HOCL/BSE/61AGM/2022/09/29 29th September, 2022

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

Dear Sir,

Sub: Submission of proceedings/outcome of 61st AGM of Hindustan Organic Chemicals Limited (HOCL) held on Thursday, the 29th September, 2022 at 02:00 p.m. through Video Conference ("VC")or Other Audio Visual Means ("OAVM").

Ref 1: Regulation 30 read with Para A Part A of Schedule III & Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref 2: HOCL Scrip Code: 500449.

In compliance with Regulation 30 read with Para A of Part A of Schedule III & Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following:-

1. The proceedings/outcome of the 61st AGM of HOCL held on Thursday, the 29th September, 2022 at 02:00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

2. The 61st Annual Report of the Company for the FY 2021-22 including the Chairman Speech, AGM notice, after Shareholder's Approval and Adoption of the Audited Annual Accounts of the Company for the Financial Year 2021-22 at the 61st AGM of the Company, held on Thursday, the 29th September, 2022 at 02:00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

Further, we would like to inform that during the 61st AGM, no change was proposed by members in the Annual Report FY 2021-22.

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

Thanking you.

Yours faithfully,
For Hindustan Organic Chemicals Limited.

Subramonian H
Digitally signed by Subramonian H
Date: 2022.09.29 17:39:34 +05'30'

Subramonian H
Company Secretary
Encl: as above

Summary of Proceedings/outcome of 61st Annual General Meeting of HOCL

Details of the Meeting:

I. Day, Date, time of Annual General Meeting: Thursday, the 29th September, 2022 at 02:00 p.m.

II. Venue of the Annual General Meeting: In compliance with various circulars issued by the MCA/SEBI, the AGM was held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

III. Whether the chairman of the meeting appointed: Shri Sajeev B Chairman of the Board was the chairman of AGM.

IV. Whether the Requisite Quorum was present: Yes

Directors present through VC:

1. Shri Sajeev B – Chairman & Managing Director
2. Shri Yogendra Prasad Shukla – Director (Finance)
3. Shri Kanishk Kant Srivastava – Govt. Nominee Director (Govt./President of India's Nominee)
4. Shri Pratyush Mandal – Independent Director & Chairman of the Stakeholder Relationship Committee & CSR Committee

Company Secretary

Shri Subramonian H

In HOCL, the Govt. of India/President of India holds 58.78% of equity shares. Accordingly, Shri Kanishk Kant Srivastava, Govt./President of India's Nominee attended the AGM through VC.

The representatives of Statutory Auditors and the Scrutinizer also attended the AGM through VC.

In pursuance of Article 53 of the Articles of Association of the Company, the Chairman of the Board of Directors of the Company will be the Chairman of the AGM. Accordingly, Shri Sajeev B., Chairman & Managing Director took the chair. Company Secretary (CS) welcomed the shareholders and other participants to the 61st AGM of HOCL. CS confirmed that the AGM was held through VC in compliance with various circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). CS informed that the attendance of shareholders participating in the AGM through VC will be counted for the purpose of ascertaining quorum under section 103 of the Companies Act, 2013. Further, CS confirmed that the requisite quorum is present for the meeting.

CS informed the members that 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 from time to time, the company had provided remote e-voting facility on all the resolutions set forth in the notice convening 61st AGM of the Company from 09:00 AM (IST) on Monday, the 26th September, 2022 till 05:00 PM on Wednesday, the 28th September, 2022. In addition to the remote voting, facility to e-vote at the AGM was also provided to the shareholders.

The requisite quorum being present (at 02:00 p.m.), Chairman commenced the meeting and delivered his speech to the shareholders of the Company. With consent of the shareholders the Annual Report of the Company, comprising the Audited Annual Accounts together with the Director's Report, Auditor's Report for the FY 2021-22, CAG 'Nil' comment Report and AGM Notice which were already circulated to the shareholders were taken as read. The Chairman informed the members that in pursuance of the provisions of Section 145 of the Companies Act, 2013 the Auditor's Report does not have any qualifications, adverse observations and comments. In his speech, Chairman addressed about the Company's Financial Performance during the FY 2021-22, future plans, Corporate Social Responsibility, aspects regarding safety, health & environment, industry relation, corporate governance and about the performance of subsidiary company; HFL.

Chairman then read out the ordinary and special businesses requiring approval of the shareholders as stated in notice of AGM.

A brief description of the ordinary & special business proposed for consideration and approval of the shareholders are given below:

Sl No.	Particulars	Type of Resolution
1.	To consider and to adopt the Standalone & Consolidated Audited Financial Statements comprising the Balance Sheet as on 31st March, 2022, the Profit & Loss Account for the year ended on that date, Cash Flow Statement, Schedules and Notes to Accounts attached thereto, together with the Director's Report and the Auditor's Report along with the Report of the Comptroller & Auditor General of India.	Ordinary
2.	To reappoint as per GOI Order, the Government Nominee Director, Shri Satendra Singh, Additional Secretary & Financial Advisor, who retires at the AGM and is eligible for re-appointment.	Ordinary
3.	To note the appointment by the CAG of M/s. Balan & Co., Kochi (Firm Registration No. SR 0096) as the Statutory Auditors of the Company for the year 2022-23 and to authorize Board of Directors to fix remuneration to be paid as statutory audit fees to the statutory auditors for the FY 2022-23 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013.	Ordinary
4.	Appointment of the Cost Auditor for the year 2022-23.	Ordinary
5.	Appointment of Shri Kanishk Kant Srivastava (DIN 09699641) as Government Nominee Director.	Special
6.	Appointment of Dr Bharat J Kanabar (DIN 09466694) as Non-official Part-time Independent Director.	Special
7.	Appointment of Shri Pratyush Mandal (DIN 09461918) as Non-official Part-time Independent Director.	Special
8.	Shifting of Registered Office from Maharashtra to Kerala.	Special

After reading all motions, Chairman stated that Board of Directors has appointed M/s. D.S. Momaya & Co. LLP (FRN No.L2022MH012300), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner. Accordingly, after completion of voting, the voting results will be scrutinized and verified by M/s. D.S. Momaya & Co. LLP and the report will be communicated to stock exchange (i.e BSE Ltd.) within the stipulated time and also be published on the website of the company.

Chairman thereafter invited the shareholders who have registered for speaking at the meeting to express their views/ address their queries. CDSL officials confirmed that the shareholder who has registered for speaking at the AGM has not joined/participated in the meeting. Then, Chairman requested the shareholders who have not done their vote during remote voting to cast their vote. Chairman requested the CDSL officials to keep open the CDSL E-voting links for 15 minutes to enable the members who have not done the remote e-voting (till 28-09-2022 at 05:00 p.m) to cast their e-votes during the AGM. After, 15 minutes, as per the procedure the Voting Links were disabled and E-voting was closed.

Then, CS requested the CDSL officials to again check and confirm if the shareholder registered for speaking at AGM has joined the meeting. CDSL officials confirmed that the shareholder has not joined the meeting.

With permission of Chairman, CS delivered vote of thanks. Lastly, Chairman thanked the shareholders and all others present in AGM.

The meeting was concluded at 02:50 p.m.

Thanking you.

Yours faithfully,
For Hindustan Fluorocarbons Limited

Subramonian H Digitally signed by Subramonian H Date: 2022.09.29 17:40:22 +05'30'

Subramonian H
Company Secretary

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

HINDUSTAN ORGANIC CHEMICALS LIMITED

CIN: L99999MH1960GOI011895

61 वीं वार्षिक रिपोर्ट

61st Annual Report

2021 - 2022

कोच्चि में फिनोल कॉम्प्लेक्स

Phenol Complex at Kochi

HINDUSTAN ORGANIC CHEMICALS LIMITED [CIN L99999MH1960GOI011895]

AUDITORS
STATUTORY AUDITORS
M/S BSJ & ASSOCIATES,
Chartered Accountants, Kochi

INTERNAL AUDITORS
M/s Isaac & Suresh
Chartered Accountants,Kochi

COST AUDITORS
M/s. CY & Associates
Cost Accountants, Mumbai

BANKERS
State Bank of India, Central Bank of India

REGISTRAR AND SHARE TRANSFER AGENTS
M/s. BIGSHARE SERVICES PVT. LTD.
Registered Office : Bigshare Services Pvt Ltd.
Office No.S-6, 6th Floor, Pinnacle Business Park,
next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093.
Tel: 022 62638200
Fax : 022 62638299
Email: investor@bigshareonline.com

CONTENTS

HINDUSTAN ORGANIC CHEMICALS LIMITED [CIN L99999MH1960GOI1011895]

REGISTERED & CORPORATE OFFICE:
Office Nos. 401,402 &403, 4th Floor,
"V- Times Square", Plot No.3, Sector-15, CBD Belapur,
Navi Mumbai- 400614, Maharashtra.
Contact Nos.: 022-27575268/69
E-mail id : cs@hoclindia.com, corporate.cs@hoclindia.com
Website : www.hoclindia.com

REGIONAL & MARKETING OFFICES DELHI :
Core-6, Scope Complex,
1st Floor, Lodi Road, New Delhi - 110 003.
Tel : (011) 24361610 / 24364690 Fax : (011) 24360698

MANUFACTURING FACILITIES
KOCHI UNIT :
Ambalamugal P.O.,
Dist. Ernakulam, Pin - 682 302.
Tel: (0484) 2720911 / 2720912 / 13
Fax: (0484) 2720893
E-mail: kochi@hoclindia.com

SUBSIDIARY COMPANY
HINDUSTAN FLUOROCARBONS LTD.:
3303, Babukhan Estate, Basheerbagh,
Hyderabad - 500 001.
Telangana State. Tel : (040) 23241051 / 23237125.
Fax : (040) 23296455
E-Mail : hiflon@hotmail.com;hflshareholders@gmail.com

BOARD OF DIRECTORS

Shri Sajeev B. (DIN: 09344438)	Chairman & Managing Director (w.e.f. 06/09/2021)
Shri Yogendra Prasad Shukla (DIN: 09674122)	Director (Finance) (w.e.f 04-07-2022)
Shri Satendra Singh AS&FA (Chem) [DIN: 05195060]	Govt. Nominee Director (w.e.f 21-12-2021)
Shri Kanishk Kant Srivastava (DIN: 09699641)	Govt. Nominee Director (w.e.f 30-03-2022)
Dr. Bharat J. Kanabar (DIN: 09466694)	Non-official Independent Director (w.e.f 24-12-2021)
Shri Pratyush Mandal (DIN: 09461918)	Non-official Independent Director (w.e.f 24-12-2021)
Shri S.C. Mudgerikar (DIN: 05323535)	Chairman & Managing Director – Additional Charge (From 02/08/2021 to 05/09/2021) & Director Finance – Additional Charge (w.e.f. 02/08/2021 to 05/09/2021)
Shri S.B. Bhide (DIN: 05323535)	Chairman & Managing Director (from 05/10/2016 to 31/07/2021) & Additional Charge of Director Finance from 06/11/2020 to 31/07/2021)
Shri Samir Kumar Biswas, AS (DIN: 0166491)	Govt. Nominee Director (upto 30-03-2022)
Shri Ashish Upadhyay, AS&FA, MoP (DIN: 06855349)	Govt. Nominee Director (w.e.f 22/11/2021 to 21/12/2021)
Ms. Nirupama Kotru (DIN: 09204338)	Govt. Nominee Director (w.e.f 07/10/2021 to 22/11/2021)
Shri Rajesh M. Aggarwal AS&FA (DIN: 03566931)	Govt. Nominee Director (upto 07/10/2021)
Smt. Alka Tiwari (DIN: 03502306)	Govt. Nominee Director (from 29/01/2019 to 26/05/2021)

AUDIT COMMITTEE OF THE BOARD

Dr. Bharat J. Kanabar
Non-Official Independent Director
Chairman, Audit Committee

Shri Kanishk Kant Srivastava
Non-Executive, Govt. Nominee Director
Member, Audit Committee

Shri Pratyush Mandal
Non-Official Independent Director
Member, Audit Committee

Mr. Subramonian H, CS
Secretary to Audit Committee

NOMINATION & REMUNERATION COMMITTEE (N & R Committee)

Dr. Bharat J. Kanabar
Non-Official Independent Director
Chairman, N.R. Committee

Shri Pratyush Mandal
Non-Official Independent Director
Member, N.R. Committee

Shri Kanishk Kant Srivastava
Non-Executive, Govt. Nominee Director
Member, N.R. Committee

Mr. Subramonian H, CS
Secretary to N.R. Committee

STAKEHOLDER RELATIONSHIP COMMITTEE (S.R.C)

Shri Pratyush Mandal
Non-Official Independent Director
Chairman, S.R.C

Dr. Bharat J. Kanabar
Non-Official Independent Director
Member, S.R.C

Shri Sajeev B
Member, S.R.C

Mr. Subramonian H, CS
Secretary to S.R.C

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR Committee)

Shri Pratyush Mandal
Non-Official Independent Director
Chairman, C.S.R Committee

Dr. Bharat J. Kanabar
Non-Official Independent Director
Member, C.S.R Committee

Shri Sajeev B
Member, C.S.R Committee

Mr. Subramonian H, CS
Secretary to C.S.R Committee

SHARE TRANSFER COMMITTEE (S.T. Committee)

Shri Sajeev B, CMD
Chairman of the S.T. Committee

Mr. Subramonian H, CS
Member & Secretary to the S.T. Committee

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of my Colleagues on the Board and myself, I extend a warm welcome and sincere gratitude, to all the shareholders of the Company. It is my pleasure to present to you the Annual Report for the FY 2021-22 of your company. This 61st Annual Report of your company, includes the Audited Annual Accounts, Director's Report and Auditor's Report along with the C&AG Nil Comments Report for the year 2021-22. Further, the 61st AGM Notice includes the Business items to be considered by the shareholders for approval at the 61st AGM scheduled to be held on Thursday, 29th September, 2022.

Swachh Bharat Abhiyan is given utmost importance by the company and various activities were undertaken and the details are placed in the Directors Report. Your company received Second Prize for Swachhta Pakhwada from Dept. of Chemicals & Petrochemicals in the year 2021.

As a part of Azadi ka Amrit Mahotsav, your company conducted various cleaning activities in its premises, stickers were prepared on Azadi ka Amrit Mahotsav and pasted in all official correspondences. Celebrations are organized/planned with various activities till August 2023.

As part of Yoga Day on 21st June 2021, Common Yoga Protocols were widely circulated for the information of all employees through our portal and social media.

PERFORMANCE:

It gives me immense pleasure to place before you the highlights of your Company's performance during the FY 2021-22. Details of the achievements and initiatives taken by your company are provided in Directors Report.

Speaking in terms of financials, during the year 2021-22, your company has achieved a Gross Income of Rs.465.10 crore registering an increase of 7.86% as against the previous year Gross Income of Rs.431.19 crore. The company has incurred a Net Loss of Rs.23.24 crore during the year as against Net profit of Rs.15.97 crore during the previous year.

HOCL has only one functioning unit located at Ambalamugal, Dist Ernakulam in the state of Kerala which is commonly known as Kochi Unit. The Kochi unit is engaged in manufacture of Phenol, Acetone and Hydrogen Peroxide. In Kochi Unit Phenol and Hydrogen Peroxide Plants are operational. The Phenol Plant achieved a capacity utilization of 62 % and Hydrogen Peroxide plant achieved a capacity utilization of 82% during the year.

FUTURE PLAN & REVIVAL / TURN AROUND PLAN:

Restructuring Plan.

As per the Govt. approved restructuring plan vide order dated May 22, 2017, your company has closed the Rasayani Unit, and plant & equipment scrapped has been disposed off. Sale on unencumbured land in Rasayani and Panvel are in progress. The phenol and Hydrogen Peroxide plants at Kochi are in operation.

Future Plans

We have aimed to upgrade to the latest technology to improve productivity. We will expedite the land sale process to reduce the financial liabilities and thus bring down the finance costs. Further, we will explore the diversification into value added products to maximum extent possible to gain some level of protection against swings in the market prices.

CORPORATE SOCIAL RESPONSIBILITY

Company since its inception is very much aware about its social responsibilities. For over five decades, as a socially responsible and sensitive corporate, your Company continues to remain committed to social thought and action to serve society through providing basic civic amenities to the neighbouring villages and rendering assistance in different forms.

Your company is not required to carry out any CSR activities on account of losses incurred during the previous years. However, the company has recognized its social obligations and carried out activities benefiting the society during the year under review. The details of the activities undertaken by the company under CSR and to fight Covid -19 are given in the Directors Report.

SAFETY, HEALTH AND ENVIRONMENT:

In the areas of Health, Hygiene and Environment, the company has undertaken periodic medical examination, as well as statutory requirements of fitness check-up under form No. 23 for its employees. Audiometry tests were carried out for those who are exposed with Noise and Autotoxicity tests were carried out for the Benzene handlers apart from other statutory regular check-ups. Periodic awareness session on Hygiene, Covid precautions and guidelines were imparted. In order to control the spread, fumigation and disinfection were done on regular basis.

In our commitment to environment, we have ensured that the level of pollutants from the factory were much below the permissible levels.

Your company has implemented several measures to prevent the spread of COVID-19 pandemic during the year like encouraging the use of protective measures such mask, hand hygiene, safe distance etc. Posters have been displayed at various locations to educate the employees in this regard. Homeopathic preventive medicines were supplied to the employees of all categories. Hot water dispensers were provided to various locations for use of the employees. Partitions were done at dining tables and wash areas of canteen to ensure physical distancing.

Continuing the use of RLNG (Re-gasified Liquified Natural Gas) has resulted in tremendous reduction in air pollution.

As part of protecting the environment, awareness sessions, competitions, Swachh Bharat activities, promoting employees for vegetable cultivation under a "Green Mission", Beautification of the plant premises involving the entire employees of the organisation were carried out.

During year 2021-22 HOCL received "Suraksha Puraskar" from National Safety Council, Kochi Chapter for the best safety performance for the year 2021 in the large chemical industries category.

ISO CERTIFICATION:

As part of the safety improvements, many positive measures have been undertaken by the organization to ensure safety of the plant and personnel. IMS (Integrated Management System) was implemented integrating Quality Management System (ISO-9001), Environment Management System (ISO-14001) and Occupational Health and Safety Management System (ISO 45001). This gives more importance to the safety and health aspects.

INDUSTRIAL RELATIONS:

People have been a great strength in your company. The overall Industrial relationship continued to be peaceful and cordial during the year and no strike or lockout took place during the year.

CORPORATE GOVERNANCE:

The Company continued to comply with the various requirement of Corporate Governance. The details in this regard form part of the Directors Report.

Company has substantially complied with the Guidelines on Corporate Governance for CPSEs laid down by Department of Public Enterprises and regularly submits reports to the Government. It complies with the applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

HINDUSTAN FLUOROCARBONS LIMITED (HFL) - SUBSIDIARY:

Your company has one subsidiary company namely; Hindustan Fluorocarbons Limited [HFL]. During the year, HFL has incurred a net loss of Rs.612.87 lakhs as against the net loss of Rs.2,483.09 lakhs of the previous year.

Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals vide No.P. 51015/06/2019-Ch. III dated 29-01-2020 informed the decision of Cabinet Committee on Economic Affairs, directing closure of Hindustan Fluorocarbons Limited and the same was approved by the shareholders on 30-03-2020.

Consequent to the decision of the Govt. of India for closure of subsidiary company Hindustan Fluorocarbons Ltd., an amount of Rs.75.87 crore has been released to the Subsidiary Company as loan from Govt. of India to meet the expenses related to VRS/VSS to employees and settling dues to bank and other liabilities.

ACKNOWLEDGEMENT:

I have been fortunate to be associated with HOCL right from the beginning of my career and to grow along with the Company. Now, as CMD, I am privileged to be heading HOCL. I place on record my appreciation and gratitude to all the employees and other stakeholders who had extended their support and co-operation during the year. I take this opportunity to acknowledge the support of my fellow Board members and the senior management team. In particular, I am grateful to various officials of the Government, especially Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers, Department of Public Enterprises, Ministry of Finance, Ministry of Commerce & Industry, Government of Maharashtra, Kerala Government, all Bankers, Board Members, Statutory/Govt. Auditors, Cost Auditors and all the agencies concerned. My gratitude is also to the shareholders, and customers, who have helped us in the present phase of transformation of the company.

We on our part would continue our efforts for completion of the restructuring plan at the earliest, in our endeavour, towards the path of achieving early turnaround of the company. We look forward to your continued support in this continuing process.

In conclusion, I am optimistic that the company would sustain the achievement during the year and in the years ahead.

Sd/-

Sajeev B

Chairman and Managing Director

DIN: 09344438

NOTICE

Notice is hereby given that the 61st Annual General Meeting (AGM) of the Members of the Company will be held on Thursday, the 29th September, 2022 at 02:00 pm through Video Conferencing ("VC")/ other Audio-Visual Means ("OAVM") to transact the following Businesses:

ORDINARY BUSINESS:

1. To consider and to adopt the Standalone & Consolidated Audited Financial Statements comprising the Balance Sheet as on 31st March, 2022, the Profit & Loss Account for the year ended on that date, Cash Flow Statement, Schedules and Notes to Accounts attached thereto, together with the Director's Report and the Auditor's Report along with the Report of the Comptroller & Auditor General of India.
2. To reappoint as per GOI Order, the Government Nominee Director, Shri Satendra Singh, Additional Secretary & Financial Advisor, who retires at the AGM and being eligible offers himself for re-appointment.
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:

4. **Appointment of Cost Auditor for the year 2022-23**

   To consider and approve the appointment of M/s. R.M. Bansal & Co, Cost Accountants, Kanpur having branch office at Tc 49/620(2) SafnamMrwa 61-A, Malliyidom, Thiruvananthapuram-695009. Kerala (Firm Registration No. 000022) as Cost Auditors of the Company for the FY 2022-23 and ratify the remuneration payable to M/s. R.M. Bansal as Cost Auditor fees for the Financial Year 2022-23 for the audit of Cost Accounts and Records of the company and to pass the following resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the remuneration payable Rs.50,000/-plus GST as a total fees for audit of Cost Account and Records of the Company and to issue Compliance Certificate/s thereof and to give Cost Audit Report for the year 2022-23 and for assisting in & e-filing of Cost Audit reports related XBRL e-forms in respect of Kochi Unit Products of the company for the Financial Year ending 31st March, 2023 to M/s. R.M. Bansal & Co (Firm Registration No. 000022), the Cost Auditors of the Company for the FY 2022-23."

5. **Appointment of Shri Kanishk Kant Srivastava (DIN 09699641) as Government Nominee Director**

   To consider and, if thought fit, to pass, with or without modifications, the following resolution, as **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 applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Kanishk Kant Srivastava [DIN 09699641] who was appointed by President of India vide Ministry of Chemicals & Fertilizers Order No.P-51011/6/2011-Chemical – III/ CPC dated 30th March, 2022, as Government Nominee Director on the Board of Directors of Hindustan Organic Chemicals Limited for a period of three (3) years with effect from 30th March, 2022 or until further whichever is earlier be and is hereby appointed as Government Nominee Director of the Company on terms and conditions fixed by Government of India and he shall be liable to retire by rotation."

6. **Appointment of Dr Bharat J Kanabar (DIN 09466694) 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 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 President of India vide Ministry of Chemicals & Fertilizers Order No.P-53013/8/2019-CHEM.III-CPC dated 24th December, 2021, as a Part-time Non-official (Independent) Director on the Board of Directors of Hindustan Organic Chemicals Limited for a period of three (3) years with effect from the date of notification of appointment order or until further orders be and is hereby appointed as Non-official Independent Director with effect 24th December, 2021 on the Board of the Company for a period of three (3) years or till further orders from the Government of India and he shall be not liable to retire by rotation."

7. **Appointment of Shri Pratyush Mandal (DIN 09461918) 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 applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Pratyush Mandal, [DIN 09461918] 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 a Part-time Non-official (Independent) Director on the Board of Directors of Hindustan Organic Chemicals Limited for a period of three (3) years with effect from the date of notification of appointment order or until further orders be and is hereby appointed as Non-official Independent Director with effect 24th December, 2021 on the Board of the Company for a period of three (3) years or till further orders from the Government of India he shall be not liable to retire by rotation."

