



*D. S. Momaya & Co.*

**Company Secretaries**

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Plot No. 186, Sector 10, Nr. Juinagar Railway Station,  
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Telefax (0) 022-2775 6137 / Tel.: (R) 022-2775 6138  
Email: divya.momaya@gmail.com / divya.dsmco@gmail.com

To,  
The Board of Directors,  
**HINDUSTAN ORGANIC CHEMICALS LIMITED**  
401, 402, 403, 4th Floor, V-Times Square,  
Plot No. 3, Sector 15, CBD Belapur,  
Navi Mumbai, Thane - 400614.

Sir/Madam,

**Annual Secretarial Compliance Report for the Financial Year 2021-22.**

We have been engaged by Hindustan Organic Chemicals Limited (hereinafter referred to as 'the Company') bearing CIN: L99999MH1960GOI011895 whose equity shares are listed on BSE Limited (Security Code: 500449) 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 08<sup>th</sup> February, 2019 and to issue the Annual Secretarial Compliance Report thereon.

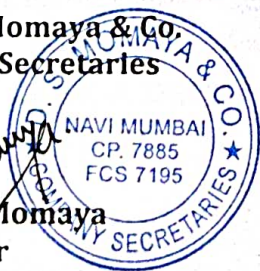
It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance with provisions of applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the Company with provisions of applicable SEBI Regulations and circulars/ guidelines issued there under 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 necessary and adequate for the said purpose. The Annual Secretarial Compliance Report is enclosed.

For D. S. Momaya & Co.  
Company Secretaries

  
CS Divya Momaya  
Proprietor  
Membership No.7195  
C.P. No.: 7885





**Secretarial Compliance Report of  
HINDUSTAN ORGANIC CHEMICALS LIMITED**

**For the financial year ended 31<sup>st</sup> March 2022**

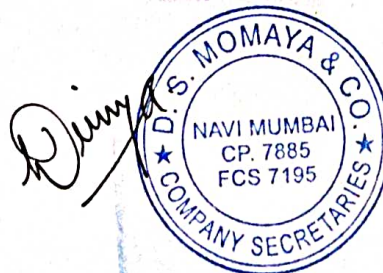
**[Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements)  
Regulations, 2015.]**

*[Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February, 08, 2019]*

To,  
The Board of Directors,  
**HINDUSTAN ORGANIC CHEMICALS LIMITED**  
401, 402, 403, 4th Floor, V-Times Square,  
Plot No. 3, Sector 15, CBD Belapur,  
Navi Mumbai, Thane - 400614.

We have examined:

- (a) All the documents and records made available to us and explanation provided by Hindustan Organic Chemicals Limited (CIN: L99999MH1960GOI011895) [hereinafter called as 'the listed entity'],
- (b) the filings/ submissions made by the listed entity to the stock exchanges(BSE)
- (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 31st March,2022 [hereinafter called as 'review period'], in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");



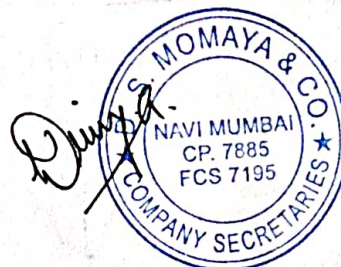


The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

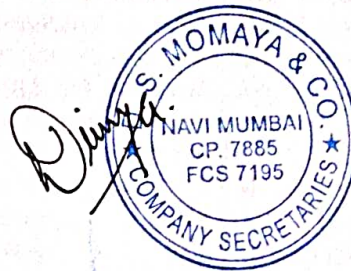
- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as there was no reportable event during the financial year under review.**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as there was no reportable event during the financial year under review.**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **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 the Company has not issued and listed any debt securities during the period under review.**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable as the Company has not issued and listed any Preference Shares during the period under review.**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued there under 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:

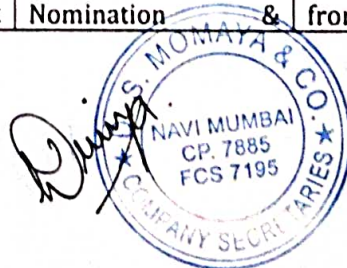


Sr. no.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	<p><b><u>Regulation 17 (1)(b) &amp; 17(1)(c) of SEBI LODR:</u></b> Composition of Board of Directors</p> <p>The Composition of Board of Directors is not in compliance with regulations 17(1)(b) of SEBI LODR i.e. When the Chairman of the Company is Executive Director than half of the board should comprise of independent directors.</p> <p>The board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors.</p>	As on 31 <sup>st</sup> March 2022, the Board of Directors of the Company is not duly constituted with proper balance of Independent Directors.	The Board of Directors of the Company is not duly constituted as the company does not have requisite number of Independent Directors on its Board due to vacancy arises out of end of the term of existing Independent Directors from February 21, 2020 onwards. The Company, being Public Sector Undertaking, such appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry and such Appointment are awaited. The Company has also made several requests through letters to Ministry to appoint adequate number of Independent directors on their Board. Following two independent directors were appointed through Govt. Order dt.24-12-2021. The Company still awaits the appointment of One Independent Women Director on the Board from the Ministry.

