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हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड  
(भारत सरकार का उद्यम) CIN: L99999MH1960GOI011895  
HINDUSTAN ORGANIC CHEMICALS LIMITED  
(A Govt. of India Enterprise)

**Certified Copies of the Special Resolutions passed at the Postal Ballot Notice dated 22-3-2019 and approved on 04-05-2019 as per Scrutinisers Report dated 06-05-2019.**

**Resolution No. 1) To consider and to approve the proposal for Sale of 66.13 Acres of HFL land on 'as is where is basis' subject to Government approval.**

"RESOLVED THAT pursuant to the provisions of Regulation 24 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and applicable provisions of the Companies Act, 2013 and subject to approval of the Central Government in this regard and all such other approvals as may be required as per extant applicable laws, the approval of the Shareholders of the Company is hereby accorded to the proposal of Hindustan Fluorocarbons Limited (HFL), a subsidiary of the Company to sell or dispose of 66.13 acres of land of HFL situated at Rudraram, Mamidipally and Edthanoor Village, Sangareddy District, Telangana (hereinafter referred to as 'Sale Land') on 'as is where is basis'."

'RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and shareholders or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"FURTHER RESOLVED THAT the Board of Directors of the Company OR Chairman and Managing Director OR Company Secretary of the Company be and are hereby authorized to take necessary actions in respect of the Sale Land and to take all such other related actions as may be required to give effect to these resolutions."

**// Certified Extracts //**

**For Hindustan Organic Chemicals Ltd.**

**Company Secretary**



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**Certified Copies of the Explanatory Statements forming part of the Special Resolutions passed at the Postal Ballot Notice dated 22-3-2019 and approved on 04-05-2019 as per Scrutinisers Report dated 06-05-2019.**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) AND SECTION 110 & RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.**

**Resolution No. 1) To consider and to approve the proposal for Sale of 66.13Acres of HFL land on 'as is where is basis' subject to Government approval.**

Hindustan Fluorocarbons Limited (HFL) was incorporated on 14<sup>th</sup> July, 1983 under the Companies Act, 1956 as a subsidiary of Hindustan Organic Chemicals Limited and registered with the Registrar of Companies, Hyderabad, at Telangana (earlier A.P.) State. The Company has paid up capital of Rs. 19.60 Crs. HOCL is one of the promoters of the Company and has invested 56.43% (Rs.11.06 crore) in the Equity Share Capital of the Company. HFL is listed on the BSE. HOCL has extended Secured Loan of Rs.35.05Crore to the company from time to time. As on 15<sup>th</sup> March 2019 there are 14,853 shareholders, including its promoters & promoter group. The market price of HFL shares as on 20<sup>th</sup> March, 2019 is Rs.16.81. HFL is a continuous loss making, a Sick Company and in the earlier years [during 2007-08], the Modified Draft Rehabilitation Scheme {MDRS} as directed by the BIFR/AAIFR was implemented and the dues of the financial institutions {IDBI} was settled out of the carbon credits of the CFM Project included in the MDRS. In spite of implementation of MDRS, HFL continues to remain as a Sick unit under BIFR.

Earlier, during 2017-18 the Government of India (GOI) had 'in-principle' decided to disinvest HOCL's entire shareholding (i.e. 56.43% as on March 2019) in HFL, through a strategic sale. However, later on during 2018-19, Government /Ministry intimated that the ongoing process of strategic disinvestment of HFL has been terminated. And in this regard CMD HOCL / Company has received a letter dt.11<sup>th</sup> February, 2019 and directed to immediately initiate necessary action to organize sale of the 66.13Acres vacant land of HFL etc.

*[Signature]*

HFL has 126.13Acres of land out of which, 66.13Acres of land has been identified as vacant land which can be sold to pay employees' salaries dues and dues pertaining to VRS to its employees. Earlier, HOCL had given a term loan and to cover its security, charge on HFL land was created in favour of HOCL.

The amount from sale of land proceeds will be utilised to settle employees' salaries dues to and also VRS to employees as per Govt. directions.

After the e-auction, HFL can also pay part amount to HOCL towards its term loan and if need arises, create /modify charge on the balance or proportionate area of land equivalent to residual amount to be paid to HOCL.

It was intimated by Hindustan Fluorocarbons Ltd. {HFL} subsidiary of HOCL, that the Ministry [DCPC], vide letter No.51015/02/2017-Ch.IIIVol.IV) dated 11-02-2019 had directed to take immediate action to organize sale of 66.13Acres vacant surplus land and utilize the sale proceeds for giving VRS/VSS to employees of the company as per law and laid down procedures.

Accordingly the Board of Directors of HFL at their meeting held on 11-03-2019 considered the proposal and decided that, –"subject to the approval of Shareholders and such other approvals as may be required, the consent of Board be and is hereby accorded for the sale of 66.13Acres of vacant surplus land of HFL located at Rudraram, Mamidipally and Edthanoor Village, Sangareddy District, Telangana on '*as is where is basis*'."

In view of these, HFL the subsidiary Co. of HOCL has sought approval from HOCL [the promoter Company of HFL holding 56.46% of HFL's Equity & Term loan total amounting to Rs.40,42,32,201/- (with interest as per terms & as on March, 2019) with security of HFL Land] for the sale of said 66.13Acres of vacant surplus land of HFL and No Objection for the sale of 66.13Acres of HFL Land on '*as is where is basis*'.

Pursuant to Regulation 24 (6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, approval of the Members by way of a Special Resolution is required to sell / dispose off any property of the Unlisted material subsidiary and accordingly approval of the Members by way of a Special Resolution is being sought.



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CIN: L99999MH1960GOI011895

Hindustan Organic Chemicals Limited

The Board of Directors recommend passing of Special Resolution as indicated in Resolution No. 1 of this Notice.

None of the Directors and the Company Secretary (KMPs) are concerned or interested in the Proposed Resolutions except to the extent of Shares held by them in their individual capacity.

// Certified Extracts //  
For Hindustan Organic Chemicals Ltd.

  
Company Secretary

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