8. **Shifting of Registered Office from Maharashtra to Kerala**

   To consider and, if thought fit, to pass with or without modification the following resolution as **Special Resolution:**

   RESOLVED THAT, pursuant to the provisions of Section 12, 13 and such other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modifications or re-enactments thereof) and any other applicable provisions of the Companies Act, 2013 and subject to Confirmation/Approval of the Regional Director, the consent of members be and is hereby accorded for shifting the registered office of the company from V Times Square, Office No.401, 402 and 403, 4th Floor, Plot No.3, Sector-15, CBD Belapur, Navi Mumbai – 400614 in the state of Maharashtra to HOCL Kochi Unit, Ambalamugal PO, Ernakulam district - 682302 in the state of Kerala."

   RESOLVED FURTHER THAT consequent to this change, clause 2 of the Memorandum of Association of the Company be substituted by the following:-

   Clause 2: The Registered Office of the Company will be situated in the State of Kerala."

   RESOLVED FURTHER THAT pursuant to the provisions of Section 88, 92, 94 and such other applicable provisions of the Companies Act, 2013 (including any amendments thereto or re-enactments thereof read with relevant Rules, the consent of members be and is hereby accorded to maintain & keep the Company's Common Seal, other records, various Statutory Registers and Books of Accounts, copies of returns, register of members and other registers/ records etc. at HOCL Kochi unit, Ambalamugal PO, in the District of Ernakulam - 682302 in the state of Kerala."

   RESOLVED FURTHER THAT Company Secretary or any one Director of the Company or a Practicing Company Secretary be and are hereby jointly or severally authorized to appear, represent, make such statements, furnish such information and do such things including but not limited to filing e-forms with the concerned Registrar of the Companies, as may be required, on behalf of the Company before the Regional Director, Ministry of Corporate Affairs, Government of India, Registrar of Companies and any other Government Authority in the matter of the petition to be filed by the Company for Shifting of Registered Office and proposed alteration of the Situation Clause of the Memorandum of Association.

By Order
of the Board of
Hindustan Organic Chemicals Ltd.
Sd/-
Subramonian H.
Company Secretary
[ACS 28380]

Place: CBD Belapur
Date: 30.08.2022

Registered Office:
401, 402, 403, 4th Floor,
V-TIMES SQUARE Plot No. 3 Sector 15,
CBD Belapur Navi Mumbai
Thane MH 400614 IN

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 LODRR"), SEBI circulars and MCA Circulars, the 61st AGM of the Company is being held through VC/OAVM. For this purpose, necessary arrangements have been made by the Company with CDSL and instructions for the process to be followed for attending and participating in the AGM through VC/OAVM is forming part of this Notice. The proceedings of the AGM will be deemed to be conducted at the registered office of the Company

2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and Vote at 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. Participation of Members through VC/OAVM will be reckoned for the purpose of Quorum for the AGM as per Section 103 of Companies Act, 2013.

4. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote E-voting. The said resolution/Authorization shall be sent to the Scrutinizer through e-mail to divya.dsmco@gmail.com and to the Company to: cs@hoclindia.com

5. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business are appended to this notice.

6. 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.

7. Shareholders may also note that Bigshare Services Pvt. Ltd. , Registrar and Share Transfer Agents [RTA] of the company have shifted their Corporate Office/ Operational Head Office to a new address as follows: Bigshare Services Pvt. Ltd. Office No.S-6, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093.

   Members can also correspond with the RTA at their email id: investor@bigshareonline.com and vinod.y@bigshareonline.com

   Company is sharing below mentioned important information along with this 61st AGM Notice.

   Important Informations:

   I. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 shareholders 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 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. 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 https://www.hoclindia.com/disclosures

   IV. 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 https://www.hoclindia.com/disclosures

   V. 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 https://www.hoclindia.com/disclosures

   VI. 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 https://www.hoclindia.com/disclosures

   VII. 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 https://www.hoclindia.com/disclosures

8. Shareholders are requested to intimate immediately as and when there is any change in their addresses registered with the Company, their PAN, KYC details to the RTAs.

9. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 23rd September, 2022 to Thursday, the 29th September, 2022 (both days inclusive)**

10. 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, if any, will be available electronically for inspection without any fee by the members from the date of circulation of this notice up to the date of 61st AGM i.e. 29-09-2022. Members seeking to inspect such documents can send an email to cs@hoclindia.com

11. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODRR") 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 address is provided in the instructions for e-voting section which forms part of this notice. Board of Directors has appointed M/s. D.S. Momaya & Co LLP (FRN No. L2022MH012300), Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

12. The e-voting commences on **Monday, 26th September, 2022** from **09:00 am onwards** (IST) and ends on **Wednesday, 28th September, 2022** from **05:00 pm** (IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date (record date) i.e. as on **22nd September, 2022** may cast their votes electronically. The e-voting module will be disabled by the CDSL for voting 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. **22nd September, 2022**.

13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

14. The cutoff date for sending 61st AGM notice & Annual report is on **26th August, 2022**. Any person who acquires shares of the company and becomes a member of the Company after sending of the Notice and holding

shares as of the cut off-date may obtain the login ID and password by sending a request at vinod.y@bigshareonline.com. However, if he/ she is already registered with the CDSL for remote e-voting then he/ she can use his/ her existing user ID and password for casting the vote.

15. In compliance with the MCA/SEBI Circulars, the 61st Annual Report 2021-22, the Notice of the 61st AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participant(s) as on the cut-off date i.e**. 26th August, 2022**. Physical copy of the AGM notice along with the Annual Report 2021-22 shall be sent to those members who request for the same.

16 We urge members to support our commitment to environmental protection by choosing to receive the Company's Communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants and members holding shares in physical mode are requested to update their email addresses with the Company's RTA Bigshare Services Private Limited at investor@bigshareonline.com to receive the copies of the Annual report 2021-22 and other communications from the company in electronic mode.

17. Members may also note that the Notice of the 61st AGM and the Annual Report 2021-22 will also be available on the Company's Website www.hoclindia.com, website of the Stock exchange, i.e. BSE Limited, at www.bseindia.com; and on the website of the CDSL at www.evoting.com;

18. 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, expect 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, Bigshare Services Private Limited for assistance in this regard.

19. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants (s). Members holding shares in physical form are required to submit their PAN details to the RTA i.e. Bigshare Services Private Limited.

20. Since the AGM will be held through VC/OAVM, Proxy form, Attendance Slip and the Route Map are not annexed to this Notice.

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 general circulars issued by the Ministry of Corporate Affairs (MCA) No. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022.The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM 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 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. 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 https://www.hoclindia.com/announcements. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. 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 AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

Instructions for remote e-voting

(i)The remote e-voting voting period begins on **26th September, 2022 at 09:00 am (IST) and ends on 28th September, 2022 at 05:00 pm (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 **22nd 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**	1) Userswho 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 arehttps://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful loginthe Easi / Easiest user will be able to see the e-Voting option for eligible companieswhere 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 ofall e-Voting Service Providersi.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 availableon 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 optionwhere the evoting is in progressand also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	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 re-directed 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**	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.

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. 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 toll free no. 1800 22 55 33.
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) • 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. • 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 (3).

(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.

(xivYou 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; cs@hoclindia.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 **at least 14 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). 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 (company email id). 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 E MAIL 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 detials (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 toll free no. 1800 22 55 33.

   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 at toll free no. 1800 22 55 33.

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Sd/-
Subramonian H.
Company Secretary
[ACS 28380]

Place: CBD Belapur
Date: 30.08.2022

Registered Office:
401, 402, 403, 4th Floor, V Times Square, Plot No.3
Sector 15, CBD Belapur, Navi Mumbai – 400614

ADDITIONAL INORMATION 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:

Particulars	Shri Satendra Singh
DIN	05195060
Date of Birth	28/08/1971
Age	51
Date of appointment	21/12/2021
Relationship with Directors/KMP	No
Shareholding in the Company	No
Qualifications	B.E, M.A (Public Policy), IAS (1995 batch) Jharkhand Cadre
Expertise in specific functional area	Shri Satendra Singh belongs to 1995 batch of Indian Administrative Services (IAS) from Jharkhand Cadre. He is currently working as Additional Secretary and Financial Advisor in the Ministry of Chemicals and Fertilizers, Government of India, New Delhi. Shri Satendra Singh has done B.E in Electronics from University of Roorkee. He has Master's Degree in Public Policy from Duke University, USA. He has participated in various short term courses at the National and International Levels.
Number of shares held in the company as on March 31, 2022	Nil
List of directorship in other Companies	Rashtriya Chemicals and Fertilizers Limited
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	Two (2)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No 4: Appointment of Cost Auditors for the year 2022-23

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") the Company is required to appoint Cost Auditors to audit the Cost Records of the Company for products and services specified under Rules issued in pursuance to the above Section.

The Board of Directors of the Company approved the appointment of M/s. R.M. Bansal & Co, Cost Accountants (Firm Registration No. 000022) as Cost Auditors of the Company to conduct cost audit of cost records maintained by the company for the FY 2022-23 at a total fees of Rs. 50,000/- plus GST and to issue of Compliance Certificate/s thereof and to give Cost Audit Report for the year 2022-23 and for assisting in & e-filing of Cost Audit reports related XBRL e-forms in respect of Kochi Unit Products for the FY 2022-23.

M/s. R.M. Bansal & Co, Cost Accountant have furnished certificates regarding their eligibility for appointment as Cost Auditor of the Company. In accordance with the provisions of Section 148 of the Act, read with the Rules, the remuneration payable to the Cost Auditor has to be ratified by the Shareholders of the Company. Accordingly, consent of the Members is sought for the said purpose.

The Board of Directors recommend the Ordinary Resolution set forth in Item No. 4 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution expect to the extent of their shareholding, if any, in the Company.

Item No. 5: Appointment of Shri Kanishk Kant Srivastava (DIN 09699641) as Government Nominee Director

As per the Articles of Association of the Company, power to appoint Directors vest with the President of India, through the Administrative Ministry. Accordingly, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India vide Order No.P-51011/6/2011-Chemical-III-CPC dated 30th March, 2022 appointed Shri Kanishk Kant Srivastava as Government Nominee Director on the Board of Hindustan Organic Chemicals Limited (HOCL) for a period of three (3) years with effect from 30th March, 2022 or until further orders whichever is earlier.

The Company has received all statutory disclosures/declarations from Shri Kanishk Kant Srivastava as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 26th May, 2022 noted the Government Order appointing Shri Kanishk Kant Srivastava as Government Nominee Director on the Board of HOCL for a period of three (3) years with effect from 30th March, 2022.

As per Articles of Association, though the power to appoint Directors of HOCL vest with Government of India, 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 Shri Kanish Kant Srivastava, 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 Shri Kanishk Kant Srivastava

DIN	09699641
Date of Birth	14/11/1980
Date of appointment	30.03.2022
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. 6 of the Notice: Appointment of Dr Bharat J Kanabar (DIN 09466694) as Non-Official Part-time Independent Director

As per the Articles of Association of the Company, power to appoint Directors vest with the President of India, through the Administrative Ministry. Accordingly, 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 Dr Bharat J Kanabar as part time Non-Official Director on the Board of Hindustan Organic Chemicals Limited (HOCL) for a period of three (3) years with effect from the date of notification of the appointment order or until further orders. Dr Bharat J Kanabar fulfills 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 28th January, 2022 noted the Government Order appointing Dr Bharat J Kanabar as part time Non-Official Director on the Board of HOCL for a period of three (3) years with effect from 24th December, 2021 or until further order from Government of India. 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 24th December, 2021 or until further orders of Government.

As per Articles of Association, though the power to appoint Directors of HOCL vest with Government of India, 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	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 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 Fluorocarbons Limited
Chairman/ Member of the committee of Directors of other companies in which he is a Director as on March 31, 2022	Three (3) committees
Number of Board meeting attended during the year 2021-22	Three (3)

Item No. 7: Appointment of Shri Pratyush Mandal (DIN 09461918) as Non-Official Part-time Independent Director

As per the Articles of Association of the Company, power to appoint Directors vest with the President, through the Administrative Ministry. Accordingly, 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 Shri Pratyush Mandal as part time Non-Official Director on the Board of Hindustan Organic Chemicals Limited (HOCL) for a period of three (3) years with effect from the date of notification of the appointment order or until further orders. Shri Pratyush Mandal fulfills 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 Shri Pratyush Mandal as required under the provisions of Companies Act, 2013. The Board of Directors has considered that Shri Pratyush Mandal possesses diverse skills, leadership capabilities, expertise in management related aspects, and experience in social service related aspects as being key requirements to this role.

Considering the above, Board of Director in their meeting held on 28th January, 2022 noted the Government Order appointing Shri Pratyush Mandal as part time Non-Official Director on the Board of HOCL for a period of three (3) years with effect from 24th December, 2021 or until further order of Government of India. As per the provisions of the Section 149(13) of the Companies Act, 2013, Independent Director is not liable to retire by rotation. Accordingly, Shri Pratyush Mandal is not liable to retire by rotation for a period of three (3) years with effect from 24th December, 2021 or until further order of Government.

As per Articles of Association, though the power to appoint Directors of HOCL vest with Government of India, 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.7 for the approval of members by way of special resolution.

No director, key managerial personnel or their relatives except Shri Pratyush Mandal, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no.7.

Profile of Shri Pratyush Mandal

DIN	09461918
Date of Birth	05/07/1979
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 social service for betterment and development of weaker, youth, women and backward section of the society.
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	Three (3)

Item No 8: Shifting of Registered Office from Maharashtra to Kerala

The Govt. of India approved a restructuring plan for the Company on 25th May, 2017. As per the approved restructuring plan and with the prior approval of the shareholders of the company, operation of the Rasayani Unit was closed, employees were given VRS and sale of movable assets have been completed. However, the sale of the land is partially completed due to protest from Villagers / farmers who have been cultivating in vacant land. In view of this, after obtaining the approval for shifting the registered office, the land sale related matters will be taken cared by the company before the actual shifting of registered office to Kerala.

The Board of Directors of the company at the meeting held on 26th May, 2022 had given approval for Shifting Registered Office of the Company from CBD, Belapur, Navi-Mumbai, Maharashtra to Kochi, Kerala, subject to the approval of Shareholders and final approval from the Administrative Ministry and other regulatory authorities.

The Rationale for shifting of registered office from Mumbai to Kochi is provided below:-

- Kochi is one and only unit of HOCL functioning now. Top management will have a direct supervision and control over the affairs of the manufacturing unit, especially in the view of the fact that senior officers of Kochi Unit have retired/ retiring soon.
- Savings on the rent of Corporate Office building - Huge rent is paid for maintaining the office at Mumbai, whereas sufficient office space and facilities are available in Kochi to accommodate the office of the directors.
- Savings on the wage bill- HRA at Kochi is less by 10% than that of Mumbai. There will be savings on HRA.
- Better utilization of manpower- By clubbing the manpower of Corporate Office and Kochi Unit together at one location better utilization of manpower can be ensured. The staff deployed for land sale matters etc. can completely concentrate on the same.
- Savings on the travelling expenses of top management and senior officers for the visit to the plant and vice versa.
- More efficient administration with faster communication and also quick on the spot decisions due to the availability of decision makers at the manufacturing location itself.

Further, as per provisions of Section 12, 13 and such other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 and other applicable rules a Special Resolution is required to be passed if the registered office of the company is shifted outside the local limits of a city, town or village where office is situated at the time of commencement of the Act and consequent Alteration of Memorandum of Association of a company.

Consequent to the proposed change, Clause 2 of the Memorandum of Association of the Company is proposed to be substituted as given below:-

"Clause 2: The Registered Office of the Company will be situated in the State of Kerala, Kochi."

Further, confirmation/approval from the Regional Director is also required if the registered office of the company is changed from jurisdiction of one Registrar to another Registrar.

As required under the provisions of the Companies Act, approval of Members is sought for shifting the registered office of the company from CBD Belapur, Navi Mumbai, Maharashtra to Kochi, Kerala and for alteration of the Memorandum of Association of the company.

The Board therefore recommends the Special Resolution set forth in Item No.8 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution expect to the extent of their shareholding, if any, in the Company.

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Sd/-
Subramonian H.
Company Secretary
[ACS 28380]

Place: CBD Belapur
Date: 30.08.2022

Registered Office:
401, 402, 403, 4th Floor, V Times Square, Plot No.3
Sector 15, CBD Belapur, Navi Mumbai – 400614

DIRECTORS REPORT

The Board of Directors presents herewith the 61st Annual Report of your Company along with the Audited Statement of Accounts for the financial year 2021-22.

1.FINANCIAL RESULTS

The financial results for the year ended 31.03.2022 with the comparative figures of company's operations for the previous year is as under:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Revenue from operations	43,367.39	41,157.80
Other Income	3,142.73	1,961.29
Total	**46,510.12**	**43,119.09**
Expenditure excl. Dep.	48,718.22	41,401.19
Profit before Depreciation & Tax	**(2,208.10)**	**1,717.90**
Less Depreciation	116.37	120.79
Profit /(Loss) before Tax	**(2,324.47)**	**1,597.11**
Less : Provision of Tax	0.00	0.00
Profit/(Loss) after Tax	**(2,324.47)**	**1,597.11**
Other Comprehensive Income for the year, net of tax	**1,602.93**	**1,542.78**
Total Comprehensive Income for the year	**(721.54)**	**3,139.89**

2. MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT OF INDIA

Company has been entering into a Memorandum of Understanding (MOU) with the Ministry of Chemicals & Fertilizers, Government of India, setting the performance parameters and targets every year. Company secured "Good" rating for the year 2020-21.

3. COVID-19 IMPACT ANALYSIS

a. There is no considerable financial impact on account of Covid-19 pandemic during the year ended 31.03.2022.

b. COVID-19 has affected all the sectors of industry and commerce sectors that has much affected including logistics, auto, drugs, pharmaceuticals and electronic goods where our products are used. The impact of COVID-19 for the financial year 2021-22 may lead to decline in demand or prices, suspend or significantly reduce operations of factory and affect movement of interstate transportation of goods etc.

   As per our current assessment, no significant impact on tangible assets, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor the changes in future economic conditions. The Management does not see any risk in the ability to continue as a going concern and meeting its liabilities as and when they fall due. However, the actual impact of Covid-19 on the Company's financial statements may differ from what is estimated.

4. CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Companies Act, 2013 ("the Act") and IND AS 110 – Consolidated Financial Statement, the audited consolidated financial statement for the period ending 31.03.2022 is provided in the Annual Report.

5. DIVIDEND

In view of the loss incurred during the current year, the Board of Directors do not recommend any Dividend for the year under review.

6. CHANGE IN NATURE OF BUSINESS IF ANY

Consequent to the decision of the Govt. of India for closure of Subsidiary Company Hindustan Fluorocarbons Ltd., an amount of Rs.75.87 crore has been released to the subsidiary company as interest free loan from Govt. of India to meet the expenses related to VRS/VSS to employees and settling dues to Bank and other liabilities.

7. FINANCIAL HIGHLIGHTS

During the year 2021-22, the company has achieved a Gross Income of Rs.465.10 crore registering an increase of 7.86 % as against the Previous Year Gross Income of Rs.431.19 Crore. The Company has incurred a Net Loss of Rs.23.24 Crore during the year as against Net profit of Rs.15.97 crore earned during the previous year.

8. NUMBER OF MEETINGS OF BOARD (including the dates of Board and committee meetings indicating the number of meetings attended by each director in every financial year)

During the year the Eight (8) Board Meetings were held on the following dates: 11th June, 2021, 30th July, 2021, 23rd September, 2021, 29th October, 2021, 3rd December, 2021, 28th January, 2022, 25th March, 2022, 28th March, 2022.

During the year the Audit Committee Meetings were held on the following dates 28th January, 2021, and 25th March, 2021.

Other details are furnished in the Corporate Governance Report in Annexure IV to this Report.

9. EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 of the Companies Act 2013, read with Rule 12 of the Companies(Management and Administration) Rules, 2014 an extract of the Annual Return as at March 31, 2022 in form MGT 9 is appended as **Annexure I** to the Board's Report.

10. SUBSIDIARY COMPANY

Your company has one (1) subsidiary company namely; Hindustan Fluorocarbons Limited [HFL]. Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals vide No. P. 51015/06/2019-Ch. III dated 29th January, 2020 informed the decision of Cabinet Committee on Economic Affairs, directing closure of HFL, which was approved by the shareholders on 30th March, 2020. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of subsidiary company in Form AOC-1 is attached as **Annexure II** to the Board's Report.

11. RELATED PARTY TRANSACTIONS

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There were no materially significant transactions with Related Parties during the financial year 2021-2022 which were in conflict with the interest of the Company. Suitable disclosures as required under IND AS-24 have been made in Note No.38 of the Notes to the Financial Statements.

Particulars of contract/arrangements/transactions made with related parties, pursuant to Section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 is appended as **Annexure III** which forms part of this report.

12. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The details in this regard forms part of Corporate Governance Report as **Annexure IV** to the Annual Report.

13. CORPORATE GOVERNANCE

Due to non-availability of Independent Directors for the substantial period of FY 2021-22, there has been non-compliance to that extent with various requirements of Corporate Governance under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and various Rules/ Regulations made there under. The details in this regard forms part of Corporate Governance report as **Annexure V** to the Annual Report. The requisite certificate from the practicing company secretaries confirming with the conditions of Corporate Governance is attached to the report on Corporate Governance.

14. COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC ENTERPRISES

DPE, Government of India, has laid down certain parameters for the purpose of grading the CPSEs on the basis of their compliance with guidelines on Corporate Governance and this report needs to be submitted to the Ministry of Chemicals & Fertilizers, Government of India on Quarterly basis. Company has been complying with the Guidelines on Corporate Governance for CPSEs laid down by DPE and regularly submits reports to the Ministry of Chemicals & fertilizers, Government of India. Applicable grade of 4th Quarter / year ended 31.03.2022 is "Excellent"

15. MANNER IN WHICH FORMAL ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN CARRIED OUT :

The provisions of Section 134 (3)(p) of the Act shall not apply to a Government Company in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. HOCL, being a Government Company, the performance evaluation of the Directors is carried out by the Administrative Ministry (MoC&F), Government of India, as per applicable Government guidelines.

16. KEY MANAGERIAL PERSONNEL:

The following are Key Managerial Personnel of the Company:

a) Shri Sajeev B - Chairman & Managing Director [DIN: 09344438]

b) Shri P.O Luise - CFO & GM (Finance)

c) Subramonian H - Company Secretary & Compliance Officer [ACS: 28380]

17. DETAILS OF DIRECTORS AND/OR KMP'S WHO HAVE BEEN APPOINTED OR RESIGNED DURING THE YEAR:

i. Consequent to the superannuation of Shri S. B. Bhide on 31st July, 2021 as per Govt. of India, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals ORDER No.P-51011/01/2021-CHEM.III-CPC dated 2nd August, 2021 Shri S.C. Mudgerikar, Chairman and Managing Director,Rashtriya Chemicals and Fertilizers Limied (RCF) has assumed the Additional Charge of Chairman and Managing Director (CMD) and Director (Finance) of Hindustan Organic Chemicals Limited (HOCL) in addition to his duties and responsibilities as Chairman and Managing Director, Rashtriya Chemicals and Fertilizers Limited (RCF) with immediate effect for a period of three months or until further orders whichever is earlier.

ii. Consequent to the Govt. of India, Ministry of Chemicals & Fertilizers, Department of Chemicals and Petrochemicals ORDER No.P-51011/01/2021-Chem.III-CPC dated 06th September, 2021 Shri. Sajeev B., Chief General Manager, HOCL was appointed as Chairman and Managing Director of HOCL with effect from the date of his assumption of Charge of the post till the date of his superannuation, i.e. 31st May, 2025, or until further orders, whichever is earlier. Shri Sajeev B. is also holding additional charge of Chairman and Managing Director of Hindustan Fluorocarbons Limited, subsidiary company of HOCL.

