ratio	Sales	Average Inventory	0.00	8.09	-100%	
Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	0.003	1.25	-100%	No profit is generated due to discontinuation of operations
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	0.00	1.10	-71%	No profit is generated due to discontinuation of operations
Net Capital Turnover Ratio	Net Sales	Working Capital	0.00	-0.05	-100%	
Net Profit Ratio	Net profit after tax	Net Sales	-1857.18	-6.77	27342%	No profit is generated due to discontinuation of operations
Return on Capital Employed	Earnings Before Interest and Taxes (EBIT)	Capital Employed	0.07	0.33	-79%	
Return on Investment	Dividend	Share Price	-	-	0%	-

25. Contingent Liabilities and Commitments

Particulars	As at 31-03-2022	As at 31-03-2021
i) Contingent Liabilities		
a) ESI	13.46	13.46
b) Damages on Delayed Payment of Provident Fund with Interest *	94.89	94.89
c) Bank Guarantee given to Pollutioncontrol board with SBI	14.5	14.50
	122.85	122.85
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Total	122.85	122.85

(*)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.

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


26. List of Court Cases and their Financial Impact as on 31.03.2022

Sl. No.	No. / Name of court case	Brief background / details of the case	Quantum Rs. in Lakhs	Remarks / Financial Impact
1	In 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.	140	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	in 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.	135	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	WP No. 35920/2021 in Hon'ble High Court, Hyderabad. (Rockwell case)	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.	269 Lakhs + interest claimed thereon	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. Once the case is listed the permission will be sought for stay vacation for sale of plant and machinery. Company has provided the principal amount of Rs.269 Lakhs in the books as on 31.03.2022.
4	ID 97/2010 in the Hon' labour court II, Hyd. The case is transferred to CGIT and numbered as ID 250/2014.	The Non-regular employee workers have filed a petition for regularization of services since they are casuals for more than 20 years. A Counter was filed by the respondent company.	175	Against the Order of the CGIT, HFL Management filed Appeal.



Sl. No.	No. / Name of court case	Brief background / details of the case	Quantum Rs. in Lakhs	Remarks / Financial Impact
5	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.	50	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.
6	ID No.72 of 2012 before the Hon'ble Central Govt. Industrial Tribunal-cum labour Court, Hyd-bad	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 Gol guidelines, the financial impact on account of pay revisions for both 1997 & 2007 need to be borne by the Company, since no budgetary support was 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.
7	In 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	144	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.
8	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"	10	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



Sl. No.	No. / Name of court case	Brief background / details of the case	Quantum Rs. in Lakhs	Remarks / Financial Impact
				High Court that the reverification and refixation of her pay scale / basic pay in February 2019 is not correct.
9	High Court	Mr. V Gopal Rao, Ex-Employee	2	Mr. V Gopal Rao, Lab Chemist was suspended from the services of the company in July 2011. During the suspension period he got subsistence allowances as per Certified Standing Orders. In September 2011 he was restored into services of the company. Consequent to his restoration, he was not paid the balance subsistence allowance and he retired from the services of the company in 2019. Through an I.A. an Impleading Petition making the Govt. of India in High Court has been proposed but not filed so far. The IA is not served on us or our Counsel till now.
10	CGIT No. 134/2018	HFL Employees Union A 3954	-	For implementation of 2017 Wage Revision.
11	in Hon'ble civil court, Sec-bad	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	6	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. 5 to 6 Lac, in case HFL losses the case.
12	Hon'ble High court Judicature for the state of Telangana and for AP Hyderabad	HFL had supplied CFM-22 gas to M/s. Refex Refrigerants Ltd, Chennai on the strength of Irrevocable letter of credit (LOC) on 14.02.2009 for a sum of Rs. 1.32 crores duly discounted by M/s. HFL was withdrawn by SBI, Chennai on the ground of minor mistake with an a paltry amount of Rs. 235/- having made proper corrections and resubmitted to SBI, Chennai before due date for crediting the amounts in HFL account. Instead of complying, the bankers on the ground of discrepancy it was debited purposefully without any valid reasons. To resolve this matter, Company had a dialogue with M/s. SBI officials and M/s. Refex Refrigerants	300	HFL had won the case in single judge of AP High court, Hyderabad. Aggrieved by the Single Judge Order, M/s Refex Refrigerant had approached Double Judge Bench. Now the case is pending at High Court.