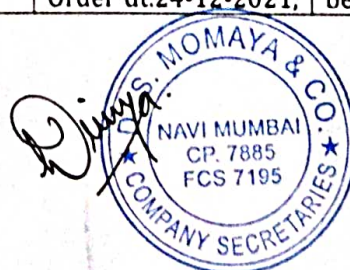




2.	<p><b>Regulation 18(1) and 18(2) of SEBI LODR:</b> Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference with minimum three directors as members of which two-thirds of the member of Audit Committee shall be Independent Director. According to Regulation 18(2) (a) of SEBI LODR, the audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.</p>	<p>As on 31<sup>st</sup> March 2022, Audit Committee is not duly constituted.</p> <p>During the Financial year in the absence of Independent Director from 21 February, 2020 onwards the Audit Committee was not in existence till 24-12-2021. Pursuant to the appointment of two independent Directors by Govt Order dt.24-12-2021, the Audit Committee was reconstituted on 28-01-2022 at the Board Meeting of the Company, however the composition of the Audit Committee is not duly complied as it consists of only two Independent Directors. Due to inadequate Composition no meetings of Audit Committee were held.</p>	<p>The Composition of the Audit Committee is not duly constituted as the company does not have requisite number of Independent Directors on its Board due to vacancy arises out of end of the term of existing Independent Directors from February 21, 2020 onwards.</p> <p>Appointment of adequate number of Independent directors on the Board due to vacancy arising out of end of term of existing independent directors is to be done by the Ministry as the Company is Central public Sector Enterprise (CPSE) and such appointments are awaited. The Company has also made several requests through letters to Ministry to appoint adequate number of Independent directors on their Board. Following two independent directors were appointed through Govt. Order dt.24-12-2021. The Company still awaits the appointment of One Independent Women Director on the Board from the Ministry.</p>
3.	<p><b>Regulation 19(1) 19(2) and 19(3) of SEBI LODR:</b> The board of directors shall constitute the Nomination and Remuneration (NRC) which shall consists of atleast three directors, all the directors of the Committee shall be Non-Executive Director and at</p>	<p>As on 31<sup>st</sup> March 2022, Nomination and Remuneration Committee is not duly constituted.</p> <p>During the Financial year in the absence of Independent Director from 21 February, 2020 onwards the Nomination &amp;</p>	<p>The Composition of the Nomination &amp; Remuneration Committee is not duly constituted as the company does not have requisite number of Independent Directors on its Board due to vacancy arises out of end of the term of existing Independent Directors from February 21, 2020</p>



	<p>least fifty percent of the Directors shall be Independent Director.</p> <p>The Chairman of the Nomination and Remuneration Committee shall be independent director.</p> <p>The nomination and remuneration committee shall meet at least once in a year</p>	<p>Remuneration Committee was not in existence till 24-12-2021. Pursuant to the appointment of two independent Directors by Govt Order dt.24-12-2021, the Nomination &amp; Remuneration Committee was reconstituted on 28-01-2022 at the Board Meeting of the Company, however the composition of the Nomination &amp; Remuneration Committee is not duly complied as it consists of two Independent and one Executive Director. Due to inadequate Composition no meeting of Nomination &amp; Remuneration Committee was held.</p>	<p>onwards.</p> <p>Appointment of adequate number of Independent directors on the Board due to vacancy arising out of end of term of existing independent directors is to be done by the Ministry as the Company is Central public Sector Enterprise (CPSE) and such appointments are awaited. The Company has also made several requests through letters to Ministry to appoint adequate number of Independent directors on their Board. Following which two independent directors were appointed through Govt. Order dt.24-12-2021. The Company still awaits the appointment of One Independent Women Director on the Board from the Ministry.</p>
4.	<p><b><u>Regulation 20(1) 20(2), 20(2A), and 20(3A) of SEBI LODR:</u></b></p> <p>The listed entity shall constitute a Stakeholders Relationship Committee</p> <p>The chairperson of the committee shall be a non-executive director.</p> <p>At least three directors, with at least one being an independent director, shall be members of the Committee</p> <p>The Stakeholders relationship committee shall meet at least once in a year.</p>	<p>As on 31<sup>st</sup> March 2022 of Stakeholders Relationship Committee is duly constituted.</p> <p>However during the Financial year in the absence of Independent Directors from 21 February, 2020 onwards the Stakeholders &amp; Relationship Committee was not in existence till 24-12-2021. Pursuant to the appointment of two independent Directors by Govt Order dt.24-12-2021,</p>	<p>The Composition of the Stakeholders &amp; Relationship Committee was not duly constituted from 01-04-2021 to 28-01-2022 as the company did not have requisite number of Independent Directors on its Board due to vacancy arises out of end of the term of existing Independent Directors from February 21, 2020 onwards.</p> <p>Appointment of adequate number of Independent directors on the Board due to vacancy arising out of end of term of existing independent directors is to be done by the Ministry as</p>