As per Govt. of India, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals ORDER No.P-53011/02/2019-CHEM.III-CPC dated 10th March, 2022, Shri Sajeev B., CMD HOCL, has been entrusted Additional Charge to the post of Director (Finance) of HOCL for a period of Nine Months w.e.f. 22nd September, 2021 or till the appointment of a regular incumbent to the post, or until further orders, whichever is earliest.

iii. As per Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals & Petrochemicals Order No. P-51015/12/2014-CHEM.III-CPC dated 21st December, 2021 Shri. Satendra Singh, Additional Secretary & Financial Advisor, Ministry of Chemicals & Fertilizers, was appointed as Government Nominee Director on the Board of Directors of Hindustan Organic Chemicals Limited (HOCL) in place of Shri Ashish Upadhyay.

iv. As per Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals & Petrochemicals Order No. P-53013/8/2019-CHEM.III-CPC dated 24th December, 2021 Dr Bharat J Kanabar was appointed as Non-official Independent Director on the Board of Directors of Hindustan Organic Chemicals Limited (HOCL) for a period of three (3) years with effect from date of order, or until further orders.

v. As per Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals & Petrochemicals Order No. P-53013/8/2019-CHEM.III-CPC dated 24th December, 2021 Shri Pratyush Mandal was appointed as Non-official Independent Director on the Board of Directors of Hindustan Organic Chemicals Limited (HOCL) for a period of three (3) years with effect from date of order, or until further orders.

vi. Mrs. Susheela S. Kulkarni, Company Secretary & Compliance Officer of the Company has superannuated from the services of the Hindustan Organic Chemicals Limited (HOCL) on 28th February, 2022 and accordingly, the Charge of Company Secretary, HOCL has been handed over to Mr. Subramonian H on 28th February, 2022. Subsequently, Mr Subramonian H has been appointed as Company Secretary & Compliance Officer of HOCL w.e.f 01.03.2022.

vii. As per Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals & Petrochemicals ORDER NO. P-51011/6/2011-Chemical.III/CPC dated 30th March, 2022 Shri. Kanishk Kant Srivastava, Director, Department of Chemical & Petrochemical, wasappointed as Government Nominee Director on the Board of Directors of Hindustan Organic Chemicals Limited (HOCL) w.e.f. 30th March, 2022, for a period of three years or till further orders, whichever is earlier, in place of Shri Samir Kumar Biswas, Additional Secretary, Department of Chemicals & Petrochemicals, who has been relieved from the Department w.e.f. 31st January, 2022.

18. PARTICULARS OF EMPLOYEES

Information regarding particulars of employees drawing remuneration in excess of the limit specified under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as none of the employees of the Company has drawn remuneration in excess of the stipulated limit, during the year under review.

19. COMPOSITION OF AUDIT COMMITTEE (AC) AND NON ACCEPTANCE OF ANY RECOMMENDATIONS OF AC (only for public and listed companies).

As on 31st March, 2022 Audit Committee has only 2 Members. There is a vacancy of one (1) more Independent Director on the Board. As and when the appointment of Independent Director is done by the Ministry, company will reconstitute the Audit Committee.

Details of Composition, meetings of Audit Committee/Sub-Committee are provided in Corporate Governance Report in Annexure IV to this Report.

20. COMMITTEES OF THE BOARD

There was non-availability of Independent Directors for the substantial period of FY 2021-22. However, on 24th December, 2021 the Government appointed two (2) Independent Directors on the Board of HOCL. The Board of Directors of the company in the meeting held on 28th January, 2022 re-constituted following Committees:-

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholder Relationship Committee

iv. Corporate Social Responsibility Committee (CSR)

21. SECRETARIAL STANDARDS

Applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

22. DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013 -

i. That 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.

ii. That such accounting policies as mentioned in the Notes on Accounts had been applied 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 as at the financial year ended 31st March, 2022 and the profit or loss of the Company for that period.

iii. That proper and sufficient care had been taken 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.

iv. That the annual accounts for the year ended 31st March, 2022 had been prepared on a going concern basis.

v. Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively and

vi. That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. INDEPENDENT DIRECTORS DECLARATION –

TThere was non-availability of Independent Directors for the substantial period of FY 2021-22. However, on 24th December 2021, the Government appointed two (2) Independent Directors on HOCL Board. Accordingly, in compliance with the provisions of Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 separate meeting of Independent Directors was held on 25th March, 2022 and requirement of Independent Director Declaration was duly complied during the year under review. (FY 2021-2022).

24. DISCLOSURE ON REAPPOINTMENT OF INDEPENDENT DIRECTORS

No reappointment of Independent Directors was made during the year under review. (FY 2021-2022).

25. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTORS ETC.

As per notification dated 5th June, 2015 issued by Ministry of Corporate Affairs, provision of section 134(3) (e) of the Companies Act, 2013 regarding disclosure of its policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matter provided under sub- section (3) of section 178 of the Companies Act, 2013 are not applicable to a Government company.

Company being a CPSE, appointments of all the Directors on the Board of the Company are made by the Govt. of India/President of India and under the supervision, control and directions of the Department of Chemicals & Petrochemicals and the prescribed DPE Guidelines are being followed. The Terms and Conditions of appointment of Independent Directors and other directors, are as per the Government Orders are disclosed on the Company's website.

26. RATIO OF DIRECTORS REMUNERATION TO MEDIAN EMPLOYEES REMUNERATION AND OTHER PRESCRIBED ELABORATE DISCLOSURES AND DETAILS:-

The provisions of Section 134 (3)(e) of the Act are not applicable to a Government Company. Consequently, details on Company's policy on Directors' appointment and other matters are not provided under Section 178 (3) of the Act. Similarly, Section 197 of the Act shall not apply to a Government Company. Consequently, disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details including the statement showing the names and other particulars of every employee of the Company, who if employed throughout / part of the financial year, was in receipt of remuneration in excess of the limits set out in the Rules are not provided in terms of Section 197 (12) of the Act read with Rule 5 (1) / (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Chairman & Managing Director and the Whole-time Directors of the Company did not receive any remuneration or commission from any of its Subsidiaries. HOCL, being a Government Company, its Directors are appointed / nominated by the Government of India as per the Government / DPE Guidelines which also include fixation of pay criteria for determining qualifications and other matters.

27. AUDITORS

a) Statutory Auditors

M/s. BSJ & Associates, Chartered Accountants, were appointed as Statutory Auditors of your Company for Corporate Office and Kochi Unit for FY 2021-2022 by C&AG.

The auditors have furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the audit process. The auditors attend the Annual General Meeting of the Company.

The Auditors in their report for the year have not reported any instances of fraud committed by the officers/employees of the company.

b) Cost Auditors

The Board of Directors had appointed M/s. C.Y. Associates, Cost Accountants as Cost Auditors of your Company for FY 2021-2022. In the 50th AGM held on 29th September, 2021 the members have ratified the remuneration payable to the Cost Auditors.

c) Internal Auditors

M/s. Isaac & Suresh, Chartered Accountants were appointed as Internal Auditor of your Company for Corporate office and Kochi unit for FY 2021-2022.

d) CAG Auditors

Supplementary Audit is conducted by Principal Director of Audit (Shipping), Mumbai. CAG Auditors have issued 'Nil' comment report which forms part of this Annual Report.

e) Secretarial Auditors

The Board had appointed D. S. Momaya & Co., Practising Company Secretaries to conduct Secretarial Audit for the FY 2021-2022. The Secretarial Audit Report for the Financial Year ended 31st March, 2022 is annexed to this Report as and complied with Section 204 of Companies Act and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has also obtained Annual Secretarial Compliance Report form the PCS D. S. Momaya& Co. for the year 2021-22 under Regulation 24A of Listing Regulation. The observations in the Secretarial Audit report and the management response is given below;

Sl No.	Observation	Management Response
1.	As per market capitalization for the year 2021-22 the company stands on rank 1627. Hence as it is within the top 2000 companies, the company is required to have minimum 6 directors on the Board. But as on March, 31 2022 the company is having only 5 directors on the Board.	HOCL is a CPSE (Central PSU/PSE) under the administrative control of the Ministry of Chemicals & Fertilizers (MoC&F), Dept. of Chemicals and Petro Chemicals (DCPC), Government of India. Hence, the MoC&F is the administrative ministry and as per Company's Articles of Association (AOA), the powers to appoint the Board of Directors of HOCL company vest with the GOI/ Administrative Ministry. Accordingly, HOCL had already sent our submission vide email dated 02.02.2022 and requested the Administrative Ministry along with Board's recommendations for the same to look into the appointment of one independent woman director on our company's Board at the earliest. As and when HOCL receive the order from the Ministry, the total number of directors would become six (6).
2.	The Audit Committee, Stakeholders relationship committee and Nomination and Remuneration Committee (NRC) are not duly constituted with right mix of Independent Directors in compliance with relevant Regulations of SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 & Companies Act 2013.	HOCL is a CPSE (Central PSU/PSE) under the administrative control of the Ministry of Chemicals & Fertilizers (MoC&F), Dept. of Chemicals and Petro Chemicals (DCPC), Government of India. Hence, the MoC&F is the administrative ministry and as per Company's Articles of Association (AOA), the powers to appoint the Board of Directors of HOCL vest with the GOI/ Administrative Ministry. As and when the appointment of one more Independent director is done, the committees will be reconstituted.
3.	TThe Audit Committee although reconstituted, consists only two independent directors which is not in compliance with Regulation 18 of SEBI LODR Regulations which states that the Audit Committee shall have minimum three directors as members. Similarly, the NRC of the Company comprises two independent directors and one executive director which is not in compliance with Regulation 19 of SEBI LODR Regulation which states that all directors of the committee shall be non-executive directors.	OOn 24.12.2021, the administrative ministry had appointed two (2) Independent Directors on the Board of HOCL though the requisition was submitted for the appointment of three (3) Independent Directors. Thereafter, in the Board meeting held on 28.01.2022, Board reconstituted three (3) member audit committee comprising two (2) Independent Directors with one Independent Director as the Chairperson of the Committee and one non-executive director/Independent Director to be nominated/appointed soon. Accordingly, HOCL constituted the audit committee with available Independent Directors. As mentioned earlier, HOCL is awaiting appointment of one more Independent Director from the administrative ministry. As and when the appointment is done, the audit committee will again be reconstituted. The composition of HOCL Board as on 31.03.2022 is one (1) Executive Director (CMD), two (2) Government nominee directors and two (2) Independent Directors. Therefore, As and when the appointment of Independent Director is done by the Ministry, company will reconstitute the Nomination and Remuneration Committee.

28. Details of vigilance cases for the Financial Year 2021-22

Opening balance as on 01.04.2021	Vigilance cases received during 01.04.2021 to 31.03.2022	Disposed off	Balance
NIL	01	01	NIL

29. Status of pending CAG Paras and Management Replies

Name of the Audit Para	Brief of the para	Reporting status
Para No.2.1 of C&AG Report No.13 of 2014	Irregularities in the transfer of autonomous management of HOCL school to Mahatma Education Society and unauthorized favors to Mahatma Education Society for expanding its activities and also failed to recover lease rent of Rs.6.54 crore.	HOCL has entered into an agreement on 16.10.2006 to lease the infrastructure facilities to Mahatma Education Society (MES) for managing the school for a period of 30 years. The management of MES in order to start professional courses has constructed new buildings and facilities in the premises in contravention of the terms of agreement. The Company has sent a notice for termination as per the terms of the agreement with MES. MES has filed a petition challenging the termination notice in the Dist. Magistrates Court Alibag. MES has filed petition in the Bombay High Court for appointment of Arbitrator in the dispute between HOCL and MES. The District Court has granted stay pending the final disposal of the Arbitration petition of MES. Company has filed a petition to vacate the stay granted by the District Court in the Bombay High Court. At present, the petitions are pending before the Hon'ble Bombay High court to be heard.

30. SAFETY, HEALTH AND ENVIRONMENT

In the areas of Health, Hygiene and Environment, the company has undertaken periodic medical examination, as well as statutory requirements of fitness check-up under form No. 23 for its employees. Audiometry tests were carried out for those who are exposed with Noise and Autotoxicity tests were carried out for the Benzene handlers apart from other statutory regular check-ups.

Periodic awareness session on Hygiene, Covid precautions and guidelines were imparted. In order to control the spread, Fumigation and disinfection were done on regular basis.

In our commitment to Environment, we have ensured that the level of pollutants from the Factory and nearby surroundings was much below the permissible levels.

Continuing the use of RLNG (Re-gasifiedLiquified Natural Gas) has resulted in tremendous reduction in air pollution.

As part of protecting the environment, awareness sessions, competitions, Swachh Bharat activities, promoting employees for vegetable cultivation under a "Green Mission", Beautification of the plant premises involving the entire employees of the organization were carried out. On-line Effluent Monitoring and stack monitoring system is implemented to comply with Central Pollution Control Board regulations.

The Company has implemented several measures to prevent the spread of COVID-19 pandemic during the year like encouraging the use of protective measures like use of Mask, hand hygiene, safe distance etc. Posters have been displayed at various locations to educate the employees in this regard. Homeopathic preventive medicines were supplied to the employees of all categories. Hot Water dispensers were provided to various locations among employees. Partitions done at Dining Table and Wash Area of Canteen to ensure physical distancing.

Hydrogen Peroxide (H202) one of our products is widely used as a disinfectant. Company has distributed it to some of the Institutions/ Local Bodies, free of cost. In order to promote Hydrogen Peroxide, 6% concentrated H_2O_2 in 1 Litre containers was also launched.

As a part of preventive measures, the selection process for engaging apprentices under Apprentices Act was conducted through online mode. The selected candidates were allowed to join after certified for a negative RTPCR Test.Posters on Covid-19 are displayed at various locations to create awareness.

As part of the safety improvements, many positive measures have been undertaken by the organization to ensure safety of the plant and personnel. IMS (Integrated Management System) was implemented integrating Quality Management System (ISO-9001), Environment Management System (ISO-14001) and Occupational Health and Safety Management System (ISO 45001).

This gives more importance to the safety, health and environmental aspects. Implementation of Energy Management System (ISO-50001) is in progress.

The existing Accident /incident investigation procedure have been revised with 29 check points and depending upon the severity, the investigation is dealt with. Achieved 747920 safe man hours for the year 2021 with no reportable accidents in the organization.

Refresher training sessions on Fire and safety were imparted to the employees. Introduced additional safety training for contract employees prior to shutdown works for creating more awareness on the safety precautions and use of PPEs to be used while working inside the plant in addition to the Awareness on health and hygiene during Covid pandemic. Tool box talks were carried out for each critical works. Due to the restriction in conducting inhouse training due to pandemic, many relevant topics were organized through Online mode like Industrial safety, Behavioural based safety, Cleanliness and hygiene for safer plant operations, Process safety Management, Defensive driving, Safe wiring practices for Industrial technicians etc for the benefit of the employees.

For better safe working practices, introduced PPE matrix at individual plants for various operations and the same has been ensured by the individual supervisors in each plant. Introduction of Behavioural Based approach resulted in receiving increased number of "Near misses" from the employees, as a result proactive measures could be taken to prevent the accidents. Organised "SurakshaRadham", an initiative by the Department of Factories and Boilers, Govt of Kerala to our employees in the Hazards, Handling of Hazardous chemicals and the Occupational diseases. Safety walk through audits were carried out by the Statutory Functional Safety Committee and the safety points discussed in the meeting were addressed for better safe practices in the organization.

Introduced color coding of safety guards for all rotating equipments in the plant. Introduced online work permit system which was developed by our own internal resources. Through e-permit system separate work permits have to be generated for each work with safety parameters as prescribed. Rerouted the emergency escape after inspections, various competitions were organized for creating more awareness on safety among employees, observed National Safety day,National fire service day etc. Surveillance cameras were installed at various locations.

HOCL received "SurakshaPuraskar" from M/s. National Safety Council, Kochi Chapter among the large chemical Industries category for the best safety performance for the year 2021.

31. RESERVATION AND OTHER WELFARE MEASURES FOR SCHEDULED CASTES/SCHEDULED TRIBES/ OTHER BACKWARD CLASSES AND PERSONS WITH DISABILITIES.

All guidelines laid down in respect of Reservation and other welfare measures for Scheduled castes/Scheduled Tribes/Other Backward Classes are complied with. The provisions for special arrangement for Persons with Disabilities at work place have been complied with.

Representation of SC, ST and Women in employment position as on 31.03.2022

Category	Total	SC	ST	WOMEN
A	74	9	6	11
B	39	7	3	-
C	89	14	2	8
D	10	1	-	-
Total	212	31	11	19

32. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY.

During the year under report, the company continued its efforts to promote Hindi as Official Language in its day to day official activities. 10 Hindi workshops were conducted during the year including special programme on Annual Programme 2021-22 issued by the dept. of OL. Hindi week and Hindi Fortnight were organized at corporate office and Kochi units on 14th – 21st September and 13th- 27th September respectively. During this period various competitions were also organized and large number of employees participated. HOCL, Kochi Unit bagged Third prize for the best implementation of OL policy by Town official language Implementation Committee (TOLIC). Our Corporate and Kochi Unit were actively participated in various programmes conducted by TOLIC (PSU). OL orientation programme was conducted exclusively for senior officers of Corporate and Kochi Office. All documents under section 3(3) of OL Act 1963 were issued both in Hindi and English. The Website of the company is available both in Hindi and English. Competitions in Hindi were organized in connection different day celebrations including Constitution Day, World environment Day, Vigilance Awareness Week. Various promotional scheme including incentives for better implementation of Official Language has been adopted by our organization.

33. CITIZEN'S CHARTER, PUBLIC GRIEVANCE REDRESSAL (PG), CUSTOMER CARE SYSTEM (CCS) & RIGHT TO INFORMATION (RTI)

In line with the provisions of RTI Act 2005 to promote transparency and accountability, our organisation has taken efforts to handle the Right to Information sought for. Company has laid down procedure to provide information through Public Information Officer/CPO and Appellate Authority.

RTI applications – Summary

The number of RTI applications received and disposed off during the year 2021-22 is given below:

Total number of RTI applications received during the year 2021-22	30
Applications rejected during the year 2021-22, if any	0
Information submitted during the year 2021-22	29
Pending to reply as on 31.03.2022	01*

*** *Reply to RTI application has been submitted subsequently.***

34. MICRO & SMALL ENTERPRISES

All efforts have been taken to comply with the Government Directive to procure items specified for procurement from MSMEs. Necessary procedures has been made in all tenders stating the eligibility of MSMEs to participate in tenders. We have removed the restricted clauses in the tender conditions and modified the same which will help in greater participation of MSMEs and especially SC/ST MSMEs in the procurement processes. Company has modified the purchase policy also to comply with the directions.

HOCL always takes efforts to fulfill the requirements. Our 95% of the purchases by value are petroleum products (LPG, Benzene, LNG and Hydrogen - which are our raw materials.) supplied by M/S. BPCL through pipeline transfer. These items are not manufactured by MSME's and not available in GeM portal. Out of the balance 5% procurement, HOCL 's target is to procure minimum 25% from MSME includes 4% from MSEs owned by SC/ST and 3% from women owned MSEs. Special efforts have been made to ensure participation of SC/ST representative, women representatives.

35.SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES AND BUSINESS RESPONSIBILITY REPORT

SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with regard to disclosure of Business Responsibility Report is not applicable to your company. However, Hindustan Organic Chemicals Limited has adopted and realizes the benefits of Management Principles into daily activities to achieve the goals of the organization. These Management Principles will provide a foundation to continually improve upon the Organization's performance. The organization believes the following principles to align with the business processes.

1. Customer focus
2. Leadership
3. Utilization of resources with improved information flow within the organisation
4. Process approach; &its Continual improvement,
5. Risk & opportunity and real time decisions
6. Developing internal resources & maintaining better human relations at work.

We have adopted the "Process Approach" into daily operations including the PDCA Cycle. We have considered the utilization of Risk-Based Thinking when developing, implementing, and improving the effectiveness in most of our Management System. This approach enables Hindustan Organic Chemicals Limited to enhance the overall performance of the Organization by effectively controlling the interrelationships and the interdependencies among the processes.

The understanding and consistency with achieving customer specific requirements;

- The consideration of our processes in terms of added value;
- The achievement of effective process performance;
- Improvement of our processes based on real time data and information.

We also effectively plan and implement various actions to address risks and opportunities to maximize the outcomes including, but not limited to achieving improved results and preventing negative effects of our products, Operations, services.

Our businesses provide goods and services that are safe and contribute to sustainability throughout their life cycle and to promote the wellbeing of all employees, respect the interests of the stake holders, responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalized. Our businesses respect, protect, and make efforts to restore the environment in a safe and better manner by complying with the relevant Statutory regulations. Our businesses also support and provide value to their customers and consumers in a responsible manner.

36. DETAILS OF CSR POLICY AND ITS IMPLEMENTATION DURING THE YEAR

Company since its inception is very much aware about its social responsibility. For over five decades, as a socially responsible and sensitive corporate, your Company continues to remain committed to social thought and action to serve society through providing basic civic amenities to the neighbouring villages, rendering assistance in different forms.

As the average of three immediately preceding financial year is net loss, your Company is not required to carry out any CSR activities during the year under review. However, Company has recognized its social obligations and extended the following during the year 2021-22.

In order to help fighting the COVID-19 pandemic, Company extended the following during the year

- Sponsored an Ambulance jointly with FACT to Social Service Organization SevaBharti.
- Continued drinking water supply to nearby local residents.
- Covid Vaccination drives were organized. Provided Fogging Machine to nearby Panchayat.
- Extended vocational training facilities to the students of Engineering/Science/ Managment colleges for enhancing skill/knowledge
- Engaged professional students of ICAI/ICSI wo have completed intermediate level as trainees for imparting practical knowledge.

Other activities.

SWACHH BHARAT ABHIYAN

Won Second Prize for SwachhtaPakhwada from Dept. of Chemicals & Petrochemicals in the year 2021.

Conducted various activities in connection with the SwachhtaPakhwada 2021. Cleanliness drives were conducted outside the Company also. A Cleanliness drive was conducted by HOCL employees before reopening of the school (VHSS, Irumpanam) after Covid pandemic.

A meeting organized at Training Centre to chart out SwachhtaPakhwada activities with 20 volunteers selected from different functional departments. Executive Director and Nodal Officer briefed on the importance, planning of activities in view of Covid pandemic, the role of each team captains etc. to plan the activities as per action plan given to the Ministry. Circulars were issued on the action plans.

ED & UIC administered the Swachhta pledge through public address system, complying with COVID-19 protocol. Banners with logo on SwachhtaPakhwada displayed at prominent places of Factory and Township etc. All staff to take a resolution to keep office premises clean and plastic free, to manage old records properly and to participate in Swachhta activities. All employees made a resolution to contribute towards Clean and Green Environment.

Circulars issued to avoid single use plastic items and declared as "Plastic free zone".

Swachhta activities were conducted by different departments from 01.09.2021 onwards. Segregation and weeding out of old records, enlisting and keeping the same is still going on.

Various Competitions (in English/ Hindi/ Malayalam) were organized for the employees, apprentices/trainees - "Importance of Swachhta in the present pandemic Situation".

Various Competitions (in English/ Hindi/ Malayalam) were organized for the wards of employees (High School and College going students) – "Importance of Cleanliness & Hygiene in the present pandemic situation".

Webinar on Cleanliness and Hygienic environment for safer plant operation – organized by HOCL and hosted by Dept. of Chemicals & Petrochemicals – The resource person - Dr. M P Sukumaran Nair, Director, Centre for Green Technology & Management handled the session.

Swachhta cleaning activities done at Township with participation of wards, residents, employees and contract workers.

Awareness Session on Covid and importance of Swachhta in the pandemic situation to contain the spread of Covid-19. The classes were handled by Dr. Sheena Lal, Dy. Supt., Govt. Medical College, Manjeri and Ms. Sujatha B, Head Nurse.

AZADI KA AMRIT MAHOTSAV

As part of Azadi Ka Amrit Mahotsav conducted various cleaning activities in our premises, Stickers prepared on Azadi Ka Amrit Mahotsav and pasted in all official correspondences. Celebrations are organized/planned with various activities till August 2023.

INTERNATIONAL YOGA DAY

Yoga Day was celebrated on 21st June 2021, Common Yoga protocols were widely circulated for the information of all employees through our portal and social media.

CITIZEN'S CHARTER, PUBLIC GRIEVANCE REDRESSAL (PG), CUSTOMER CARE SYSTEM (CCS) & RIGHT TO INFORMATION (RTI).

In line with the provisions of RTI Act 2005 to promote transparency and accountability, our organization has taken efforts to handle the Right to Information sought for. Company has laid down procedure to provide information through Public Information Officer/CPIO and Appellate Authority.

37. INDUSTRIAL RELATIONS:

The overall Industrial Relation situation continues to be peaceful and cordial during the year 2021-22. There was no strike or lockout during the year.