Sl. No.	No. / Name of court case	Brief background / details of the case	Quantum Rs. in Lakhs	Remarks / Financial Impact
		Ltd and none of the parties have responded properly and further declined to make payment. Keeping the situation and contractual provisions in view, having no other alternative, the company has approached court of law for justice and filed a writ petition. Having allowed the petition, on 17.02.2010, the Hon'ble judge has considered factual position and pronounced the judgement in favour of M/s.HFL and directed 1 st Respondent SBI, Chennai to honour its commitment of LOC and deposit a sum of Rs. 1,32,06,235 in the account of M/s. HFL within a period of 04 weeks, in default the amount may carry interest of 12% PA. The said matter was communicated to both the parties for its compliance. Having received the judgement copy instead of complying both the parties have obtained "status quo" till the matter is considered. After filing the counters on stay petition, the Division bench of Hon'ble High court has directed the matter for adjudication and requested the Hon'ble trial judge to decide the matter within 03 months and pending miscellaneous petitions if any shall stands dismissed.		
13	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.	620	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
14	OS 872/2022 before 10 th Jr Civil Judge, CCC, Hyderabad	Money Recovery suit	10	Money recovery Suit filed - Mrs. Rajani K, Ex-Company Secretary. Matter still going on

Details of Vigilance cases: NIL (FY 2021-22) NIL (FY 2020-21)

**27. 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.

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

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

Name of the Party	Nature of Relationship
Hindustan Organic Chemicals Limited (HOCL)	Holding Company
T S Gaikwad, Managing Director (superannuated on 31.05.2020)	Key Management Personnel
S B Bhide, Managing Director (From 6.11.2020 to 31.07.2021)	Key Management Personnel
D.K. Madan, Managing Director (From 02.08.2021 to 21.09.2021)	Key Management Personnel
Sajeev B., Managing Director (From 22.09.2021)	Key Management Personnel
D N V Srinivasa Raju, Chief Financial Officer (upto 05.04.2022)	Key Management Personnel
P.O. Luise, Chief Financial Officer (from 06.04.2022)	Key Management Personnel
S Krithika, Company Secretary (Upto 13.01.2022)	Key Management Personnel
Mrs. Susheela S. Kulkarni, Co.Secretary (from 14.01.2022 to 28.02.2022)	Key Management Personnel
Subramonian H., Company Secretary (from 01.03.2022)	Key Management Personnel

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

Particulars	2021-22	2020-21
Holding Company		
Interest Expense	63.62	63.62
Key Management Personnel (KMP)		
Remuneration Paid to		
T S Gaikwad	0.00	41.29
D N V Srinivasa Raju	18.07	16.97
S Krithika	8.33	10.00

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

Particulars	2021-22	2020-21
1. Loan Payable to HOCL (Principal)	3197.08	3197.08
2. Interest Payable to HOCL	1017.79	960.52
	4214.87	4157.60

30. 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.

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

	As at 31.03.2022	As at 31.03.2021
Net profit after tax available to equity shareholders (Rs. lakhs)	(617.06)	(2532.07)
Weighted Average number of equity shares for Basic & Diluted EPS (No's)	196.52	196.30
Face value per share (Rs.)	10/-	10/-
Basic & Diluted earnings per share (Rs.)	(3.14)	(12.90)

32. 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 31.03.2022	As at 31.03.2021
Equity	1,961.46	1,961.46
Short Term Borrowings & Current Portion of Long Term Debt	12,364.08	12,147.08
Long Term Debt	-	-
Cash and Cash Equivalents	(234.64)	(20.72)
Net Debt	12,129.44	12,126.36
Total Capital/funds deployed (Equity + Net Debt)	14,090.90	14,087.82

b) Categories of financial instruments:**(Rs.in Lakhs)**

	As at 31.03.2022	As at 31.03.2021
Financial Assets		
Measured at Fair Value through Profit or Loss (FVTPL)	0.00	0.00
Measured at amortized cost	129.16	130.79
Cash and Bank Balances	234.64	20.72
Other financial assets at amortized cost	2089.26	2442.29
Measured at Cost		
Financial Liabilities	-	-
Measured at amortized cost	14,266.83	14,001.11



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, 2022 and March 31, 2021 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.73.70 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, 2022: (Rs. In Lakhs)

Particulars	Carrying Amount	Upto 1 Year	1-3 Years	More than 3 years	Total Contracted Cash Flows
Accounts Payable and Acceptances	48.37	48.37	-	-	-
Borrowings and interest thereon	14,169.41	14,169.41	-	-	-
Others	49.05	49.05	-	-	-
Total	14,266.83	14,266.83	-	-	-