		<p>the Stakeholders &amp; Relationship Committee was reconstituted on 28-01-2022 at the Board Meeting of the Company.</p>	<p>the Company is Central public Sector Enterprise (CPSE) and such appointments are awaited. The Company has also made several requests through letters to Ministry to appoint adequate number of Independent directors on their Board. Following which two independent directors were appointed through Govt. Order dt.24-12-2021. Pursuant to the appointment of two independent Directors by Govt Order dt.24-12-2021, the Stakeholders &amp; Relationship Committee was reconstituted on 28-01-2022 at the Board Meeting of the Company.</p>
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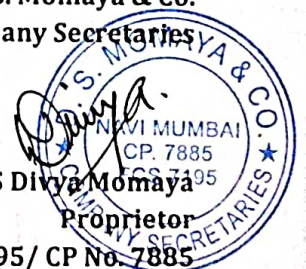
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- (c) No action was taken against the listed entity/ its promoters/ directors either by SEBI 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 thereunder: *There was no prosecution initiated during the period under review however due to inadequate Board Composition of the Company in the absence of Independent Directors several fines were imposed under Regulation 17, 18 , 19 & 20 of SEBI (LODR) Regulations 2015 in reply to which the Company has submitted their explanations and reasons to the concerned department. Further no other prosecution or fines were initiated or imposed under SCRA, Depositories Act and any other act applicable to the Company.*

Place: Navi Mumbai  
Date: 17/05/2022  
UDIN : F007195D000333664

For D. S. Momaya & Co.  
Company Secretaries

CS Divya Momaya  
Proprietor

FCS No. 7195/ CP No. 7885



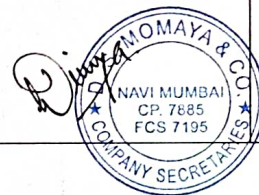
(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31st March 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	<u>Regulation 17(1)(b) of SEBI LODR</u> : The Composition of Board of Directors is not in compliance with regulations 17(1)(b) of SEBI LODR i.e. When the Chairman of the Company is Executive Director then half of the board should comprise of independent directors.	NIL	Appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry but such appointments are awaited and the Company has also written so many time letters to Ministry to appoint adequate number of Independent directors on their Board.	The Company has justified the delay and which was recorded by the Practicing Company Secretary in their Annual Secretarial Compliance Report for the FY 2020 -21
2.	<u>Regulation 18(1)(b) and 18(1)(d) and 18(2) (a) of SEBI LODR</u> : Composition of Audit Committee Two-thirds of the members of audit committee shall be independent directors according to Regulation 18(1)(b) of SEBI LODR. According to Regulation 18(1) (d) of SEBI LODR, the	NIL	Appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry but such appointments are awaited and the Company has also written so many time letters to Ministry to appoint adequate number of Independent directors on their Board.	The Company has justified the delay and which was recorded by the Practicing Company Secretary in their Annual Secretarial Compliance Report for the FY 2020-21.



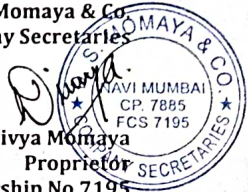


	<p>Chairperson of the Audit Committee shall be independent director.</p> <p>According to Regulation 18(2)(a) of SEBI LODR, the audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meeting</p>			
3.	<p><u>Regulation 19(1) (c) and 19(2) of SEBI LODR:</u> According to Regulation 19(1) (c) of SEBI LODR, at least fifty percent of the directors shall be independent directors in NRC Committee.</p> <p>According to Regulation LODR, the Chairman of the Nomination and Remuneration Committee shall be independent director.</p>	NIL	<p>Appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry but such appointments are awaited and the Company has also written so many time letters to Ministry to appoint adequate number of Independent directors on their Board.</p>	<p>The Company has justified the delay and which was recorded by the Practicing Company Secretary in their Annual Secretarial Compliance Report for the FY 2020-21.</p>



4.	<p><b>Regulation 20(2) (A) of SEBI LODR:</b> According to Regulation 20(2)(A) of SEBI LODR, at least three directors, with atleast one being an independent director, shall be the member of the committee and in case of an listed entity having outstanding SR Equity Shares, atleast two thirds of the SRC shall comprise of Independent Director</p>	NIL	Appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry but such appointments are awaited and the Company has also written so many time letters to Ministry to appoint adequate number of Independent directors on their Board.	The Company has justified the delay and which was recorded by the Practicing Company Secretary in their Annual Secretarial Compliance Report for the FY 2020-21.
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Date: 17/05/2022

Place: Navi Mumbai  
UDIN: F007195D000333664For D. S. Momaya & Co  
Company Secretaries

 CS Divya Momaya  
Proprietor
Membership No. 7195  
C.P. No.: 7885