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

There are no loans, guarantees, or investments made by the company under Section 186 of the Companies Act 2013 during the year under review and hence said provisions are not applicable.

Consequent to the decision of the Govt. of India for closure of Subsidiary Company Hindustan Fluorocarbons Ltd., an amount of Rs.75.87 Crore has been released as loan from Govt. of India to meet the expenses related to VRS/VSS to employees and settling dues to Bank and other liabilities.

39. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND PRACTISING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit report for the Financial Year 2021-22.

The Secretarial Auditors of the company have submitted their Secretarial Audit Report for the year 2021-22. Reply to observations of Secretarial auditors is given in the director's report.

40.MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Nil

41.THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

Company ensures existence of adequate internal controls through documented policy and procedures laid down in the manuals to be followed by the executives at various levels. Internal controls are supported by periodical internal audits and management reviews. The management is keen on these issues and initiated various measures such as upgrading the IT infrastructure, evaluating and implementing ERP software, web-based application and establishing connectivity amongst manufacturing units, Corporate office and branch offices for effective and proactive services and businesses.

Board periodically reviews the internal controls, audit programme, financial results and recommendations, the replies of the management to Government Audit and internal audit etc.

The Company has maintained adequate financial control system, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

42.CONSERVATION ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. The steps taken and impact on conservation of energy:

Major Energy Conservation Activities / Projects Implemented in 2021-22

- Replacement of conventional lights with LED lights: Electrical energy saving Rs.3.8 lakhs/year
- Replacement of conventional motor with energy efficient IE3 motor: Electrical energy savings Rs.3.2 lakhs/year
- Impeller trimming of Benzene charge pump: Electrical energy saving Rs.2.51Lakhs/year
- Contract demand reduction of Township: annual saving of Rs.1.21Lakhs/year

Company is availing open access power trading, resulting in a saving of Rs.63.77 lakhs on power cost for the year 2021-22.

A. Technology Absorption: Nil

i. the efforts made towards technology absorption: Nil

ii. the benefits derived like product improvement, cost reduction, product development or import substitution: Nil

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

iv. the expenditure incurred on Research and Development: Nil

43. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Key Threats include:

- Competition from domestic / imports and fluctuation in the input prices
- High input costs
- High utility costs
- High overheads
- Continued availability of anti-dumping support for the main products Phenol and Acetone.
- Working Capital availability for continuous operations
- High interest cost and employee remuneration.

Some risks and concerns:

- High manpower cost per ton of finished product.
- Depreciated plants, requiring high maintenance cost.
- Dumping in main products Phenol / Acetone.
- Volatility in main input Benzene.
- COVID-19 impact on downstream industries.

44. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES WHICH HAVE BECOME OR CEASED TO BE.

Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals vide No. P. 51015/06/2019-Ch. III dated 29-01-2020 informed the decision of Cabinet Committee on Economic Affairs, directing closure of Hindustan Fluorocarbons Limited, Subsidiary of HOCL, which was approved by the shareholders on 30-03-2020.

Consequent to the decision of the Govt. of India for closure of Subsidiary Company Hindustan Fluorocarbons Ltd., an amount of Rs.73.70 crore has been released as loan from Govt. of India to meet the expenses related to VRS/VSS to employees and settling dues to Bank and other liabilities.

45. DEPOSITS: NIL

During the period under review, the Company has not invited or accepted any deposits from the directors, shareholders and public.

46. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

Nil

47. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition &Redressal) Act, 2013 ('Act') and rules made there under, the Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment. The policy has been widely disseminated. A Complaint Committee is in existence as per the Act. The Board states that there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Annual Report for the year 2021 The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013-:

No. of complaints received: Nil

No. of complaints disposed of: Nil

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

No. of Workshop/Awareness programmes carried out:

1. Committee meeting/discussions with External Member
2. Awareness session to employees/Trainees/Women workers by the External Committee member at our premises.
3. Session on POSH Act 2013 organized by NIPM attended by the Committee members
4. Awareness training given to the newly joined trainees.

Nature of action taken by the Employer: N.A.

48. VIGILANCE MECHANISM: (Under Sec.177(9) of Companies Act,2013)

Hindustan Organic Chemicals Limited, being a Government Company, a Vigilance Department is already existing in pursuance of CVC Guidelines. Therefore, Vigilance Mechanism is being handled by the Vigilance Department and the Company has already adopted a Vigilance Manual in pursuance of CVC Guidelines. Vigilance Manual is available on Company's Website.

49. WHISTLE BLOWER POLICY

As per the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per section 177(9) of the Companies Act, 2013, every listed companies shall formulate a vigil mechanism/ Whistle Blower Policy for directors and employees to report genuine concerns. Your Company has adopted a Whistle Blower Policy to provide appropriate avenues to all permanent employees to make protected disclosure as per the whistle blower policy. The Policy provides for adequate Safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year in this regard. The Whistle Blower Policy is placed in the website of the company

50. GENERAL

No disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future save and except mentioned above during previous year.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

51. ACKNOWLEDGEMENT

Board places on record its gratitude to the members of the Company for their continued support and confidence in the management

The Directors thank the Company's employees, customers, vendors, investors and other stake holders for their continuous support. The Directors also thank the Department of Chemicals and Fertilizers, Ministry of Chemicals and Fertilizers, Government of India, Governments of Maharashtra and Government of Kerala, and other Government departments and agencies, Banks, financial institutions for their co-operation. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every member of the Hindustan Organic Chemicals Limited family.

For and behalf of the Board of Directors of

Hindustan Organic Chemicals Limited

Sd/-

Sajeev B.

Date: 26.05.2022 **Chairman and Managing Director**

Place: CBD Belapur **DIN : 09344438**

Annexure I

EXTRACT OF ANNUAL RETURN

Form No. MGT -9

As on the financial year ended 31.03.2022

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L99999MH1960GOI011895
ii)	Registration Date	12/12/1960
iii)	Name of the Company	HINDUSTAN ORGANIC CHEMICALS LTD.,
iv)	Category/Sub-Category oftheCompany	CPSU
v)	Address of the Registered Office and contact Details	Office Nos. 401, 402 & 403, 4th Floor, “V- Times Square, Plot No.3, Sector-15, CBD, Belapur, Navi Mumbai- 400614
vi)	Whether Listed Company	Yes
vii)	Name, Address and contact details of Registrar and Share Transfer Agent, if any	M/s. Bigshare Services Pvt. Ltd., Office No.S-6, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. Tel: 022 62638200 Fax : 022 62638299 Email:investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and description of main products/services	NIC Code of the product/ Service	% of total turnover of the Company
1	Phenol	29071110	69.02
2	Acetone	29141100	21.54
3	Hydrogen Peroxide	28470000	5.86
4	By Products		3.58

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the company	CIN/GIN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
1	Hindustan Fluorocarbons Ltd	L25206AP1983LC004037	Subsidiary	56.43	

IV. STATEMENT SHOWING SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding

Statement Showing Shareholding Pattern									
Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2021				No. of Shares held at the beginning of the year: 31/03/2022				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A)Shareholding of Promoter and Promoter Group2									
Indian									
(a)INDIVIDUAL / HUF	0	0	0	0	0	0	0	0	0
(b)Central / State government(s)	39481500	0	39481500	58.78	39481500	0	39481500	58.78	0.00
(c) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(i) GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(1) :	39481500	0	39481500	58.78	39481500	0	39481500	58.78	0.00
Foreign									
(a) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b) INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c) INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total holding for promoters									
(A)=(A)(1) + (A)(2)	39481500	0	39481500	58.78	39481500	0	39481500	58.78	0.00
(B) PUBLIC SHAREHOLDING									
INSTITUTIONS									
a) Central / State government(s)Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
b) FINANCIAL INSTITUTIONS / BANKS		11500	11500	0.02		11500	11500	0.02	(0.00)
c) MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
d) VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e) INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f) FII’S	0	0	0	0.00	0	0	0	0.00	0.00
g) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
j) FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
k) ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	0	11500	11500	0.02	0	11500	11500	0.02	(0.00)
NON INSTITUTIONS									
(a) BODIES CORPORATE	1909587	38501	1948088	2.90	2210077	38501	2248578	3.35	0.45
(b) Individual									
(1)(CAPITAL UPTO TO Rs. 1 Lakh)	14383275	1597133	15980408	23.79	13148513	1588133	14736646	21.94	(1.85)
(2)(CAPITAL GREATER THAN Rs. 1 Lakh)	6429669	14800	6444469	9.59	7143603	14800	7158403	10.66	1.06
ANY OTHERS (Specify)									
1) HUF	2060355	0	2060355	3.07	2361096	0	2361096	3.51	0.45
2) Trusts	53335	0	53335	0.08	66335	0	66335	0.10	0.02
ANY OTHERS (Specify)									
ANY OTHERS (Specify)									
(3)CLEARING MEMBER	377703	100	377803	0.56	387629	0	387629	0.58	0.01
(4) NON RESIDENT INDIANS (NRI)	0	329100	329100	0.49	49524	329100	378624	0.56	0.07
(5) NON RESIDENT INDIANS (REPAT)	421031	0	421031	0.63	279077	0	279077	0.42	(0.21)
(6) NON RESIDENT INDIANS (NON REPAT)	63161	0	63161	0.09	62612	0	62612	0.09	(0.00)
(7) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(8) MARKET MAKER	0	0	0	0.00	0	0	0	0.00	0.00
(9) EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(10) OVERSEAS BODIES CORPORATES	0	1100	1100	0.00	0	1100	1100	0.00	0.00
(11) UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(12) IEPF	0	0	0	0.00	0	0	0	0.00	0.00
d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00

SUB TOTAL :	25698116	1980734	27678850	41.21	25708466	1971634	27680100	41.21	0.00
Total Public Shareholding	25699466	1992134	27691600	41.22	25708566	1983034	27691600	41.22	(0.00)
(C) Shares held by Custodians and against which Depository Receipts have been issued									
a) Shares held by custodians	0	0	0	0.00	0	0	0	0.00	0.00
(13) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(14) Public	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A) + (B) + (C)	65180966	1992134	67173100	100.00	65190066	1983034	67173100	100.00	(0.00)

ii. Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2021			Shareholding at the beginning of the year 31/03/2022			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ Encumbered to total shares	
1	President of India	39481500	58.78	0.0000	39481500	58.78	0.0000	0.0000
	Total	39481500	58.78	0.0000	39481500	58.78	0.0000	0.0000

iii. Change in Promoter's Shareholding (please specify, if there is no change)-

No/Nil

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Top Ten Non-promoter movement							
Sl No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	No of Shares
		No. of Shares At the Beginning (31/03/2021)/ end of the year (31/03/2022)	% total Shares of the Company				
1	SUDHABEN PRAFULCHANDRA VAIDYA	1321995	1.97	31-Mar-2021	0		1321995
			2.07	16-Apr-2021	70000	Buy	1391995
			2.08	23-Apr-2021	6000	Buy	1397995
			2.09	07-May-2021	3550	Buy	1401545
			2.14	21-May-2021	36000	Buy	1437545
			2.21	04-Jun-2021	47000	Buy	1484545
			2.22	11-Jun-2021	5000	Buy	1489545
			2.12	18-Jun-2021	-65000	Sell	1424545
			2.15	06-Aug-2021	20000	Buy	1444545
			2.20	13-Aug-2021	36000	Buy	1480545
			2.21	27-Aug-2021	5000	Buy	1485545
			2.22	03-Sep-2021	5000	Buy	1490545
			2.25	10-Sep-2021	20000	Buy	1510545
			2.65	17-Sep-2021	270000	Buy	1780545
			2.66	08-Oct-2021	5000	Buy	1785545
			2.69	24-Dec-2021	20000	Buy	1805545
			2.74	04-Feb-2022	35000	Buy	1840545
		1840545	2.74	31-Mar-2022	0		1840545
2	PRAFULLCHANDRA BAPPALAL VAIDAY	939097	1.40	31-Mar-2021	0		939097
			1.41	14-May-2021	6750	Buy	945847
			1.45	21-May-2021	30000	Buy	975847
			1.50	04-Jun-2021	30000	Buy	1005847
			1.51	11-Jun-2021	5500	Buy	1011347
			1.50	18-Jun-2021	-5000	Sell	1006347
			1.53	06-Aug-2021	20000	Buy	1026347
			1.58	13-Aug-2021	35000	Buy	1061347
			1.59	27-Aug-2021	10000	Buy	1071347
			1.60	03-Sep-2021	5000	Buy	1076347
			1.62	10-Sep-2021	10000	Buy	1086347
			1.74	17-Sep-2021	85000	Buy	1171347
			1.75	08-Oct-2021	5000	Buy	1176347
			1.78	04-Feb-2022	20500	Buy	1196847
		1196847	1.78	31-Mar-2022	0		1196847
3	ANAND PRAFULCHANDRA VAIDYA	652075	0.97	31-Mar-2021	0		652075
			0.99	16-Apr-2021	10000	Buy	662075
			1.02	23-Apr-2021	24700	Buy	686775
			1.03	21-May-2021	6000	Buy	692775
			1.10	04-Jun-2021	48000	Buy	740775
			1.11	11-Jun-2021	5000	Buy	745775
			1.10	18-Jun-2021	-5000	Sell	740775
			1.08	30-Jul-2021	-15000	Sell	725775
			1.13	06-Aug-2021	35000	Buy	760775
			1.18	13-Aug-2021	31000	Buy	791775
			1.21	03-Sep-2021	22500	Buy	814275
			1.22	10-Sep-2021	5000	Buy	819275
			1.32	17-Sep-2021	65000	Buy	884275
			1.32	08-Oct-2021	3964	Buy	888239
			1.32	15-Oct-2021	1036	Buy	889275
			1.34	04-Feb-2022	10000	Buy	899275
		899275	1.34	31-Mar-2022	0		899275
4	INDIAN SYNTANS INVESTMENTS PRIVATE LIMITED	510000	0.76	31-Mar-2021	0		510000
		510000	0.76	31-Mar-2022	0		510000
5	AVNI Paresh Shah	369276	0.55	31-Mar-2021	0		369276
			0.24	30-Apr-2021	-209224	Sell	160052
			0.05	07-May-2021	-123448	Sell	36604
			0.04	21-May-2021	-9410	Sell	27194
			0.00	04-Jun-2021	-27194	Sell	0
			0.00	31-Mar-2022	0		0

6	HINA KIRTI DOSHI	100000	0.15	31-Mar-2021	0		100000
			0.30	22-Oct-2021	100000	Buy	200000
		200000	0.30	31-Mar-2022	0		200000
7	SMS HOLDINGS PVT LTD	193871	0.29	31-Mar-2021	0		193871
			0.22	14-May-2021	-43871	Sell	150000
			0.24	21-May-2021	10000	Buy	160000
			0.15	18-Jun-2021	-61000	Sell	99000
			0.07	25-Jun-2021	-49000	Sell	50000
			0.04	09-Jul-2021	-25000	Sell	25000
			0.00	30-Jul-2021	-25000	Sell	0
			0.00	31-Mar-2022	0		0
8	ADITI ANAND VAIDYA	156500	0.23	31-Mar-2021	0		156500
			0.24	16-Apr-2021	6000	Buy	162500
			0.24	21-May-2021	500	Buy	163000
			0.25	04-Jun-2021	5000	Buy	168000
			0.26	18-Jun-2021	3300	Buy	171300
			0.24	30-Jul-2021	-7500	Sell	163800
			0.25	06-Aug-2021	3500	Buy	167300
			0.25	17-Sep-2021	1000	Buy	168300
			0.25	08-Oct-2021	1000	Buy	169300
			0.25	04-Feb-2022	-2000	Sell	167300
		167300	0.25	31-Mar-2022	0		167300
9	MANSI SHARE AND STOCK ADVISORS PVT LTD	165134	0.25	31-Mar-2021	0		165134
			0.56	30-Apr-2021	209224	Buy	374358
			0.25	07-May-2021	-209224	Sell	165134
			0.21	14-May-2021	-23668	Sell	141466
			0.14	21-May-2021	-44768	Sell	96698
			0.00	04-Jun-2021	-96698	Sell	0
			0.00	31-Mar-2022	0		0
10	GRACE R DEORA	151617	0.23	31-Mar-2021	0		151617
			0.18	30-Apr-2021	-30000	Sell	121617
		121617	0.18	31-Mar-2022	0		121617

v.Shareholding of Directors and Key Managerial Personnel:

Sl NO	For each of the Directors and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	At the beginning of the year	No. of Shares	% total Shares of the Company	No of Shares	% total Shares of the Company
1	A) Mr.Subramonian H., CS	0	0.00	0	0.00
	B)Mr. P.O. Luise, CFO	100	0.00	100	0.00
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	-	-	-	-

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rupees In Lakhs)

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	46660.46	0.00	46660.46
ii) Interest due but not paid	2551.00	24421.18	0.00	26972.18
iii) Interest accrued but not due	0.00	2790.87	0.00	2790.87
Total (i+ii+iii)	**2551.00**	**73872.51**	**0.00**	**76423.51**
Change in Indebtedness during the financial year				
Addition (Interest)	0.00	5097.73	0.00	5097.73
Reduction (Principal)	0.00	1404.00	0.00	1404.00
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	45256.46	0.00	45256.46
ii) Interest due but not paid	2551.00	29617.06	0.00	32168.06
iii) Interest accrued but not due	0.00	2692.72	0.00	2692.72
Total (i+ii+iii)	**2551.00**	**77566.24**	**0.00**	**80117.24**

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Whole time Director, Managing Director and/or Manager:

(Rupees In Lakhs)

Sl No.	Particulars of Remuneration	Name of Whole- time Director/ Director Shri. S.B. Bhide, CMD (upto 31.7.21)	Name of Whole- time Director/ Director Shri. Sajeev B, CMD (from 6.9.2021)	Total Amount (Rs in Lakhs)
1.	Gross Salary a) Salary as per provisionscontained in section 17(1) ofIncome Tax Act, 1961	29.91	20.74	50.65
	b) Value of perquisites u/s 17(2) ofIncome Tax Act, 1961			
	c) Profits in lieu of salary u/s 17(3)of Income Tax Act, 1961			
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission --As % of profit -Others, specif	-		-
5.	Others : retirement benefits	1.48	2.45	3.93
	Total(A)	31.39	23.19	54.58
	Ceiling as per the Act			

B. Remuneration to other Directors:

(Rupees In Lakhs)

Sl No	Particulars of Remuneration	Name of the Directors		Total
	[Sitting Fees paid to NOIDs for attending the Meetings of the Board/ Committees]	Dr. Bharat J. Kanabar	Shri.Pratyush Mandal	
1.	Independent Director Fee for attending Board/ Committee Meetings [FY 2021-22]	0.60	0.60	
	Total	0.60	0.60	1.20
2.	Other Non-Executive Directors. Fee for attending board committee meetings Commissions Others, please specify	—	—	
	Total (2)			
	Total (1+2)	0.60	0.60	1.20
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	N.A	N.A	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rupees In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO [Mr. P. O. Luise	Company Secretary [Mrs. S.S. Kulkarni upto 28.02.2022]	Company Secretary [Mr. Subramonian H from 01.03.2022]	Total
1.	Gross Salary a)Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	33.97	36.45	1.06	71.48
	b)Value of perquisites u/s 17(2) of Income Tax Act,1961	-			-
	c)Profits in lieu of salary u/s 17(3) of Income Tax Act,1961	-	- - -		-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission As % of profit Others, specify	-	- - -		-
5.	Others : retirement benefits	3.39	3.53	0.14	7.06
	Total	37.36	39.98	1.20	78.54

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any(give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure II

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

(Information in respect of each subsidiary to be presented with amounts in Rs.In Lakhs)

Rs. In Lakhs

1. Sl.No.:	1
2. Name of Subsidiary	Hindustan Fluorocarbons Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	No
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	NA
5. Share Capital:	1961.46
6. Reserves & Surplus (Other Equity)	(9842.48)
7. Total Assets:	7352.74
8. Total Liabilities:	15233.76
9. Investment:	NIL
10. Turnover (excluding GST)	0.33
11. Profit before taxation:	(612.87)
12. Provision for taxation:	NIL
13. Profit after taxation:	(612.87)
14. Total Comprehensive Income	(617.06)
14. Proposed Dividend:	NIL
15. % of shareholding:	56.43

For and on behalf of the Board of

Directors of Hindustan Organic Chemicals Limited

Sd/-

Sajeev B.
Chairman and Managing Director
DIN : 09344438

Date: 26.05.2022
Place: CBD Belapur

Annexure III

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2022 which were not on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

   The details of material contracts or arrangements or transactions on arm's length basis for the year.

Name (s) of the related Party & Nature of relationship	Nature of contract/ arrangements/ transactions	Duration of contract/ arrangements/ transactions	Salient terms including the value, if any (Rs. in lakhs	Date of Board approval, if any	Amount paid as advance, if any
Hindustan Fluorocarbons Limited – Subsidiary Company	Interest on Loan	-	63.62	-	-
Bharat Petroleum Corporation Limited – Company controlled by Govt. of India	Purchase of raw materials	-	22,883.56	-	-
Bharat Petroleum Corporation Limited - Company controlled by Govt. of India	Sale of finished goods	-	15.07	-	-
Indian Oil Corporation Limited - Company controlled by Govt. of India	Purchase of raw materials	-	478.67	-	-

For and on behalf of the Board of

Directors of Hindustan Organic Chemicals Limited

Sd/-

Date: 26.05.2022 **Sajeev B**

Place: CBD Belapur **Chairman and Managing Director**

Annexure –IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Hindustan Organic Chemicals ltd (HOCL) presents its Analysis Report covering the Performance and Outlook of the Company. The Report contains business prospects and perspectives based on the current environment and strategic options to steer the Company through unforeseen and uncontrollable external factors.

1. KEY OPPORTUNITIES INCLUDE

Capacity utilization of main products (Phenol and Acetone) of Kochi Unit has improved substantially after restructuring. This was mainly due to improved working capital position on account of funds raised from disinvestment of Rasayani Unit. The operating loss has been reduced due to improved working capital position and reduced interest expenditure, after the initiation of the restructuring process.

2. KEY THREATS INCLUDE

HOCL has only one unit at Ambalamugal, in the District Ernakulam in the state of Kerala, which is functioning at present. Kochi unit is engaged in manufacturing of Phenol, Acetone, and Hydrogen Peroxide. The market for main products at Kochi had high degree of volatility and was largely determined by international prices. Due to severe working capital deficiency, the Unit often worked below its capacity. There is severe competition in the horizon with private sector players set to establish capacities upto 2 lakh MT of Phenol against 40000 MT that the Unit had. Without anti-dumping duties, HOL Kochi unit will be unable to compete against imports. Kochi unit has its own inherent deficiencies such as outdated technology leading to productivity loss, high levels of fixed cost which is not being absorbed due to lower scale of operations, constraints in capacity expansion, absence of product diversification, lack of market competitiveness, etc

3. SEGMENTWISE PERFORMANCE

The Company is primarily in the business of manufacture and sale of chemicals.

Product Segment	Year ended 31/03/2022			Year ended 31/03/2021		
	Target MT	Actual MT	Percentage Achieved	Target MT	Actual MT	Percentage Achieved
Chemicals	60070	48866	81.35%	65500	61844	94.42%

4. PRODUCT WISE PERFORMANCE (Production of Main Products)

Sr. No.	Name of Product	F.Y. 2021-22		F.Y. 2020-21
		Installed Capacity	Actual	Actual
1	Phenol	40000	24745	35825
2	Acetone	24640	15560	22504
3	H2O2	10450	8561	3515

5. OUTLOOK FOR THE NEXT YEAR

- Expedition of the land sale process so as to reduce the financial liabilities and thus bring down the finance costs.
- Upgrade to the latest technology so as to improve productivity;
- Explore the diversification into value added products to maximum extent possible so as to gain some level of protection against swings in the market prices.

6. SOME RISKS & CONCERNS.

- Lack of product diversification or downstream value addition
- Competition from cheaper Imports of main product Phenol and Acetone.
- Volatility in raw material feed stock prices based on fluctuations in crude prices.
- Inability to pass on the increase in raw material cost to the consumers due to availability of imported finished product at cheaper prices.
- Huge investments required for revamp/replacement/modernization of the old plants.
- Sale of balance unencumbered land at Rasayani / Panvel after receipt of NOC from Government of Maharashtra.
- Availability of working capital from Banks for continuous operation of the Plants at Kochi

7. INTERNAL CONTROL SYSTEMS & THE ADEQUACY

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. The Management is keen on these issues and initiated various measures such as upgrading IT infrastructure, evaluating & implementing Tally ERP software, web based application and establishing connectivity amongst manufacturing units and branch offices for effective & proactive services and business benefits.