The table below provides details of financial assets as at March 31, 2022:

	Carrying Amount (Rs. Lakhs)
Trade Receivable	129.16
Other financial assets	2,089.26
Total	2,218.42

- ii) The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021: (Rs. In Lakhs)

Particulars	Carrying Amount	Upto 1 Year	1-3 Years	More than 3 years	Total Contracted Cash Flows
Accounts Payable and Acceptances	56.90	56.90	-	-	-
Borrowings and interest thereon	13,895.14	13,895.14	-	-	-
Others	49.07	49.07	-	-	-
Total	14,001.11	14,001.11	-	-	-

The table below provides details of financial assets as at March 31, 2021:

	Carrying Amount (Rs. Lakhs)
Trade Receivable	130.79
Other financial assets	2,442.29
Total	2,573.08

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 31.03.2022	As at 31.03.2021		
Borrowings	14,169.41	13,895.14	Level 2	Refer Note Below
Security Deposits	82.99	82.99	Level 2	Refer Note Below
Total	14,252.40	13,978.13		

* 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 31.03.2022		As at 31.03.2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortized cost					
• Trade Receivables	Level 2	129.16	129.16	130.79	130.79
• Other Financial Assets	Level 2	2089.26	2089.26	2442.29	2442.29
• Cash and cash equivalents	Level 2	154.79	154.79	17.62	17.62
• Bank balances other than above	Level 2	79.85	79.85	3.10	3.10
Total		2453.06	2453.06	2593.80	2593.80

FINANCIAL LIABILITIES

(Rs. In Lakhs)

	Fair Value Hierarchy	As at 31.03.2022		As at 31.03.2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities at Amortized cost					
• Borrowings	Level 2	14,169.41	14,169.41	13,895.14	13,895.14
• Other financial liabilities	Level 2	49.05	49.05	49.07	49.07
• Trade Payables	Level 2	48.37	48.37	56.90	56.90
Total		14,266.83	14,266.83	14,001.11	14,001.11

33. 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 01.04.2021	13895.14
Increase in Working capital limits including interest	0
Increase in the loans from GOI	217
Interest for the reporting period	57.25
Other Ind AS adjustments	0
Closing Balance as on 31.03.2022	14169.41

34. 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.
35. 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 of Rs.77.20 crore 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 of Rs.77.20 crores, 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.



- f) 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.
- g) Disposal of plant/machinery and movable assets will be done by HFL through e-auction by MSTC Ltd.

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 31.03.2022, 78 employees were relieved and had made payments of Rs.42.99 Cr. towards settlement of employee dues viz. VRS payments, Other payables to Employees including 1997 & 2007 wage revision arrears. Further Company had repaid Working Capital Loan with SBI amounting to Rs.5.15 Cr and satisfaction of charge was filed with ROC, payment of Rs.8.93 Crores dues to Creditors, Water charges and payment to skeletal staff. The total amount utilized upto 31.03.2022 was Rs.57.07 Crores. The balance amount will be utilized for settling the dues of skeletal staff retained and other operating expenditure for completing the closure of the Company. The said process is still going on.

36. Considering the overall operations of the Company during the year under review and the decision of the Govt to close the operations, there is no significant impact on the functioning of the Company due to Covid-19 pandemic.
37. 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 **Sarath & Associates**
Chartered Accountants (FRN 005120S)

Sd/-
S SRINIVAS
Partner
M No. 202471

Place: Hyderabad
Date: 24-05-2022

For and on behalf of the Board of Directors of HFL

of Hindustan Fluorocarbons Ltd.,

Sd/-
SAJEEV B.
Chairman and Managing Director
DIN No. 09344438

Sd/-
P.O. LUISE
Director & Chief Financial Officer
DIN No. 09533670

Sd/-
SUBRAMONIAN H.
Company Secretary

Place: Mumbai
Date: 24-05-2022

**Notes to the Financial Statements as at and for the year ended March 31, 2022****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 500MT 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. Significant 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. Further, Hon'ble High Court of Telangana on 04-Nov2020, in a legal case filed [Rockwell Industries Limited vs.HFL (Case No.COM.C.A.16/2020)] has directed HFL (Appellant) not to dispossess or transfer or to create a third party right with regard to its assets. HFL is in the process of vacating the stay on disposal of assets.

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 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. An 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 frame work 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 derecognition 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 taking into account 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 AS 19 "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 liable 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) 1)** 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 persons(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 persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2)** No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in 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
- y)** 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 IndAS17'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.