With the objective of improving the systems and removing bottlenecks, systems review is carried out and policies and procedure manuals are amended. HOCL Kochi unit is having ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certification. The existing certificate for ISO 9001 has been extended up to 1st September 2020 and ISO 14001:2015 is valid up to 07th March 2022 audit for further extension is in progress.

8. REVIEW OF FINANCIAL PERFORMANCE:

During the year 2021-22, the company has achieved a Gross Income of Rs.465.10 crore registering an increase of 7.86 % as against the Previous Year Gross Income of Rs.431.19 Crore. The Company has incurred a Net Loss of Rs.23.24 Crore during the year as against Net profit of Rs.15.97 crore incurred during the previous year.

In Kochi Unit, two plants (Phenol and Hydrogen plant) are operational. The Phenol Plant at Kochi unit achieved a capacity utilization of 62 % and Hydrogen Peroxide plant achieved a capacity utilization of 82% during the year.

9. INFORMATION TECHNOLOGY – 2021-22

Company has effective information systems for core business areas. However, company has envisaged a plan to meet changing demands keeping in view the technological changes and the way information & communication technology offering innovative services suiting to every business need. Company is in the process of implementing new Tally ERP software to replace the SAP system to be cost effective and suiting to the requirement of the Company.

Management ensures continual effort in the ever-changing technological environment, for improving and meeting with requirement like data security, information available, transparency and accuracy. Company is using open tendering / e-Tendering solution being provided by National Informatics Centre (NIC). Company has also registered with GEM Government platforms for procurement and TREDs for payment to MSMEs. Company is also following various guidelines of procurement through MSME's.

10. COVID-19 IMPACT

There is no considerable financial impact on account of Covid-19 pandemic during the year ended 31.03.2022.

COVID-19 has affected all the sectors of industry and commerce like logistics, auto, drugs, pharmaceuticals and electronic goods where our products are used. The impact of COVID-19 may lead to decline in demand or prices, suspend or significantly reduce operations of factory and affect movement of interstate transportation of goods etc.

As per our current assessment, no significant impact on tangible assets, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor the changes in future economic conditions. The Management does not see any risk in the ability to continue as a going concern and meeting its liabilities as and when they fall due. However, the actual impact of Covid-19 on the Company's financial statements may differ from what is estimated.

11. CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the chemical industry - global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, manpower cost, exchange rate fluctuations, interest and other costs.

For and on behalf of the Board of

Hindustan Organic Chemicals Ltd.

Sd/-

Sajeev B

Chairman and Managing Director

Date: 26.05.2022

Place: CBD Belapur

Annexure V

CORPORATE GOVERNANCE REPORT AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE FY 2021-22.

"Vision: To Produce and market basic chemicals efficiently and economically in an environment friendly manner."

"Mission: To maintain optimum level of efficiency and productivity in the use of resources and secure optimum return on investment."

1. A brief statement on listed entity's philosophy on code of 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 set. Corporate Governance is a set of accepted principles by management of the inalienable rights of the shareholders as a true owner of the corporation and of their own rule as trustees on behalf of the shareholders. It is about commitment to values, ethical business conduct, and transparency and makes a distinction between personal and corporate funds in the management of a Company.

Hindustan Organic Chemicals Limited (HOCL) trusts on the conduct of its business activities and enhance the value of all those who are associated with the Company viz. shareholders, customers, suppliers, creditors, Government of India, Ministry of Chemicals and Fertilizers, Department of Public Enterprises, Various State Governments, other Governmental agencies / departments and the society at large. Essentially, it involves practicing good Corporate Governance and HOCL believes in transparency, accountability, and attaining maximum level of enrichment of the enterprise. HOCL also price the global recognition by ensuring the integrity, value addition to its domestic as also the international customers in its product commitments.

2. Board of directors:

a. Composition and category of directors:

E.g. promoter, executive, non-executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor);-

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 fifteen. The Directors shall not require to hold any qualification shares.

As on 31-03-2022 the Board of HOCL consisted of 5 members with 1 Executive Director (i.e. CMD, HOCL), & 2 Government Nominee Directors & 2 Non-Official Independent Directors, all are acknowledged as leading professionals in their respective fields.

HOCL is a Govt. of India Undertaking (a CPSE) and as per Company's Articles of Association, the power to appoint all the Directors on the Board of the Company vests with the Govt. of India. As on 31-03-2022, there are 2 Independent Directors on the HOCL Board viz. Dr. Bharat J Kanabar & Shri Pratyush Mandal and Govt. Order is awaited for appointment of 1 Independent Director on HOCL Board.

Composition of the Board:-

As on 31-03-2022 the Board of Directors of the company consists of 5 Directors viz. Shri Sajeev B. (Chairman & Managing Director), Shri Satendra Singh, AS&FA, (Govt. Nominee Director), Shri Kanishk Kant Srivastava, (Govt. Nominee Director), Dr. Bharat J Kanabar, (Non-official Independent Director) & Shri Pratyush Mandal, (Non-official Independent Director).

In the context, Company has received Govt. Orders dated 24-12-2021, appointing Dr. Bharat J Kanabar & Shri Pratyush Mandal as Non-Official Independent Director on HOCL Board. As a result, presently there are only 2 Independent Directors on the Board of the Company as against the minimum requirement of 3 nos. of Independent Director on the Company's Board. There is also a vacancy of One Women Director on the Board of HOCL in accordance with the provisions of Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and hence the position of one (1) Independent Women Director is vacant in compliance with the provisions of Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The matter regarding vacancy of One Independent Women Director on the HOCL Board was taken up in the Board Meeting held on 28-01-2022. Further, in this regard Company had requested the DCPC/Administrative to appoint of One woman Independent Director on HOCL Board. Accordingly, the appointment of Independent Directors on our Company's Board is awaited.

b. Number of other Board Committees in which a Director is a Member or Chairperson (FY 2021-22) as on 31-03-2022:

Title (Mr./ Mrs)	Name of the DirectorCategory (Chairperson/ Executive/Non Executive/ independent/ Nominee)	No of Directorship in listedentities including this listed entity	Number of memberships in Audit/Stakeholder Committee(s) includingthis listed entity (Refer Regulation 26(1) of ListingRegulation)
Mr.	Sajeev B. Chairman & Managing Director	2	1
Mr.	Satendra Singh Govt. Nominee Director	4	0
Mr.	Kanishk Kant Srivastava Govt. Nominee Director	1	1
Dr.	Bharat J. Kanabar Non-official Independent Director	2	4
Mr.	Pratyush Mandal Non-official Independent Director	1	2

Name of the Director	Names of the Listed Entities where the person is a Director and the category of Directorship other than this listed entity
Mr. Sajeev B.	a) Hindustan Fluoro Carbons Limited- Chairman and Managing Director (Additional Charge)
Mr. Satendra Singh	a) Hindustan Copper Ltd- Govt. Nominee Director. b) National Aluminum Company- Govt. Nominee Director. c) Khanji Bidesh India Ltd- Govt. Nominee Director.
Mr. Kanishk Kant Srivastava	N.A
Dr. Bharat J. Kanabar	a) Hindustan Fluoro Carbons Limited-- HOCL Nominee Independent Director.
Mr. Pratyush Mandal	N.A

c. Changes in the Board of Directors/KMP during the year 2021-22 :

In compliance with Regulation 36(3) of the LODRRs, following information is furnished:

i. Consequent to the superannuation of S. B. Bhide on 31-07-2021 as per Govt. of India, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals ORDER No. P-51011/01/2021-CHEM.III-CPC dated 2nd August, 2021 Shri S. C. Mudgerikar, Chairman and Managing Director, Rashtriya Chemicals and Fertilizers Limited (RCF) has assumed the Additional Charge of Chairman and Managing Director (CMD) and Director (Finance) of Hindustan Organic Chemicals Limited (HOCL) in addition to his duties and responsibilities as Chairman and Managing Director, Rashtriya Chemicals and Fertilizers Limited (RCF) with immediate effect for a period of three months or until further orders, whichever is earlier.

ii. Accordingly, Shri S.C Mudgerikar holding the position of the CMD of the company. Consequent to the Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals and Petrochemicals ORDER No.P-51011/01/2021-Chem.III-CPC dated 6th September, 2021 Shri Sajeev B., Chief General Manager, HOCL was appointed as Chairman and Managing Director of HOCL with effect from the date of assumption of his charge of the post till the date of his superannuation i.e. 31-05-2025 or until further orders, whichever is earlier. Shri Sajeev B. is also holding additional charge of Chairman and Managing Director of Hindustan Fluorocarbons Limited, subsidiary of HOCL. As per Govt. of India, Ministry of Chemicals & Fertilizers Department of Chemicals & Petrochemicals ORDER No.P-53011/02/2019-CHEM.III-CPC dated 10-03-2022., Shri Sajeev B. CMD, HOCL, has been entrusted Additional Charge to the post of Director (Finance) of HOCL for a period of Nine Months w.e.f. 22-09-2021 or till the appointment of regular incumbent to the post or until further orders whichever is earliest.

iii. As per Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals & Petrochemicals Order No. P-51015/12/2014-CHEM.III-CPC dated 21st December, 2021 Shri. Satendra Singh, Additional Secretary & Financial Advisor, Ministry of Chemicals & Fertilizers, was appointed as Government Nominee Director on the Board of Directors of Hindustan Organic Chemicals Limited (HOCL) in place of Shri Ashish Upadhyay.

iv. As per Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals & Petrochemicals Order No. P-53013/8/2019-CHEM.III-CPC dated 24th December, 2021 Dr Bharat J Kanabar was appointed as Non-official Independent Director on the Board of Directors of Hindustan Organic Chemicals Limited (HOCL) for a period of three (3) years with effect from date of order, or until further orders.

v. As per Govt. of India, Ministry of Chemicals & fertilizers, Department of Chemicals & Petrochemicals Order No. P-53013/8/2019-CHEM.III-CPC dated 24th December, 2021 Shri Pratyush Mandal was appointed as Non-official Independent Director on the Board of Directors of Hindustan Organic Chemicals Limited (HOCL) for a period of three (3) years with effect from date of order, or until further orders..

vi. Mrs. Susheela S Kulkarni, Company Secretary & Compliance Officer of the Company has superannuated from the services of the Hindustan Organic Chemicals Limited (HOCL) on 28-02-2022 and accordingly, the charge of Company Secretary & Compliance Officer, HOCL has been handed over to Mr. Subramonian H on 28-02-2022.

vii. As per Govt. of India, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals ORDER No. P-51011/6/2011-Chemical.III/CPC dated 30th March, 2022 has appointed Shri Kanishk Kant Srivastava, Director, Department of Chemicals & Petrochemicals, as Govt. Nominee Director on the Board of Hindustan Organic Chemicals Limited (HOCL) w.e.f. 30-03-2022, for a period of three years or till further orders, whichever is earlier, in place of Shri Samir Kumar Biswas, Additional Secretary, Department of Chemicals & Petrochemicals, who has been relieved from the department w.e.f. 31-01-2022.

d. Attendance of each director at the meeting of the board of directors and the last annual general meeting;

Directors	No. of Board meetings attended	Attendance at the last AGM
Mr. Sajeev B.	6	YES
Mr. Satendra Singh (w.e.f. 21-12-2021)	2	NO
Mr. Kanisk Kant Srivastava (w.e.f. 30-03-2022)	0	NA
Dr. Bharat J. Kanabar (w.e.f. 24-12-2021)	3	NA
Mr. Pratyush Mandal (w.e.f. 24-12-2021)	3	NA
Mr. Samir Kumar Biswas (up to 30-03-2022)	6	NO
Mr. S. B. Bhide (upto 31-07-2021)	2	NA
Mr. S.C Mudgerikar (from 02-08-2021 to 05-09-2021)	0	NA
Mr. Ashish Upadhyay (From 22-11-2021 to 21-12-2021)	1	NO
Ms. Nirupama Kotru (upto 22-11-2021)	0	NO
Mr. Rajesh Aggarwal (From 27-052-2021 to 07-10-2021)	2	NO
Mrs. Alka Tiwari (upto 26-05-2021)	0	NO

e. Number of meetings of the board of directors held during the Year2021-22 and the dates on which Board Meetings were held: -

The Board of the Company met 8 times during the financial year 2021-22 on the following dates:

11th June 2021, 30th July, 2021, 23rd September, 2021, 29th October, 2021, 3rd December, 2021, 28th January, 2022, 25th March, 2022 and 28th March, 2022.

f. Disclosure of relationships between directors inter-se: Not Applicable

g. Number of shares and convertible instruments held by non-executive directors; - Nil

h. Web link where details of familiarization programmes imparted to independent directors is disclosed. -https://www.hoclindia.com/corporate- governance

i. Skills/expertise/competence of the Board of Directors:

i. The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board;-

ii. The names of directors who have such skills / expertise / competence:-

Director Name & Designation	Educational Qualification & Experience
Shri Sajeev B – Chairman & Managing Director	B.E Chemical. Shri Sajeev B., have a vast experience in managing purchasing & stores. He was also in charge of Purchase of all major Raw Materials and fuels besides procurement of Equipment and spares related to Mechanical, Electrical, Fire & Safety and Instrumentation Engineering Sections. Worked as General Manager & above positions in the following functional areas. Marketing, Finished Products, Corporate Long Range Planning, Technical Services, Production & Materials
Shri Satendra Singh – Government Nominee Director	Shri Satendra Singh belongs to 1995 batch of Indian Administrative Service (IAS) from Jharkhand Cadre. He is currently working as Additional Secretary and Financial Advisor in the Ministry of Chemicals and Fertilizers, Government of India, New Delhi. Shri Satendra Singh has done B.E in Electronics from university of Roorkee. He has Master's Degree in Public Policy from Duke University, USA. He has participated in various short term courses at the National and International Level

Shri Kanish Kant Srivastava – Governmen Nominee Director	Shri Kanishk Kant Srivastava was born on 14.11.1980. He is holding Master Degree in Statistics. He is a native of New Delhi. He is Possessing experience in Government Services. Presently he is Director (Chemicals), in Dept. of Chemicals & Petrochemicals.
Dr Bharat J Kanabar – Independent Director	Dr Bharat J Kanabar is a native of Gujarat. He was born in 06.07.1955. Dr Bharat J Kanabr is Consulting surgeon, practicing since 37 years in Amreli, Gujarat. He is the Chairman of Amreli Red-cross blood bank since 2006. He is active in many NGOS. He has worked extensively during both waves of covid to help the needy families.
Shri Pratyush Mandal – Independent Director	Shri Pratyush Mandal is a native of Howrah, West Bengal. He was born in 05.07.1979. Shri Pratyush Mandal has completed B.SC degree from University of Culcutta. After completing education he has started career with a job in stock market sector. After five years of working in stock market, he has moved to social works. He has established NGO named Fuleswar Annapurna Gramin Vikas Kendra (Govt. registered) and doing various social works through this and other organizations. Shri Pratyush Mandal is more that ten years intensively dedicated towards social service for betterment and development of weaker, youth, women and backward section of the society.

j. **Board of Directors confirm that the Independent Director fulfill the conditions specified in these regulations and are independent of the management.**

k. **Detailed reasons for the resignation of an Independet Director who resigns before the expiry of his/her tenure along with confirmation by such director that there are no other material reasons other than those provided.**

Not Applicable

3. **Audit committee:**

(a) **Composition, Name of Members and Chairperson**;

On 24th December, 2021 the Government appointed two (2) Independent Director on the Board of HOCL. The Board of Directors of the Company at the meeting held on 26th May, 2022re-constituted Audit Committee with three Members viz. Dr. Bharat J. Kanabar as Chairperson and Shri Pratyush Mandal and Shri Kanish Kant Srivastava as Members of the Audit Committee.

(b) **Brief description of terms of reference;-**

The main purpose of the Audit Committee is to provide oversight of the Financial Reporting Process, the Audit Process, to review the Internal Control System and such other functions as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Apart from all the matters provided in Regulations on Corporate Governance of the Listing Regulations and other applicable provisions of the Companies Act, 2013, the Board /Committee (when met) reviewed reports of the Internal Auditors, met Statutory Auditors periodically and discussed their findings, suggestions, internal control systems, compliance with the Accounting Standards, scope of audit, Modified Opinion, Impact of audit qualifications in audit reports, Management Replies to auditors qualifications, observations of the Auditors etc. and other related matters.

The Board /Committee (when met) also reviewed the major accounting policies followed by the Company. The Board/Committee during the meetings also invited CMD, other Directors, CFO & other senior executives of the Company as it considers appropriate at its meetings. CMD, Head of Internal Audit attend the meetings of the Board/Audit Committee as special invitees. The representatives of the Statutory Auditors/branch auditors are also invited to attend the meetings. The Company Secretary is Secretary to the Committee.

(c) **Meetings and attendance :-** During the year 2021-22 the following Audit Committee Meetings were held:

The Audit Committee of the Company met 2 times during the financial year 2021-22 on : 28th January, 2022 & 25th March, 2022

Audit Committee	No. of Audit Committee Meetings attended
Dr. Bharat J. Kanabar	2
Shri Pratyush Mandal	2

4. **Nomination and Remuneration Committee:**

Due to Non-availability of Independent Directors for the substantial period of FY 2021-22, the Nomination and Remuneration Committee meeting could not be held. On 24th December, 2021 the Government appointed two (2) Independent Directors on the Board of HOCL. The Board of Directors of the company at the meeting held on 28th January, 2022 re-constituted Nomination and Remuneration Committee of the Board comprising of 2 Independent Directors.

Brief description of terms of reference;

In pursuance of the Provisions of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Role, the Terms of references and duties of the Nomination and Remuneration Committee (Committee), shall, inter-alia include the following:

Under Sec.178 of the Companies Act, 2013:

a. To identify persons who are qualified to become directors or who may be appointed in senior management, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

b. To formulate the criteria for determining qualifications, positive attributes and independence of a director;

c. To recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

As per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;"

Further the Chairman of the Committee may be present at the AGM to answer the shareholders' queries. However, it shall be up to the chairman to decide who shall answer the queries. Further the quorum for the meetings of the Committee would be 1/3 of total strength or 2 directors whichever is more and committee to meet at least once a year or at such intervals as the Committee members may mutually decide.

However, HOCL being a CPSE, DPE guidelines are also being followed in respect of all the issues relating to Nomination & Remuneration matters.

Composition, name of members and chairperson;

(b) In pursuance of applicable provisions of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Committee comprise of 3 Directors as Members viz. Dr. Bharat J. Kanabar, Shri Pratyush Mandal and Shri Kanishk Kant Srivastava as Members of the Committee with Dr Bharat J Kanabar as Chairperson of the Nomination and Remuneration Committee and Shri Subramonian H, CS, HOCL as Secretary to the Committee.

(c) Meeting and attendance during the year; Due to non-availability of Independent Directors for the Substantial Period of FY 2021-22, Nomination and Remuneration Committee Meeting could not be held during the FY 2021-22.

(d) Performance evaluation criteria for independent directors – Details are as given in the Terms of Reference of the Committee.

5. Stakeholders Relationship Committee:

Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates for the constitution of a Stakeholders Relationship Committee (SRC) comprising of the Non-Executive Director as the Chairperson of the Committee and such other members as may be decided by the Board. The said Stakeholders Relationship Committee shall resolve the grievances of the security holders.

Due to non-availability of Independent Directors for the substantial period of FY 2021-22, Stakeholders Relationship Committee could not be held. On 24th December, 2021 the Government appointed two (2) Independent Directors on the Board of HOCL. The Board of Directors of the company at the meeting held on 28th January, 2022 re-constituted Stakeholders Relationship Committee comprising 2 NOIDs viz. Dr Bharat J. Kanabar as Member & Chairperson & Shri Pratyush Mandal and Shri Sajeev B., CMD HOCL, as Members of the Stakeholders Relationship Committee and Company Secretary to act Secretary to the Committee.

There were no pending complaints and requests for Demat during the year under review. This Committee is vested with the requisite powers and authorities to specifically look into the redressal of shareholders and investors grievances, all the related jobs are being handled and dealt with suitably by the company's RTAs.

(a) Brief description of terms of reference :

i. The Committee shall consider and resolve the grievances of security holders of the company;

ii. The Committee to meet on quarterly basis or once/ twice in a year or on need basis;

iii. Company Secretary to act as Secretary to the Committee;

iv. The quorum of the Meeting is 1/3 of the composition of the Committee or two Members, whichever is more.

v. The Committee shall also consider and resolve the grievances of the security holders of the Company including complaints related to the transfer of shares, non- receipt of declared dividends [if any], etc.;

vi. Such other terms or matters which may be within the purview of the Committee as may be decided by the Board or the Committee.;

(b) The meeting of Stakeholders Relationship Committee.:- Due to non-availability of Independent Directors for the substantial period of FY 2021-22, Stakeholders Relationship Committee meeting could not be held during FY 2021-22.

6. Risk Management Committee: Not Applicable

7. Remuneration of Directors:

(a) All pecuniary relationship or transactions of the non-executive directors vis-à- vis the listed entity shall be disclosed in the annual report; -- Necessary Disclosure relating to payment of Sitting Fees is made.

(b) Criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the Annual Report; -- Onlysitting fees for attending the meetings of the Board and Committee are being paid to the non-executive directors.

(c) Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made: -- Yes

i. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.;

Details of remuneration paid to the Directors for the year ended 31-03-2022 are as follows:.

SR No.	Name of the Directors	Salary including Benefits in Rs. (In Lakhs)	Sitting Fees Paid to NOIDs in Rs. (In Lakhs)	Total Amount in Rs. (In Lakhs)
1.	Shri Sajeev B., CMD (w.e.f 06.09.2021)	20.74		20.74
2.	Shri Satendra Singh, AS&FA – Govt. Nominee Director	N.A	—	Nil
3.	Shri Kanishk Kant Srivastava – Govt. Nominee Director	N.A	—	Nil
4.	Dr. Bharat J. Kanabar – Independent Director	N.A	0.60	0.60
5.	Shri Pratyush Mandal – Independent Director	N.A	0.60	0.60

Upto August, 2018 Company's Independent Directors were paid sitting fees @ of Rs. 5,000/- per Director/Board Meeting/Committee Meeting and thereafter w.e.f November 2018 @ of Rs. 10,000/- per Director/Board Meeting/Committee Meeting for attending the meetings. During the substantial period of FY 2021-22 there were no Independent Directors on Company's Board. On 24th December, 2021 the Government appointed two Independent Directors on the Board of HOCL. Thereafter, two Independent Directors were paid Rs. 60,000/- each for attending Board/Committee Meetings held during FY 2021-22.

ii. Details of fixed component and performance linked incentives, along with the performance criteria; -- None / Nil

* The Company has not given any stock options.

* Non-executive Directors: The Company does not pay any remuneration to its non- executive Directors except sitting fees for attending the Board/committee meetings.

iii. Service contracts, notice period, severance fees: -

The Executive Directors have been appointed by the President of India for a period of five 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.

iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.- Nil

8. Performance evaluation criteria for independent directors:

Not Applicable. HOCL 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.

9. Separate Meeting of Independent Directors:

During the substantial period of FY 2021-22 there were no Independent Directors on the Company's Board. On 24th December, 2021 the Government appointed two (2) Independent Directors on the Board of HOCL. Thereafter, separate meeting of Independent Directors viz. Dr. Bharat J. Kanabar and Shri Pratyush Mandal was held on 25th March, 2022 in compliance with provisions of Section 149 (8) read with Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Share Transfer committee (constituted under Regulation 40 of the Listing Regulations):

To approve physical transfer of shares and other transactions as mentioned under Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(c) Name of the Director heading the Committee. :- Shri. Sajeev B., CMD as Chairman [in view of easy availability of the directors at the work place, to convene the required STC meetings once in every fortnightly/monthly or so, to manage effectively all the Bonds/ shareholders/ investors, transfers/grievances related matters in compliances with corporate governance norms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with suitable explanations to the Exchanges].

(d) Name and designation of compliance officer :-

Mr. Subramonian H, Company Secretary is designated as the Compliance Officer and acts as Member & Secretary to the Committee.

Share/Bonds Transfer System:

The Company's Share Transfer Committee is authorized to transfer securities as and when they are received from the company's registrar and transfer agents [viz. RTAs] (the valid transfer etc. documents). The dematerialized shares are directly transferred to the beneficiaries by the depositories.

All the correspondence with the shareholders and investors are duly carried out on behalf of the company by the company's RTAs.

As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company seeks to ensure that all transfers are approved for registration within the stipulated period. For this mechanism, the Company Secretary (the compliance officer) and company's RTAs have been entrusted with all the requisite powers and authorities, to carry out all the activities with regard to the shares related functions. With a view to expediting the approval process, the Committee meets regularly and approves all matters related to shares vis-à-vis transfers, deletion, transmission, and re-materialization of shares based on the requisitions from the RTAs.

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

The Committee met 5 times during the year. The details are as under: - 21-04-2021, 21-10-2021, 12-11-2021, 25-11-2021, 21-12-2021.

No. of Pending Share Transfers

As on 31st March, 2022 there is no Share transfer case pending (as confirmed by RTA).

(e) Complaint Status for the period 01-04-2021 to 31-03-2022:

i. Number of shareholders' complaints received during the year 2021-22-- 2 Nos.

ii. Number of shareholders' complaints received and disposed of during the year 2021- 22-- 2 Nos.

iii. Number not solved to the satisfaction of shareholders - 0

iv. Number of pending complaints at the end of the year ended 31-03-2022 – NIL

11. CSR & Sustainability Development Committee :(Not Applicable)

CSR & Sustainability Development Committee is not applicable for the HOCL. On 24th December, 2021 the Government appointed two (2) Independent Directors on the Company's Board. Thereafter, the Board of Directors of the Company at the meeting held on 28th January, 2022 re-constituted CSR & Sustainability Committee comprising of Independent Directors viz. Dr. Bharat J. Kanabar as Member and Chairperson of the Committee and other Independent Director, viz. Shri Pratyush Mandal and Shri Sajeev B., CMD HOCL, as its Members along with the Company Secretary to act as the Secretary of the Committee.

The terms of reference of the said CSR and SD Committee included among others, is as per Section 135 of the Companies Act, 2013 and Rules 2014 thereunder, alongwith Schedule VII, etc. Though the Company is not required to carry out any CSR activities on account of accumulated losses, following activities were undertaken during the year 2021-22:

In order to help fighting the COVID-19 pandemic, Company extended the following during the year.

- Sponsored an Ambulance jointly with FACT to Social Service Organization Seva Bharti.
- Continued Drinking Water Supply to nearby Local Residents.

- Covid Vaccination Drives were organized. Provided Fogging Machine to nearby Panchayat.
- Extended Vocational Training Facilities to the Students of Engineering/Science/ Management Colleges for enhancing skill/knowledge.

12. General Body Meetings:

a) Location and time, where last three Annual General Meetings held;

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

Particulars	F Y 2018-2019	FY 2019-2020	FY 2020-2021
Date and	26-09-2019	28-09-2020	29-09-2021
Time	2.00 p.m.	2.00 p.m	3.00 p.m
Venue	The Institute of Engineers (India) Auditorium- Hall, 1st Floor, Plot No.106, Sector-15, CBD Belapur, Navi Mumbai-400614.	Through Video Conferencing ("VC")/ Other Audio Visual means ("OAVM") at the Registered Office of the Company at CBD Belapur.	Through Video Conferencing ("VC")/ Other Audio Visual means ("OAVM") at the Registered Office of the Company at CBD Belapur.

- **Whether any special resolutions passed in the previous three Annual General Meetings; YES**
- **Whether any special resolution passed last year /during the year through postal ballot – No/None**

13. CEO/CFO certification for Financial Year ending on 31st March, 2022.

This is to certify that:

A. Financial statements and the cash flow statement for the year have been reviewed to the best of their knowledge and belief:

1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of their knowledge and belief, no transactions are entered into by the listed entity during the year in which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee: -

1) significant changes in internal control over financial reporting during the year;

2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

	Sd/-	Sd/-
Place: Navi Mumbai	**P. O. Luise**	**Sajeev B.**
Date: 26.05.2022	**Chief Financial Officer**	**Chairman And Managing Director**

14. Code of Conduct for Directors and Senior Management Personnel:

The Company has adopted (since 2007) a code of conduct and ethics applicable to the Board of Directors and Senior Management Personnel (one level below the Board of Directors) of the company. The Code requires Directors and employees to act honestly, fairly, ethically, and with transparency and integrity. The Board of Directors and Senior Management Personnel are required to affirm compliance with the code of conduct on an annual basis. The Code is displayed on the Company's website – www.hoclindia.com. All Directors and Senior Management Personnel have complied with the Code of Conduct and the compliance of the same has been affirmed by them to that effect. A declaration signed by Chairman and Managing Director is given below:

This is to certify that:

In line with the requirement of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors of the Board and Senior Management Personnel have affirmed that to the best of their knowledge and belief, they have complied with the provisions of the 'Code of Conduct for the Directors and Senior Management' during the financial year 2021-22.

Sd/-

Place: Navi Mumbai **Sajeev B**

Date: 26.05.2022 **Chairman and Managing Director**

15. Means of communication:

(a) Quarterly results;

- These Quarterly, Half-Yearly reviewed and Annual Audited Financial Results of the Company are also submitted to the Stock Exchanges at BSE-E Portal online, immediately after they are approved by the Board. Also placed on company website.

(b) Newspapers wherein Results are normally published;

The results are published in a Regional Language News Papers (Navshakti) and English National Daily (The Free Press Journal) as per the requirements under the Listing Regulations with the Stock Exchanges.

(c) Any website, where displayed;

- The Quarterly, Half-Yearly Reviewed and Annual Audited Financial Results are regularly posted by the Company on its website: www. hoclindia.com

(d) Whether it also displays official news releases; -- No

(e) Presentations made to institutional investors or to the analysts. – No

- Management Discussion and Analysis Report forms part of this 61st Annual Report of the Company for the year 2021-22.
- 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) under Corporate Announcements as per Regulation 29/30 & other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. General shareholders information:

Company (HOCL) CIN:- L99999MH1960GOI011895

Compliance Officer: Shri Subramonian H, Company Secretary is the Compliance Officer of the Company under Regulation 6 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Company's Website: www.hoclindia.com

Registered & Corporate Office Address: Office Nos.: 401,402,403, 4th Floor, "V- Times Square", Plot No.3, Sector-15, CBD, Belapur, Navi Mumbai- 400614, Maharashtra.

(a) The Schedule of the Current- 61st Annual General Meeting (AGM) of the Company – date, time and venue;

61st Virtual Annual General Meeting:

Date & Time: 29th September, 2022 at 02:00 PM.

Venue : Through Video Conference – Virtual AGM –Chairman, Company Secretary, Moderator for web link etc- at : HOCL Board Room, Registered Office and Corporate Office at 4th Floor,401-403, V Times Square, Plot No: 3, Sector-15, CBD Belapur, Navi Mumbai- 400614

(b) Financial year

The Company follows April - March as its Financial Year.

(c) Dividend payment date- Not applicable, in view of the continuous losses during the previous years as well as carry forward of the accumulated losses of the previous years, the Board of Directors do not recommend any Dividend for the year under review.

(d) the name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to stock exchange;: Company's shares are listed in Bombay Stock Exchange Ltd. [BSE]. Payment towards Annual Listing fees for the year 2021-22 amounting to Rs. 3,54,000/- was paid in May 2022 through RTGS to Stock Exchange (BSE) and duly complied with the same.

(e) Stock /script code; Scrip Code at BSE : 500449

ISIN of HOCL Equity Shares at NSDL & CDSL: INE048A01011

(f) Market price data- high, low (at BSE) during each month in last financial year; (2021-22)

Month	Monthly Highest	Monthly Lowest
April, 2021	41	34.55
May, 2021	45.00	36.85
June, 2021	47.90	35.35
July, 2021	40.40	35.00
August, 2021	39.90	28.35
September, 2021	46.10	33
October, 2021	45.30	33.85
November, 2021	37.80	32
December, 2021	38.30	28.55
January, 2022	39.80	33
February,2022	37	25.35
March, 2022	35.30	27.35

(g) Performance in comparison to broad-based indices such as BSE sensex,CRISIL Index etc;- --Nil

(h) In case the securities are suspended from trading, the directors report shall explain the reason thereof; N.A

(i) Registrar to an issue and Share Transfer Agent;

M/s. Bigshare Services Pvt. Ltd.

Office No.S-6, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093

(j) Share transfer system;

The Company's Share Transfer Committee is authorized to transfer securities as and when they are received from the company's Registrar and Transfer Agents [viz. RTAs] (the valid transfer etc. documents). The dematerialized shares are directly transferred to the beneficiaries by the depositories.

All the correspondence with the shareholders and investors are duly carried out on behalf of the company by the company's RTAs.

The Company seeks to ensure that all transfers are approved for registration within the stipulated period. And for this mechanism the Company Secretary (the compliance officer) and company's RTAs have been entrusted with all the requisite powers and authorities, to carry out all the activities with regard to the shares related functions. With a view to expediting the approval process, the Committee meets regularly and approves all matters related to shares vis-à-vis transfers, deletion, transmission, dematerialization and rematerialization of shares based on the requisitions from the RTAs.

There was no pending complaints and requests for demat during the year under review.

This Committee is vested with the requisite powers and authorities to specifically look into the redressal of shareholders and investors grievances, which are being handled and dealt with suitably by the company's RTAs.

The letters received from the investors were attended/resolved to the satisfaction of the investors. The transfer of shares was effected within the stipulated time.

(k) Distribution of shareholding;

As on Date: 31-03-2022; (NSDL-CDSL-Physical)

Shareholding of Nominal		No. of Shareholders	Percentage of Total	Share Amount	Percentage of Total
Rs.	Rs.			Rs.	
1	5000	43861	88.3849	61541350	9.1616
5001	10000	2833	5.7088	24265650	3.6124
10001	20000	1445	2.9118	22682960	3.3768
20001	30000	477	0.9612	12377990	1.8427
30001	40000	224	0.4514	8256580	1.2291
40001	50000	233	0.4695	11274670	1.6785
50001	100000	327	0.6589	25015800	3.7241
100001	999999999999999	225	0.4534	506316000	75.3748
TOTAL		49625	100.00	671731000	100

l) Dematerialization of shares and liquidity:- HOCL Equity Shares ISIN: INE048A01011

The shares of the Company are compulsorily traded in dematerialized mode. To facilitate the shareholders to dematerialize the shares, the Company has signed agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depositories Services (India) Ltd (CDSL). In total 97.06% of the share capital of the Company (NSDL – 17.21% and CDSL - 79.85%) has been dematerialized as on 31st March 2022 - total accounts dematerialized is 34,206 involving 6,51,98,766 shares.

(m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:- Nil/ None.

(n) Commodity price risk or foreign exchange risk and hedging activities:- Nil/None

(o) Plant locations: -

Sr. No.	Location	Main Product
1.	Kochi	Phenol Complex

(p) Address for correspondence: -

i. **Registered & Corporate Office at:** 401,402,403, 4th Floor, V Times Square, Sector-15, CBD Belapur, Navi Mumbai-400614

ii. **R&T Agents address :**

M/s. Bigshare Services Pvt. Ltd.

Office No. S6 – 2 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai 400093, Maharashtra.

(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad- N.A.

17. Performance in comparison to broad based indices:

Period	Sensex	BSE-CPSE Index	HOCL Price Rs. (BSE)
March 2021	52,416.33	1,370.75	42.45
March 2022	59,099.75	1,641.40	35.25

18. Other Disclosures:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;- None

b) web link where policy for determining 'material' subsidiaries is disclosed;- https://www.hoclindia.com/corporate-governance

i) A subsidiary of HOCL shall be considered 'material' if the income or net worth of the concerned subsidiary exceeds twenty percent of the consolidated income or net worth respectively, of HOCL and its subsidiaries, in the immediately preceding accounting year.

Further, HOCL shall not dispose-off shares in its material subsidiary which would reduce its shareholding (either on its own or together with subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without the approval of the Central Govt. and without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by the Govt./by a Court/tribunal.

ii) Further, selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the Central Govt. and the approval of shareholders by way of special resolution, unless the sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/ Tribunal. The Policy for determining material subsidiaries is disclosed on the website of the Company https://www.hoclindia.com/corporate-governance

c) web link where policy on dealing with related party transactions; - www.hoclindia.com

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.

d) 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 Stock Exchange (BSE).

e) Vigil Mechanism - Whistle blower policy:

The Company has instituted procedures for the receipt, retention and dealing with complaints.

Your Company has put in place a fraud prevention policy. As a part of compliance with the policy, Company has appointed nodal officers. The fraud prevention policy has been framed to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and for dealing in matters pertaining to fraud. During the year under review, no such case was reported.

In addition, your Company has Vigilance Department (as per CVC guidelines) to bring greater transparency, integrity and efficiency. The focus of Vigilance department is on Preventive and Participative Vigilance.

Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel have been denied access to the audit committee; Yes – details are also placed on the Company's website https://www.hoclindia.com/corporate-governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No person has been denied access to the Audit Committee.

f) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;- Company has complied with all the mandatory requirements except optimum combination of Board and Constitution of Various Committees as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable

h) A Certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority – N.A

i) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: -None

The Board of Directors has accepted all the recommendation made by the Audit Committee in their meeting.

j) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part. – Total fees paid to the auditors during FY 2021-22 shall be disclosed in Annual Report

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Annual Report for the year 2021 The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013-:

No. of complaints received: Nil

No. of complaints disposed of: Nil

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

No. of Workshop/Awareness programmes carried out: One day Workshop was attended by our Committee Member. Awareness training given to the newly joined Trainees.

Nature of action taken by the Employer: N.A.

19. 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.

20. Management Discussion & Analysis Report:

Management discussion & Analysis Report is annexed to the Directors' Report which forms part of this Annual Report. (Annexure III)

Further it is affirmed that no personnel has been denied access to the audit committee;

- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements; - Yes. – Duly effected as applicable and are provided in this report;
- Web link where policy for determining 'material' subsidiaries is disclosed; -- https://www.hoclindia.com/corporate-governance.The information /documents required to be hosted on the website of the Company under the provisions of the Act and SEBI (LODR) Regulations, 2015 were hosted as prescribed.
- Web link where policy on dealing with related party transactions; N.A.
- Disclosure of commodity price risks and commodity hedging activities. N.A.

21. Non-compliance of any requirement of corporate governance report of sub- paras (2) to (10) above, with reasons thereof shall be disclosed. - Not applicable. [as all compliances as in (2) to (10) above were duly complied with.];

As on 31-03-2022 all applicable compliances in connection with the Board's composition, other relevant and applicable compliances etc. were complied with, except to the extent of Independent Director on the Board and the Company, being PSU, such appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry and Company is awaiting necessary Govt. Orders appointing One (1) Independent Director on the Board of HOCL. All the other Disclosure requirements of the Listing regulations have been submitted to the BSE within stipulated time period. Company Secretary Responsibility statement under Corporate Governance Compliances- Submitted

22. The Corporate Governance Report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.- Yes, as applicable.

Following are the requirements as specified in Part E of Schedule II:

A. 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. – In the case of HOCL, Government has appointed executive director as Chairperson/Chairman of the Company.

B. 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.

C. Modified opinion(s) in audit report

The listed entity may move towards a regime of financial statements with unmodified audit opinion. – Is complied with accordingly. However, Auditors have given Unmodified Opinion for FY (2021-22)

D. Separate posts of chairperson and chief executive officer

The listed entity may appoint separate persons to the post of chairperson and Managing Director or Chief Executive Officer, such that the Chairperson shall be (a) be a non-executive director and (b) not be related to Managing Director or the Chief Executive officer as per the definition of the term "relative" defined under the Companies Act, 2013..-

In view of the fact that, the power to appoint all the Director at the Board of the company vests with the GOI/President of India as per Company's Articles of Association, in the case of HOCL Govt. has appointed executive person as Chairman & Managing Director (also a Chief Executive Officer).

E. Reporting of Internal Auditor

The internal auditor may report directly to the audit committee. - Yes.

F. Declaration to be added that 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.

It is hereby confirmed and declared that, 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.

23. Details of unclaimed Shares: Nil

24. Details of status of Listing fees paid:

Presently Company's Equity Shares are listed with BSE Ltd.

Accordingly, payment towards Annual Listing fees for the year 2021-22 for Rs. 3,54,000/- was paid on during May, 2022 through RTGS to Stock Exchange (BSE) and duly complied with the same.

25. Secretarial Audit Report:

The Board has appointed M/s D. S. Momaya& Co, Practising Company Secretary to conduct Secretarial Audit for the FY 2021-2022. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, the replies to observations (if any) from Auditor forms part of the Directors Report. The Company also obtained Annual Secretarial Compliance Report from M/s D. S. Momaya & Co. for the year 2021-22.

26. Training of Board Members:

During the year under review, necessary training facility has been provided to the Board Members including overview of Company's operations and Financial Position.

27. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23rd September, 2022 to Thursday, the 29th September, 2022 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the company to be held on 29th September, 2022.

28. Policy for Determining Materiality of Evens or Information

Company has adopted a policy or Determination of Materiality of Events or Information in terms of Regulation 30 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The Policy is disclosed on the website of the Company - https://www.hoclindia.com/corporate-governance

29. Compliance of DPE Guidelines on Corporate Governance for the CPSEs Company (HOCL) being a CPSU is required to comply 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.

Accordingly, the Total Score of HOCL on C.G. Compliance for the 4th Quarter/year ended 31-03-2022 is 85/100 and the applicable grade of the said 4th Quarter/Year ended 31-03-2022 is **"Excellent".**

For Hindustan Organic Chemicals Limited

Sd/-

Date :- 26.05.2022 **Subramonian H**

Place:- Navi Mumbai **Company Secretary & Compliance Officer**

Certificate On Corporate Governance

To
The Members of
Hindustan Organic Chemicals Limited
401, 402, 403, 4th Floor,
V-TIMES SQUARE, Plot No. 3,
Sector 15, CBD Belapur,
Navi Mumbai -, MH 400 614

1. We, Amrita Nautiyal & Associates, Practising Company Secretaries have examined the compliance of conditions of Corporate Governance by Hindustan Organic Chemicals Limited having CIN: L99999MH1960GOI011895 ("the Company"), for the year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").
2. The compliance of provisions of corporate governance and other applicable regulations in this regard, and maintenance of secretarial records is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Our examination was limited to examining the procedures and implementation process adopted by the Company for ensuring 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.
5. We have examined the relevant records and documents maintained by the Company and made available to us for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. We have obtained requisite information and explanations about the compliance of provisions of corporate governance, other applicable regulations and happening of certain events etc. which to the best of our knowledge and belief were necessary for the purpose of this certification.

Opinion

6. Based on our examination of the relevant records made available to us and according to the information and explanations provided to us and the representations provided by the

Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2022 Save and Except that

(I) the Board of Directors of the Company is not duly constituted as per requirements of regulation 17(1)(a) and regulation 17(1)(b) of the Listing Regulations. The company does not have an optimum combination of executive and non executive directors with at least one woman director. The Company needs to appoint minimum three Independent Directors.

(II) As of March 31, 2022 the Company is one of the top 2000 listed companies as per market capitalisation. As of March 31, 2022 the Company's Board comprises of only five Directors, out of which one is an Executive Director and four are non- executive Directors. The Company is not in compliance with provisions of Regulations 17(1)(c) and 17(2A) of the Listing Regulations respectively relating to minimum number of Directors and quorum for the Board Meeting.

(III) Consequently with effect from February 21, 2020 till December 24, 2021 the Company did not have Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and no meetings of Audit Committee and Nomination and Remuneration Committee were held as required under regulations 18 19 and 20 of the Listing regulations.

7. We have been informed that the Company, being a Public Sector Undertaking, the authority of appointment of adequate number of Independent Directors and Women Directors on the Board is with the concerned Ministry of the Government of India and directions about appointment of Independent Directors and Women Director are awaited and that the Company has sent several letters to the concerned Ministry requesting appointment of adequate number of independent directors on their Board of the Company.
8. We state that above referred compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amrita Nautiyal & Associates

Sd/-

CS Amrita Nautiyal

Place: Mumbai FCS No. 5079 CP No. 7989

Date: July 25th, 2022 UDIN: F005079D000682591

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,

The Members,
HINDUSTAN ORGANIC CHEMICALS LIMITED
(CIN: L99999MH1960GOI011895)
401, 402, 403, 4th Floor, V-TIMES SQUARE,
Plot No. 3, Sector 15, CBD Belapur,
Navi Mumbai, Thane - 400614.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HINDUSTAN ORGANIC CHEMICALS LIMITED (CIN: L99999MH1960GOI011895) (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.

We note that Department of Chemicals & Petrochemicals vide File No. P. 51015/06/2019-Ch. III dated 29th January, 2020 has directed the Company for closure of Hindustan Fluorocarbons Limited which is the Subsidiary of the Company.

Based on our verificationofHINDUSTAN ORGANIC CHEMICALS LIMITED books, papers, minute books, forms and returns filed and scanned copies of the documents, evidences of submission provided 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 inouropinion,theCompany hasduringtheauditperiodcoveringtheFinancial Year endedon 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 ORGANIC CHEMICALS LIMITEDfor the Financial Year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing- Not applicable to the Company during the financial year under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 (upto 10th November, 2018 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 (with effect from 11th November, 2018)- Not applicable as there was no reportable event during the financial year under review;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations,2014- Not Applicable as the Company has not issued any shares/options during the period under review;

e. The 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;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable to the Company;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable as the Company has not delisted its equity shares from stock exchange during the period under reviewand

. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th of September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (from 11th September 2018)-Not Applicable as the Company has not bought back any of its securities during the period under review.

(vi) The Management has informed that the following Laws are specifically applicable to the Company:

a. Petroleum Act, 1934 and Rules, 2002;

b. Manufacture, Storage and Import of Hazardous Chemicals (Amendment) Rules, 2000;

c. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;

d. Inflammable Substance Act, 1952;

e. Dangerous Machines (Regulation) Act 1983

f. Guidelines on Corporate Governance for Central Public Sector Enterprises,2010;

g. The Factories Act, 1948;

h. The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 and Listing Agreements entered into by the Company with BSE Limited.

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

We further report that,the Board of Directors of the Company wasnot 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. It was observed that during the period under review from 01-04-2021 to 23-12-2021 no Independent Directors were on the Board of the Company. The Company, being Public Sector Undertaking, such appointment of adequate number of Directors/Independent Directors on the Board of the Company is to be done by the Administrative Ministry.After several requests made by the Company to the Ministry, two independent Directors were appointed through Govt. Order dt.24-12-2021. There is a vacancy of one (1) more Independent Director. The Company still awaits the appointment of One Independent Women Director on the Board by the Administrative Ministry.

We further report thatas per the Market Capitalization for the year 2021-22, the Companystands on the rank 1627. Hence as it is within the top 2000 companies, the company is required to have minimum 6 directors on the Board. But as on March, 31 2022 the Company is having only 5 directors on the Board.

Consequently the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee (NRC) are not duly constituted with right mix of Independent Directors in compliance with relevant Regulations of SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015& Companies Act 2013.

During the period under review it was observed that prior to the appointment of two independent directors i.e. before 28-01-2022 none of the Committees existed between 01-04-2021 to 27-01-2022 on the Board due to the vacancy of Independent Directors.On such appointment of two Independent Directors, the Audit Committee, Nomination &Remuneration Committee and Stakeholders Relationship Committee were reconstituted at the Board Meeting of the Company held on 28-01-2022. However, the Audit Committee although reconstituted, consists only two independent directors which is not in compliance with Regulation 18 of SEBI LODR Regulations which states that the Audit Committee shall have minimum three directors as members. Similarly, the NRC of the Company comprises two independent directors and one executive director which are not in compliance with Regulation19 of SEBI LODR Regulation which states thatall directors of the committee shall be non-executive directors.

Further, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that, the compliance by the Company of applicable financial Laws such as Direct and Indirect tax Laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by Statutory financial auditors, CAG auditors, Tax auditors,Internal auditors, Cost auditors, and other designated professionals.

We further report that based on the review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary/the Chairman and Managing Director and taken on record by the Board of Directors at their meetings(s), we are of the opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period;

(i) No event has occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

(ii) During the year, there were no other instances of

a. Public/Right/Preferential issue of shares / debentures/sweat Equity, etc.
b. Redemption / buy-back of securities
c. Merger / amalgamation / reconstruction, etc.
d. Foreign technical collaborations.

This report is to be read with our letter of even date which is annexed as Annexure hereto and forms part to this report.

For D. S. Momaya & Co.

Company Secretaries

Sd/-

CS Divya Momaya

Proprietor

Place: Navi Mumbai FCS No. 7195/ CP No. 7885

Date: 17/05/2022 UDIN : F007195D000333587

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To

The Members,

Hindustan Organic Chemicals Limited

Our Secretarial Audit Report for the Financial Year ended 31st March, 2022 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For D. S. Momaya & Co.

Company Secretaries

Sd/-

CS Divya Momaya

Proprietor

Place: Navi Mumbai FCS No. 7195/ CP No. 7885

Date: 17/05/2022

COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC SECTOR ENTERPRISES.

To,

The Members of Hindustan Organic Chemicals Limited

We have examined the compliance of the conditions of Corporate Governance by Hindustan Organic Chemicals Limited (CIN: L99999MH1960GOI011895) for the financial year ended March 31, 2022, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by the Department of Public Enterprises, Government of India.

The Compliance of conditions of Corporate Governance as stipulated in the Guidelines is the responsibility of Management. 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 explanation given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Sector Enterprises except –

1. Clause 3.1.1 – The Board of Directors of the Company was not comprised with optimum combination of Functional, Nominee and Independent Directors during the period under review;
2. Clause 3.1.4– The Board of Directors of the Company did notcomprise of any Independent Director during the period from 01/04/2021 to 24/12/2021;
3. Clause 4.1.1 – With regard to the constitution of the Audit Committee, it was not comprised with minimum three members of which two third of the members should be Independent Directors during the period from 01/04/2021 to 27/01/2022;
4. Clause 4.2 – Role of Audit Committee, the Audit Committee could not perform its role during the period from 01/04/2021 to 27/01/2022 as the Audit committee was not in existence due to non-availability of Independent Directors.;
5. Clause 4.4 – With regard to holding of the Audit Committee meetings at-least four times in a financial year and not more than four months to elapse between two meetings. No meeting of the Audit Committee was held during the period from 01/04/2021 to 27/01/2022 as Audit Committee was not in existence. Consequent to the appointment of two Independent Directors on 24/12/2021, the audit committee met two times during the remaining period of FY 2021-22.
6. Clause 5.1 – With regard to constitution of Nomination & Remuneration Committee (NRC), the NRC was not in existence during the period from 01/04/2021 to 27/01/2022;
7. Clause 6.1 – At least one Independent Director on the Board of Directors of the holding company shall be a Director on the Board of Directors of its subsidiary company, no Independent Director of the Holding Company was on the Board of the Subsidiary Company from 01/04/2021 to 27/01/2022. Consequent to the appointment of two Independent Directors on 24/12/2021, one of the Independent Director i.e Bharatkumar Jashvantrai Kanabar was appointed on the Board of the Subsidiary Company w.e.f 28/01/2022;
8. Clause 6.2 – With regard to review of Financial Statements of the Subsidiary Company by the Audit Committee of the Holding Company, in the absence of Audit Committee during the substantial period of FY 2021-22 due to non-availability of Independent Directors, the Financial Statements of the Subsidiary Company were reviewed by the Board of Directors of the Holding Company.
9. Clause 7.1.1 – A statement in summary form of transaction with related parties in the normal and ordinary course of business shall be placed periodically before the Audit Committee, in the absence of the Audit Committee during the substantial period of FY 2021-22 due to non-availability of Independent Directors, the summary of Related Party Transactions were reviewed by the Board of Directors of the Company.

As informed by the Management, the Company being a Central Public Sector Undertaking (Government Company) all the powers regarding appointment and terms of the Directors are exercised by the Ministry of Chemicals & Fertilizers, Government of India. The Company had taken up the matter with the concerned Ministry for appointment of required number of Independent Directors on the Board, as a result of which the concerned Ministry vide its Government Order dated 24/12/2021 nominated two Independent Directors on the Board with effect from 24/12/2021. However, the Company still awaits the appointment of One Independent Women Director on the Board of the Company.

We further state that such compliances are neither an assurance as to the future viability of the Company nor its efficiency and effectiveness with which the management has conducted the affairs of the Company.

For D.S. Momaya & Co. LLP

FRN: L2022MH012300

Sd/-

CS Divya Momaya

Place: Navi Mumbai
Date: 25/08/2022

Designated Partner
DPIN:00365757

UDIN:F007195D000847452

FCS No.7195, CP No.7885

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 Board of Directors
Hindustan Organic Chemicals Limited
401, 402, 403, 4th Floor, V-TIMES SQUARE Plot No. 3,
Sector 15, CBD BelapurNavi Mumbai Thane MH 400614 IN

We have examined the relevant registers, records, forms, returns and disclosures received from Hindustan Organic Chemicals Limited (CIN: L99999MH1960GOI011895) having Registered Office at 401, 402, 403, 4th Floor, V-TIMES SQUARE Plot No. 3, Sector 15, CBD BelapurNavi Mumbai Thane MH 400614 IN (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 on 31stMarch 2022 have 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, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	KANISHK SRIVASTAVA	09699641	30/03/2022
2.	SATENDRA SINGH	05195060	21/12/2021
3.	SAJEEV BHASKARAN	09344438	06/09/2021
4.	PRATYUSH MANDAL	09461918	24/12/2021
5.	BHARATKUMAR JASHVANTRAI KANABAR	09466694	24/12/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. 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 D.S. Momaya & Co. LLP

FRN: L2022MH012300

Sd/-

CS Divya Momaya

Place: Navi Mumbai
Date: 25/08/2022

Designated Partner
DPIN:00365757

UDIN:F007195D000847452

FCS No.7195, CP No.7885

Financial Statements and Auditors Report 2021-22

INDEPENDENT AUDITOR'S REPORT

To the members of
Hindustan Organic Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of HINDUSTAN ORGANIC CHEMICALS LIMITED (the "Company"), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended, (the "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 Company as at March 31, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Going Concern

4. We draw attention to Note 46 of standalone Ind AS financial statements. The Company has reported net loss including other comprehensive income of Rs.721.54. Also, the Company has accumulated loss amounting to Rs.1,01,761.72 lakhs (previous year Rs.99,437.26 lakhs) with a negative net worth of Rs.90,196.19 lakhs (previous year Rs.87871.73 lakhs). But its current assets exceed its current liabilities by Rs.7681.65 lakhs (previous year Rs.17941.50 lakhs) The Company has a balance under current assets of Cash and Cash Equivalents and Other Bank balances of Rs.13,510.73 Lakhs (previous year Rs.14,819.75 lakhs) as at year end. During the year under report, phenol plant of the company was under shut down for changing catalyst for a period 4 months and for 41 days due to unfavorable market conditions, which have impacted the turnover and profit of the company. Also, the company is in the process of implementation of the Govt. approved restructuring plan. Accordingly, Sale of unencumbered land in Rasayani through NBCC and Panvel through e-auction are in progress and the proceeds will be used to refund the Government of India loans and its outstanding interest, which will result in increase of profit of the company. After considering these conditions, the standalone Ind AS financial statements of the Company have been prepared on going concern basis. Also refer Note 31 (c) financial statements.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

   We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sl. No.	Key Audit Matters	How the audit addressed the key audit matters
i	The Company makes sales to various customers, whereby the prices of the products are subject to various factors including price variation in international level, volatility in foreign currencies, level of offtake by customers and demand supply situation in the market. Such prices are intimated to the regular customers and purchase order will be obtained accordingly. The discounts offered to the customers are also informed to the customers regularly. Price of the products are fixed on the basis of management's estimate and judgement. The amounts involved being material to these financial statements, and dependent on various factors stated above, revenue recognition was determined to be a key audit matter in our audit	Our audit procedures included the following: ▪ We have evaluated the Company's process and controls around revenue recognition, estimation of discounts and timing of recognizing sales as per sales terms, including testing effectiveness of such controls. ▪ We have inquired of key sales personnel regarding price adjustments, and discussed with management regarding their awareness of price fixation that could affect revenue. ▪ We checked the balance confirmations obtained from customers on a sample basis as at the year-end. Performed alternate audit procedures where such confirmations could not be obtained. ▪ We have performed procedures on the Company's key components, analysed the revenues, cost of sales and discounts / incentives in comparison with historical data. ▪ We also discussed with the management on the likely timing of issuance of credit notes to customers where discounts have been recorded and are pending to be passed on to the concerned customers. ▪ We tested sample of sales transactions at the year-end to determine the timing of recognition of such sales. ▪ We also obtained necessary representation from the management in regard to the timing of revenue recognition.

ii	**Excess Kerala Value Added tax Input Credit Refund Receivable** The Company is claimed refund of excess in input tax credit on purchases of raw materials and consumables from the Kerala Commercial Tax Department. The total refund due as on March 31, 2022 for the periods 2010-11, 2011-12, 2013-14, 2015-16 and 2016-17 is Rs.576.39 lakhs. The Company has filed refund claim applications in Form No.21B and 21CC with Assessing Authority for each year as per the Act, which is pending before assessing authority for further process/completion of the assessment. The amounts involved is being material to these financial statements and dependent on decision of the assessing authority.	Our audit procedures included the following: ▪ Analyzed the relevant provisions of the Kerala Value Added Tax Act and Rules there under, to ascertain the claim of refund is prima facie acceptable by the authority. ▪ Reviewed the records and documents submitted to the Assessing Authority for claiming the refund and also the related correspondence received from the Assessing Authority. ▪ Reviewed the working/calculations of refund amount claimed.
iii	**Estimation of Provision & Contingent Liabilities** The Company is involved in litigations, both for and against the Company, comprising of tax matters, legal compliances and other disputes. The Company assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its advisors and consultants. This involves a high level of management Judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	Our audit procedures included the following: ▪ We evaluated and tested the Company's processes and controls for monitoring of claims, litigations, disputes, compliances and assessment thereof for determining the likely outcome. ▪ We read the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. ▪ We discussed with the management, including the Company's internal tax experts and head of legal matters to understand the basis of management's judgements and estimates. ▪ We read the minutes of the board meetings, and tested the Company's legal expenses to determine the completeness of claims, disputes and litigations. ▪ We tested the adequacy of disclosures in the standalone financial statements. ▪ We also obtained necessary representation from the management in regard to the provisioning and disclosures in respect of the claims and Litigations.

Information Other than the Financial Statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

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

8. 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 during the course of our audit or otherwise appears to be materially misstated.

9. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. 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 judgments 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 standalone 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 standalone 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the standalone 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 control 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 the management and Board of Directors.
    - Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting in preparation of standalone financial statement 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 standalone financial statements or, if such disclosures 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

16. 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.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

18. As required by Section 143(3) of the Act, based on our audit 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 standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) As per Notification No. G.S.R. 463(E) dated June 5, 2015, the Government Companies are exempted from provisions of section 164 (2) of the Act. Accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) 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 has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements –Refer Note No.36 to the financial statement.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

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, as disclosed in the Note 48 to the financial statements, 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 or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company 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, as disclosed in the Note 49 to the financial statements, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Parties 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) of Rule 11(e) contain any material mis-statement.

d. The company has not declared or paid dividend during the year under report and accordingly nothing to report with regard to compliance of provisions of section 123 of the Act.

19. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

20. As required by the directions and sub directions issued by the office of the Comptroller & Auditor General of India under section 143 (5) of the Act, we give in the **"Annexure B"** a statement on the matters referred in those directions.

21. Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015:

The Company has not complied with the Regulations 17 (1)(a) and 17(1)(b) in respect of maintenance of an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors and in respect of maintenance of at least half of the board of Directors comprised of Independent Directors respectively as the chairman being an executive director. Accordingly, there is consequent non-compliance of Regulations 18 and 19 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 (Refer Note 44 to the Standalone Financial Statements).

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)
Sd/-
CA. Jojo Augustine
Partner
(Membership No. 214088)
UDIN: 22214088AKDYEI7538

Place: Ernakulam
Date: 30/05/2022

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 19 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindustan Organic Chemicals Limited of even date)

1. (a) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (ii) The Company is maintaining proper records showing full particulars of intangible assets.

   (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to this program, most of the items of property, plant and equipment were physically verified by the management during the year. No material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and based on the examination of the relevant records provided to us, the title deeds of all the immovable properties disclosed in the financial statements, are held in the name of the Company.

   (d) The Company has revalued its land coming under property plant and equipment during the year and the revaluation is based on the valuation by a Registered Valuer. The change in value is Rs.1978.45 lakhs.

   (e) According to the information and explanations given to us and on the basis of our examination of records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

2. (a) The inventory has been physically verified by the management at reasonable intervals. In our opinion, the coverage and procedure of physical verification by the management is appropriate. The aggregate of discrepancies of 10% or more in each class of inventory noticed during the verification have been properly dealt with in the books of account.

   (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company

3. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not provided loans or provided advance in the nature of loans, or stood guarantee or provided security to any other entity during the year.

   (b) Based on the audit procedure carried by us and as per the information and explanations given to us the Company had granted secured/unsecured varying interest rate/interest free loans to subsidiary as below:

Particulars	Loan (Rs. In lakhs)
Aggregate amount during the year	0.00
Balance outstanding as at the Balance sheet date	3197.08

   (c) As these term loans had been granted during the year 2008-09, the reporting as to whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest, is not applicable to this year.

   (d) As per the loan agreement, loan of Rs.2069.72 lakhs shall be repaid in seven equal installments commencing from the financial year 2010-11 and Rs.887.36 lakhs shall be repaid in five equal installments commencing from the financial year 2010-11. Both the principal and interest on the above loans have not been received by the company as per the stipulation.

   (e) The interest free term loan of Rs.2744.07 lakhs is overdue from the financial year 2017-18 onwards and the term loan with varying interest rate of Rs.453.01 lakhs and interest accrued thereon Rs.1017.79 lakhs as at balance sheet date is overdue from the financial year 2015-16 onwards. Except follow up, the company has not taken any other steps for its recovery.

   (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loans given to same parties.

   (g) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

6. We have broadly reviewed the books of account maintained by the company in pursuance to the rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, for certain products of the company and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

7. According to the information and explanations given to us, in respect of statutory dues:

   (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

   (b) According to the information and explanations given to us and on the basis of our examination of the records of the company no undisputed amount payable in respect of goods and services tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no statutory dues relating to Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Services Tax, Value Added Tax, Customs Duty, Cess and other statutory dues which have not been deposited as at March 31, 2022 on account of dispute, except as mentioned below:

Sl. No.	Name of Statute	Nature of Dues	Period to which the amount relates (F.Y.)	Amount of dispute (Rs. In lakhs)	Forum where the disputes is pending
1	Central Excise Act, 1944	Exemption not allowed	2006-07	104.63	Customs, Excise & Services Tax Appellate Tribunal
2	Income Tax Act 1961	Penalty Dues	2001-02	70.49	High Court
3	Income Tax Act 1961	Disallowance of Expenses	2010-11	21.50	Income Tax Appellate Tribunal

8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

9. (a) The Company has defaulted in repayment of loans taken from Government of the India and the interest thereon and the details of which are given below:

Nature of Borrowing including debt securities	Name of Lender	Amount not paid on due date (Rs. In lakhs)	Whether Principal or interest	No. of years of delay or unpaid	Remarks if any
Plan Loan	Govt. of India	537.79	Interest	20	
Non Plan Loan	Govt. of India	250.83	Interest	19	
Plan Loan	Govt. of India	540.67	Interest	19	
Plan Loan	Govt. of India	326.31	Interest	19	
Secured Plan Loan	Govt. of India	652.62	Interest	19	
Plan Loan	Govt. of India	652.62	Interest	19	
Plan Loan	Govt. of India	328.61	Interest	18	
Plan Loan	Govt. of India	462.20	Interest	18	
Plan Loan	Govt. of India	770.34	Interest	17	
Plan Loan	Govt. of India	566.68	Interest	17	
Plan Loan	Govt. of India	423.24	Interest	16	
Plan Loan	Govt. of India	654.81	Interest	16	
Plan Loan	Govt. of India	452.14	Interest	15	
Plan Loan	Govt. of India	147.36	Interest	14	
Plan Loan	Govt. of India	727.81	Interest	13	
Non Plan Loan	Govt. of India	554.48	Interest	13	
Non Plan Loan	Govt. of India	68.77	Interest	12	
Non Plan Loan	Govt. of India	1142.95	Interest	6	
Plan Loan	Govt. of India	660.00	Principal	12	
		910.80	Interest	12	
Plan Loan	Govt. of India	843.00	Principal	11	
		1163.34	Interest	11	
Plan Loan	Govt. of India	1760.00	Principal	9	
		1821.60	Interest	9	
Plan Loan	Govt. of India	1057.00	Principal	6	
		729.33	Interest	6	
Non Plan Loan	Govt. of India	2461.00	Principal	5	
		1353.55	Interest	5	
Non Plan Loan	Govt. of India	845.60	Principal	4	
		465.08	Interest	4	
Non Plan Loan	Govt. of India	8000.00	Principal	4	
		4400.00	Interest	4	
Non Plan Loan	Govt. of India	13113.97	Principal	4	
		7212.68	Interest	4	
Non Plan Loan	Govt. of India	8820.80	Principal	4	
		4851.44	Interest	4	

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained term loan during the year and accordingly clause 3 (ix) (c) of the Order is not applicable to the company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable

11. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us no whistle blower complaints received by the Company during the year.

12. The Company is not a Nidhi Company under section 406 of the Act and hence reporting under clause 3(xii) of the Order is not applicable to the company.

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued for the period under audit.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

16. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

17. The Company has incurred cash loss of Rs.2,208.10 lakhs. But in the immediately preceding financial year the company has not incurred cash loss.

18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. Based on examination of the books and records of the Company and according to the information and explanations given to us, there are no amounts which are required to be spent in accordance with the provisions of section 135 of the Act and accordingly, clause 3(xx) of the Order is not applicable.

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)
Sd/-
CA. Jojo Augustine
Partner
(Membership No. 214088)
UDIN: 22214088AKDYEI7538

Place: Ernakulam
Date: 30/05/2022

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 20 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindustan Organic Chemicals Limited of even date)

As required by the directions and sub directions issued by the Comptroller and Auditor General of India under 143 (5) of the Act, we give below our comments on the matters referred therein.

A. Directions

1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of accounts along with financial implications if any may be stated	The year under report all accounting transactions except Fixed Assets register are maintained/ processed through Taly ERP and HRM Software System. Consolidation of accounts of Head office and Kochi Unit is being prepared using MS Office. Fixed Assets Register is maintained in MS Office-Excel. No instances of processing of accounting transactions outside the IT system
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	There is no such instances during the year under audit
3	Whether funds (grants/subsidy etc) received or receivable for specific schemes from central/ state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the case of deviations.	No. The company has not received any fund for specific scheme from central or state agencies.

B. Sub-direction

1.	State areas of land under encroachment and briefly explain the steps taken by the company to remove encroachment.	As per the information and explanation available to us, in Rasayani Unit, land admeasuring 22.717 acres is under encroachment as per the report of survey conducted by M/s The Geo Tek dated April 24, 2019. Also there is public road constructed in 10.576 acres of land and its value considered as Nil. 32.547 Acres of land is given to Maharashtra Industrial Development Corporation, Maharashtra State Electricity Board, Hindustan Insecticides Limited, and Mahatma Education Society. We have been informed that the company has taken up matter before the Ministry and is in the process of necessary action for the recovery of encroached land.
2	Whether there is any effective system for follow up of accumulated trade receivables especially which are more than three years old?	As per the explanation and information provided to us and based on our verification of records of the company, the company has initiated legal recovery proceedings against certain trade receivables. But the system prevailing in the company for follow up of suit filed/ accumulated/ overdue trade receivables required to be further strengthened for the timely initiation of legal proceeding and the recovery of accumulated/ over due trade receivables.
3	Whether there was an adequate system for watching actual consumption against norms in case of raw materials, intermediaries and utilities?	As per the explanation and information provided to us and based on our verification of records of the company, company has an adequate system for observing the actual consumption against the standard/ norms. On monthly basis company is preparing comparison statements for each items of raw materials, intermediaries and utilities as part of Management Information System.

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)
Sd/-
CA. Jojo Augustine
Partner
(Membership No. 214088)
UDIN: 22214088AKDYEI7538

Place: Ernakulam
Date: 30/05/2022

Annexure "C" to the Independent Auditor's Report

(Referred to in paragraph 18(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindustan Organic Chemicals Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HINDUSTAN ORGANICH CHEMICALS LIMITED (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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 issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial 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 issued by the Institute of Chartered Accountants of India.

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)
Sd/-
CA. Jojo Augustine
Partner

Place: Ernakulam **(Membership No. 214088)**
Date: 30/05/2022 **UDIN: 22214088AKDYEI7538**

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 ORGANIC CHEMICALS LIMITED, FOR THE YEAR ENDED 31 MARCH 2022

The preparation of the financial statements of Hindustan Organic Chemicals 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 the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on 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 30 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 Organic Chemicals 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/-

Place: Mumbai **(P. V. Hari Krishna)**
Date: 02. August 2022 **Principal Director of Audit (Shipping), Mumbai**

Standalone Balance Sheet as at 31st March 2022

(Rs.Lakhs)

Particulars	Notes	Current Year As at 31.03.2022	Previous Year As at 31.03.2021
Assets			
Non Current assets			
a) Property, Plant and equipment	3a	15,348.07	13,447.26
b) Investment Property	3b	88.74	87.93
c) Other Intangible assets	3c	27.25	22.53
d) Financial Assets			
i) Investments	4	1,063.44	838.92
e) Other Non-current assets	5	497.37	498.12
Total (Non current assets)		17,024.87	14,894.76
Current assets			
a) Inventories	6	7,511.19	5,080.72
b) Financial assets			
(i) Trade Receivables	7	735.12	240.82
(ii) Cash and cash equivalents	8a	2,014.53	3,286.97
(iii) Bank balances other than (ii) above	8b	11,496.20	11,532.78
(iv) Loans	9	3,218.09	2,066.14
c) Other current assets:			
(i) Interest and other receivables	10	1,334.04	393.43
(ii) Deposits, advances and other receivables	11	2,859.25	2,596.95
d) Property, plant and equipments held for sale	3d	99,219.74	99,219.74
Total (Current Assets)		**128,388.16**	**124,417.55**
Total Assets		**145,413.03**	**139,312.31**
Equity and Liabilities			
Equity			
Equity Share capital	12	6,726.96	6,726.96
Other equity			
i) Securities Premium	13a	4,838.57	4,838.57
ii) Retained Earnings	13b	(101,761.72)	(99,437.26)
iii) Other comprehensive Income	13c	95,519.62	93,916.69
Total Other Equity		**(1,403.53)**	**(682.00)**
Total Equity		**5,323.43**	**6,044.96**
Liabilities			
Non-current liabilities:			
Financial liabilities:			
a) Borrowings	14	-	7,695.09
a1) Lease liabilities		-	-
b) Provisions	15	2,980.57	3,334.69
c) Deferred Tax liabilities (Net)	16	16,402.52	15,761.52
Total (Non-current liabilities)		**19,383.09**	**26,791.30**
Current liabilities:			
a) Financial liabilities			
i) Dues to preference share holder	17	27,000.00	27,000.00
1a) Lease liabilities		-	-
ii) Trade payables:			
Dues to micro and small enterprises	18	55.50	21.03
Dues to Others	18	4,096.34	1,626.99
iii) Other financial liabilities	19	7,695.09	8,187.29
b) Provisions	20	6,800.69	6,130.35
c) Other current liabilities	21	75,058.89	63,510.39
Total (Current liabilities)		**120,706.51**	**106,476.05**
Total Liabilities		**140,089.60**	**133,267.35**
Total equity and liabilities		**145,413.03**	**139,312.31**
Significant Accounting Policies	2		
Notes to the Standalone Financial Statements	1&3-62		

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai
Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKDYEI7538

Place: Ernakulam
Date: 30.05.2022

Standalone Statement of Profit and Loss for the year ended 31st March 2022

Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
INCOME:			
Revenue from operations-Sale of products	22	43,367.39	41,157.80
Other Income	23	3,142.73	1,961.29
Total Income		**46,510.12**	**43,119.09**
EXPENSES:			
Cost of materials consumed	24	27,879.70	20,105.11
Changes in Inventories of Finished Goods and work-in- progress	25	(1,430.78)	54.57
Employee benefits expenses	26	4,520.35	4,569.74
Finance costs	27	5,134.17	5,336.46
Depreciation and amortization expenses	28	116.37	120.79
Other expenses	29	12,614.78	11,335.31
Total expenses		**48,834.59**	**41,521.98**
Profit / (Loss) before exceptional items and tax		**(2,324.47)**	**1,597.11**
Less: Exceptional items		-	-
Profit / (Loss) before tax		(2,324.47)	1,597.11
(1) Current tax		-	-
(2) Deferred tax		-	-
Less: Tax expenses		**-**	**-**
Profit / (Loss) for the period after tax		(2,324.47)	1,597.11
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Revaluation of Plant, property & equipments	13c	1,978.42	1,631.02
Deferred Tax expenses		(576.00)	(419.00)
b) Provision for diminution of investment	13c	224.52	509.86
Deferred Tax expenses		(65.00)	(148.00)
c) Changes in defined benefit plan (Gratuity)	**13c**	**40.99**	**-31.10**
Other Comprehensive Income for the year, net of tax		**1,602.93**	**1,542.78**
Total Comprehensive Income for the year		(721.54)	3,139.89
Earnings per equity share (in Rupees)			
Basic (Face value of Rs. 10 each)		(3.46)	2.38
Diluted (Face value of Rs. 10 each)		(3.46)	2.38
Significant Accounting Policies	2		
Notes to the Standalone Financial Statements	1&3-62		

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai
Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKDYEI7538

Place: Ernakulam
Date: 30.05.2022

A. EQUITY SHARE CAPITAL
1. Current reporting period (2021-22)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated 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	01.04.2021	2021-22	31.03.2022
Equity shares of Rs.10 each	6726.96	0	6726.96	0	6726.96

2. Previous reporting period (2020-21)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated 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	01.04.2020	2020-21	31.03.2021
Equity shares of Rs.10 each	6726.96	0	6726.96	0	6726.96

B. OTHER EQUITY

Particulars	Share application money pending allotment	Equity component of compound financial instrument	Reserves and surplus				Items of Other Comprehensive Income (OCI)						Money received against share warrants	Total
			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 (Changes in Employees defined benefits plan)		
1. Current reporting period (2021-22)														2021-22
Balance at the beginning of the current reporting period (01.04.2021)	0.00	0.00	0.00	4838.57	0.00	(99497.02)	0.00	(192.08)	0.00	93606.29	0.00	502.48	0.00	(741.76)
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	59.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.76
Restated balance at the beginning of the current reporting period	0.00	0.00	0.00	4838.57	0.00	(99437.26)	0.00	(192.08)	0.00	93606.29	0.00	502.48	0.00	(682.00)
Total Comprehensive Income for the current year	0.00	0.00	0.00	0.00	0.00	(2324.46)	0.00	224.52	0.00	1978.42	0.00	40.99	0.00	(80.53)
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
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
Any other change (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(65.00)	0.00	(576.00)	0.00	0.00	0.00	(641.00)
Balance at the end of the current reporting period (31.03.2022)	0.00	0.00	0.00	4838.57	0.00	(101761.72)	0.00	(32.56)	0.00	95008.71	0.00	543.47	0.00	(1403.53)
2. Previous reporting period (2020-21)														2020-21
Balance at the beginning of the current reporting period (01.04.2020)	0.00	0.00	0.00	4838.57	0.00	(101103.24)	0.00	(553.94)	0.00	92453.31	0.00	533.58	0.00	(3831.72)
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	9.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.85
Restated balance at the beginning of the current reporting period	0.00	0.00	0.00	4838.57	0.00	(101093.39)	0.00	(553.94)	0.00	92453.31	0.00	533.58	0.00	(3821.87)
Total Comprehensive Income for the current year	0.00	0.00	0.00	0.00	0.00	1656.13	0.00	509.86	0.00	1631.02	0.00	(31.10)	0.00	3765.91
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
Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(59.04)	0.00	0.00	0.00	(59.04)
Any other change (Deferred Tax liability)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(148.00)	0.00	(419.00)	0.00	0.00	0.00	(567.00)
Balance at the end of the current reporting period (31.03.2021)	0.00	0.00	0.00	4838.57	0.00	(99437.26)	0.00	(192.08)	0.00	93606.29	0.00	502.48	0.00	(682.00)

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai
Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKDYEI7538

Place: Ernakulam
Date: 30.05.2022

Standalone Cash flow Statement for the Year ended 31st March 2022

(Rs.in Lakhs)

Description	For the year ended 31st March 2022	For the year ended 31st March 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period before tax	(2,324.47)	1,597.11
Adjustments for :		
Depreciation/Loss on impairment of Assets	116.37	120.60
Profit(-) / Loss on sale of Assets	-	(11.68)
Interest Income	(672.82)	(702.87)
Interest & Finance Charges	5,809.17	6,011.46
Income from investment property	(255.49)	(179.82)
Changes in defined Employee benefit plan-other comprehensive income	40.99	(31.10)
Operating Cash Flows before Working Capital changes (A)	**2,713.75**	**6,803.70**
Adjustments for		
(Increase)/Decrease in Inventories	(2,430.47)	(460.58)
(Increase)/Decrease in Trade & Other Receivables	(1,673.44)	(1,975.17)
Increase/(Decrease) in Trade Payables & Other Liabilities	1,812.49	(2,573.04)
Cash Generated from Operations (Working Capital Changes) (B)	**(2,291.42)**	**(5,008.79)**
Net Cash flow from Operating activities (1) (A+B)	**422.33**	**1,794.91**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(44.25)	(20.91)
Sale of fixed assets – Assets held for sale	-	75.00
Interest Income	750.00	575.25
Income from investments	191.87	116.20
Net Cash flow from / (used in) Investing activities	**897.62**	**745.54**
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/Decrease in Secured Loans	(1,161.82)	(600.00)
Increase/Decrease in Unsecured Loans	(1,394.13)	(980.63)
Interest Paid	(36.44)	(40.32)
Net cash used in financing activities	**(2,592.39)**	**(1,620.95)**
Net Increase Decrease in Cash and Cash Equivalents	(1,272.44)	919.50
Cash & Cash equivalents at the beginning of the period	3,286.97	2,367.47
Cash & cash equivalents at the end of the period	**2,014.53**	**3,286.97**
Cash & Cash equivalents as per above comprise of following		
a) Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	239.30	115.54
Saving Account (Refer Note i)	149.25	145.23
Deposits with original maturity of less than three months	1,624.50	3,025.28
b) Cash on Hand	1.48	0.92
Total	**2,014.53**	**3,286.97**

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

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai
Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKDYEI7538

Place: Ernakulam
Date: 30.05.2022

Notes to the Standalone Financial statements for the period ended 31st March, 2022

1. Corporate Information

Hindustan Organic Chemicals Limited (the company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) in India. The registered office of the company is located at 401, 402 and 403, 4th Floor, V Times Square, Sector 15, CBD Belapur, Navi Mumbai 400614. The Company is principally engaged in the business of bulk industrial chemicals and chemical intermediates.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statement

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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The separate financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

Derivative financial Instrument

Defined Benefit Plans – Plan Assets

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),The financial statements are presented in Indian Rupee ('INR') or ('Rs.') which is also the Company's functional currency and all values are rounded to the nearest lakhs upto two decimals, except when otherwise indicated. Wherever the amount represented Rs. '0' (zero) construes value less than Rupees a lakh.

Significant accounting estimates, assumptions and judgements

The preparation of the Company's separate financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed at appropriate places.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

Taxes

Tax expense (Income Tax and Deferred Tax) in accordance with Ind-AS 12: Accounting for Taxes on Income has been recognised. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made.The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii. Post-employment obligations

"The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity, pension, post-employment medical plans; and

(b) Defined contribution plans such as provident fund.

iv. Defined benefit plans

The Company's gratuity scheme is a defined benefit plan. A defined benefit plan is a post employment benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employee have earned in return for their services in the current and prior periods.

v. Defined contribution plans

The company's provident fund scheme is a defined contribution plan. A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognised as employees benefit expenses in the statement of Profit and Loss when they are due.

i. Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date. The Company's liability is actuarially determined at the end of each year. Actuarial gains/ losses through re-measurement are recognised in other comprehensive income.

Pension and gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

a) Defined benefit plans (gratuity benefits), liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the planned assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels and period of service etc.

b) Company's contribution to provident fund is accounted for on accrual basis.

c) Temporary employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

d) Bonus is provided in accordance with provisions of Payment of bonus act,1965 on the basis of profitability.

e) Post employment and other long term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation technique. Actuarial gain and loss in respect of post employment and other long term benefits are charged to statement of profit and loss.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured on the basis of quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model.The inputs to these models are taken from observation of the market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk,credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use, on the basis of technical assessment. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date providing provision for slow moving inventory at 50% and in the case of obsolete items at 100%.

Impairment of financial assets

Provision for doubtful debts / Loans / Advances is made in the Books in respect of Sundry Debtors outstanding for more than 3 years. In respect of other Debtors, Loans and Advances, provisions are made to the extent considered as not recoverable by the management.

Impairment of non-financial assets

"The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset should be considered as impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators."

2.2 Summary of significant accounting policies

a) Current versus Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Trade receivables which are expected to be realised within 12 months from the reporting date shall be classified as current. Outstanding more than 12 months shall be shown as noncurrent only unless efforts for its recovery have been made and it is likely that payment shall be received within 12 months from the reporting date. A Judicious decision shall be taken by units in this regard.

liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period payable shall be classified as Trade Payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade payables which are expected to be settled within 12 months from the reporting date shall be shown as current.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Revenue recognition

The Company earns revenue primarily from manufacturing chemical product.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

As the Company is engaged only in chemical manufacturing business and operating from single location only therefore disaggregates revenue based on geography location and industrial vertical are not require.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of product

Revenue from the sale of prduct is recognised when the significant risks and rewards of ownership of the product have passed to the buyer. Revenue from the sale of product is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, and volume rebates.

Rendering of services

Income from services are recognized as and when the services are rendered.

Interest income

Interest income from a financial asset is recognised using effective interest rate method. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental income arising from operating lease on investment properties is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

c) Property, Plant and Equipment

Items of Property, plant and equipment including Capital-work in-progress are stated at cost (except land valued at fair value), net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives as prescribed in schedule II of Companies Act,2013. All other repair and maintenance costs are recognised in statement of profit or loss as an when incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

The management's considered view is that estimated useful lives as per the Schedule II of the Companies Act, 2013 are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company reviews the useful life of the Property, plant & equipment and Intangible asset as at the end of each reporting period and these reassessment may result in change in depreciation expenditure in future period.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives of Property, plant and equipment as per Schedule II of the Companies Act 2013 as under:

1) Buildings : 3/5/30/60 years
2) Plant & equipments: 10/12/15/20 years
3) Furniture & fixtures: 10 years
4) Vehicles: 8/10 years
5) Office equipments: 3/5/6/8 years
6) Intangible assets: 5 years

Items of fixed assets that have been retired from active use and are held for disposal are valued at lower of their net book value or net realisable value."

Investment Properties

The company uses the carrying value as the deemed cost of investment properties. Investments in property that are not intended to be occupied substantially for use by, or in the operations of the company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

The company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Property, plant and equipment held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale transactions rather than through continuing use.This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Leasehold improvements over the period of lease

Leasehold Land:

Lease premium paid on leasehold land is amortised over the life of the lease.The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

i) Intangible assets consisting of computer software, SAP licence cost and Tally ERP cost are amortised over a period of 5 years on straight line basis (SLM) from the date of acquisition.

ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition,intangible assets with definite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. Research costs are expensed as an when incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset."

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Foreign Currency Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise. Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets

h) Fair value measurement

“The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantageous market must be accessible by the Company.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities”

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

i) Leases

“The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.”

Company as a lessee

“A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.”

Company as a lessor

“Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.”

j) Inventories

(i) Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi-finished products and finished products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

(iii) By-products are valued at estimated net realizable value.

(iv) Trading goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.”

k) Impairment of non-financial assets

“The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified,an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.”

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event,it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profitand loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects,when appropriate, 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. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

m) Financial instruments

"A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss."

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

"b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method."

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The company has designated certain debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

"A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

the rights to receive Cash flows from the asset have expired, or

the company has transferred its rights to receive Cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either(a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay."

Impairment of financial assets

"In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits,trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

e) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables and Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial Instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral Held or Other credit enhancements that are integral to the contractual terms. financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount."

n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Derivative financial instruments

Initial recognition and subsequent measurement. The Company uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits,as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:When the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in the temporary differences will not reverse in the foreseeable future Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in othercomprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction eitherin OCI or directly in equity.

s) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Export Benefits:

“Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as ‘Export Incentives’ under the head ‘Other operating revenue’.”

u) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Contingent Liability and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

w) Share-Based Payments:

Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102, Share-Based Payment. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

x) Errors and Omissions of earlier period:

Errors and omissions in individual items of Income and Expenditure relating to earlier periods, exceeding `1 Lakh is accounted in the respective period, if possible, or adjusted against opening retained earnings.

y) 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 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

Recent Accounting Pronouncements

The Ministry of Corporate Affairs through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified the following new and amendments to Ind AS which the company has applied as they are effective for annual period that begins on or after April 1, 2020.

Ind AS 103: Business Combination

Definition of term “business” has been substituted with “an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Accordingly, providing goods or services to customers has been added. This amendment is necessary because every business involves providing goods or services to the customers. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 107 and Ind AS 109: Financial Instrument

Hedge accounting is a method of accounting where entries to adjust the fair value of a security and its opposing hedge are treated as one. Hedge accounting attempts to reduce the volatility created by the repeated adjustment to a financial instrument’s value, known as fair value accounting or mark to market. This reduction in volatility is done by combining the instrument and the hedge as one entry, which offsets the opposing movements. For hedging relationships to which an entity applies an entity shall disclose (a) the significant interest rate benchmarks to which the entity‘s hedging relationships are exposed (b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform (c) how the entity is managing the process to transition to alternative benchmark rates (d) a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and (e) the nominal amount of the hedging instruments in those hedging relationships.

Following temporary exceptions have also being provided from applying specific hedge accounting requirements a) For assessing highly probable requirement for cash flow hedges b) Reclassifying the amount accumulated in the cash flow hedge reserve c) Assessing the economic relationship between the hedged item and the hedging instrument d) Designating a component of an item as a hedged item. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 116: Leases

Due to the COVID- 19, and thereafter the lockdown in India, many businesses have been shut or partially opened resulting into adverse impact on Revenue & Cash flow. Accordingly, the lease payment has been affected and the businesses are demanding the rent concession from their vendors. If the below mentioned conditions are fulfilled, then entity treat the Rent concession without lease modification. (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (b) any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and (c) there is no substantive change to other terms and conditions of the lease. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 1 and 8: Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors

A new definition of material has been introduced by this amendment, this is more refined and also most expected by the industry, some of the examples of circumstances have also been provided for more clarity.

Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured: –

a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear

b) information regarding a material item, transaction or other event is scattered throughout the financial statements

c) dissimilar items, transactions or other events are inappropriately aggregated;

d) similar items, transactions or other events are inappropriately disaggregated; and

e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity`s general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity ‘s own circumstances.

The primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyses the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

The Company has duly considered the changes in definition of ‘materiality’ for presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors.

Ind AS 10 Events after the Reporting Period

A paragraph 21 of the Ind AS 10 have been substituted, in the amendment any non-adjusting events that could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements which provide financial information about a specific reporting entity have been added.

Accordingly, the following disclosure to be provided

a) the nature of the event; and

b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

The company duly considered the aforesaid amendment for the preparation, disclosure and presentation of financial statements.

Ind AS 34 Interim Financial Reporting

Consequential amendment and accounting of restructuring plan.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

A management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period

a) started to implement the restructuring plan; or

b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring.

This amendment is not applicable to the company.

Recent Indian Accounting Standards (Ind AS)

The Central Government, in consultation with the National Financial Reporting Authority has notified the Companies (Indian Accounting Standards) Amendment Rules, 2021 to further amend the Companies (Indian Accounting Standards) Rules, 2015. In this amendment, the following new and amendments brought into Indian Accounting Standards, which the Group has duly applied, wherever applicable during the year:

Ind AS – 103: Business Combination

The first amendment relates to recognition condition of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire. To qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Frame work for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect any impact from this amendment.

Ind AS – 105: Non-current Assets Held for Sale and Discontinued Operations

The amendment provides for the change in the definition of recoverable amount – recoverable amount means the higher of an asset’s fair value less costs of disposal. The Company does not expect any impact from this amendment.

Ind AS – 107: Financial Instruments – Disclosures

The amendment provides for additional disclosures related to interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The Company does not expect any impact from this amendment.

Ind AS – 109: Financial Instruments

The amendment provides for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform by way of amending the contractual terms specified at the initial recognition of the financial instrument, in a way that was not considered by or contemplated in the contractual terms at the initial recognition of the financial instrument, without amending the contractual terms and/or because of the activation of an existing contractual term. The Company does not expect any impact from this amendment.

Ind AS – 114: Regulatory Deferral Accounts

This amendment provide for the change in accounting polices in respect of regulatory deferral account balances. An entity shall not change its accounting policies in order to start to recognise regulatory deferral account balances. An entity may only change its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. An entity shall judge relevance and reliability using the criteria in paragraph 10 of Ind AS 8. The Company does not expect any impact from this amendment.

Ind AS – 116: Leases

The amendment provides for the change the basis for determining future lease payments as a result of interest rate benchmark reform. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:(a) the modification is necessary as a direct consequence of interest rate benchmark reform; and(b) the new basis for determining the lease payments is economically equivalent to the previous basis. The Company does not expect any impact from this amendment.

The Central Government, in consultation with the National Financial Reporting Authority has notified the Companies (Indian Accounting Standards) Amendment Rules,2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015. In this amendment, the following new and amendments brought into Indian Accounting Standards, which the Group has not applied as they are effective from April 1, 2022:

Ind AS – 16: Property Plant and Equipment

The amendment provides for directly attributable cost in respect of costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment). Excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect any impact from this amendment.

Ind AS – 37: Provisions, Contingent Liabilities and Contingent Assets

This amendment provides for, in respect of onerous contract, the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both-(a) the incremental costs of fulfilling that contract(b) an allocation of other costs that relate directly to fulfilling contracts. It also provides for, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The Company does not expect any impact from this amendment.

NOTE 3 - Property, Plant and equipment

Sl. No.	Description	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
		As at 01.04.2021	Additions	Deletions	As at 31.03.2022	Up to 01.04.2021	Deletions	Provided during the year	Up to 31.03.2022	As on 31.03.2022	As on 31.03.2021
a. Property, Plant and equipment											
1a	Land and Land Development	578.25	0.00	0.00	578.25	0.00	0.00	0.00	0.00	578.25	578.25
1b.	-do- Revaluation	10427.55	1978.45	0.00	12406.00	0.00	0.00	0.00	0.00	12406.00	10427.55
1c	Leased Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	Buildings	1282.52	0.00	0.00	1282.52	881.32	0.00	18.41	899.73	382.79	401.20
3.	Plant and Equipment	24923.78	18.59	0.00	24942.37	22965.77	0.00	78.28	23044.05	1898.32	1958.01
4	Furniture, Fixtures and Equipments	114.77	0.36	0.00	115.13	102.42	0.00	0.85	103.27	11.86	12.35
5.	Vehicles	117.98	0.65	0.00	118.63	107.70	0.00	0.84	108.54	10.09	10.28
6.	Office Equipment	671.13	11.90	0.00	683.03	614.52	0.00	7.79	622.31	60.72	56.61
7.	Library Books	13.47	0.00	0.00	13.47	13.43	0.00	0.00	13.43	0.04	0.04
	Sub-total	38129.45	2009.95	0.00	40139.40	24685.16	0.00	106.17	24791.33	15348.07	13444.29
8	**Assets held for disposal**	99276.42	0.00	0.00	99276.42	56.68	0.00	0.00	56.68	99219.74	99219.74
	Total	**137405.87**	**2009.95**	**0.00**	**139415.82**	**24741.84**	**0.00**	**106.17**	**24848.01**	**114567.81**	**112664.03**
Capital work- in- progress		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
b.	**Investment property Land**	16.71	0.00	0.00	16.71	0.00	0.00	0.00	0.00	16.71	16.71
b1.	**Investment property Building**	136.89	0.00	0.00	136.89	62.70	0.00	2.16	64.86	72.03	74.19
	Total	153.60	0.00	0.00	153.60	62.70	0.00	2.16	64.86	88.74	90.90
c) Intangible assets - Computer software		429.55	12.75	0.00	442.30	407.02	0.00	8.02	415.04	27.25	22.53
	G. Total	**137989.02**	**2022.70**	**0.00**	**140011.72**	**25211.56**	**0.00**	**116.35**	**25327.91**	**114683.80**	**112777.46**

1. During the year there is no change in the management estimates of the useful life for various class of Property, plant and equipments and Intangible assets.
2. Company had given 1.03 acre of land at Ambalamugal in Kochi to M/s. Sterling Gas Limited as operating lease under cancellable lease agreement. Investment properties are distinguished from owner occupied property based on area covered under lease agreement and the value of investment has been determined using pro-rata basis.
3. Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which 46594 Sq. ft. consisting of 55 flats has been earmarked as investment property for letting out

Amounts recognised in profit or loss for investment properties	31.03.2022	31.03.2021
Rental income including contingent rent	24.07	24.94
Direct operating expenses from property that generated Rental Income	7.20	8.73
Direct operating expenses from property that did not generate rental income	0.00	0.00
Income from investment properties before depreciation	**16.87**	**16.21**
Depreciation	2.16	2.17
Income from investment properties	**14.71**	**14.04**
Fair value of investment property (Land)		
Investment property-Sterling Gas Ltd	111.66	94.52
Investment property-Township	371.35	338.29
Total	**483.01**	**432.81**

Estimation of fair value:

The fair value of investment property has been determined by an external registered independent property valuer having professional qualification.

3d) Property, plant and equipments held for sale

Description of the Non-Current Assets	Facts and Circumstances of the sale	Manner of disposal	Timing of disposal	N ET BLOCK	
				As on 31.03.2022	As on 31.03.2021
Land	Closure of Rasayani unit and disposal of assets.	Direct sale of 152 acres of land to BPCL and balance through NBCC.	Within 12 months	99094.84	99094.84
Buildings		E-auction through MSTC	-do-	65.15	65.15
Plant and Equipment		-do-	-do-	58.81	58.81
Furniture, Fixtures and Equipments		-do-	-do-	0.94	0.94
Total				**99219.74**	**99219.74**

Note: The company is in the process of implementation of the Govt. Approved restructuring plan vide order dated May 22, 2017, the company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbured land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

4. Investments

Description	As at 31.03.2022	As at 31.03.2021
Non current		
Investment stated at Cost		
(A) Investments in Equity Instruments		
a. Investment in Subsidiary (Quoted)		
11060000 (previous year 11060000) Equity Shares of Rs. 10 each fully paid in Hindustan Fluorocarbons Ltd. (Holding 56.43% of shares)	1,106.00	1,106.00
Less: Provision for impairment in value of investment (Market value as on 31.03.2022 Rs.9.57, Previous Year Rs. 7.54 per share) *	47.56	272.08
Sub-total	**1,058.44**	**833.92**
Investment in Unquoted Equity Shares of Kerala Enviro Infrastucture Ltd		
(50000 Unquoted Equity Shares @ Rs.10/-)	5.00	5.00
Less :- Provision for impairment in value of investment	-	-
	5.00	5.00
Total Non-Current Investments	**1,063.44**	**838.92**
Aggregate amount of quoted investments (Market Value)	1,058.44	833.92
Aggregate amount of quoted investments (Cost)	1,106.00	1,106.00
Aggregate amount of unquoted investments	5.00	5.00
Aggregate amount of provision for impairment	47.56	272.08
Total Non-Current Investments	**1,063.44**	**838.92**

* Gain/loss in value of investment is recognised in Other comprehensive income since the market value was Rs.9.57 per share as on 31.03.2022 and Rs.7.54 per share as on 31.03.2021 (Face value Rs.10 per share).

5. Other Non-Current Assets

i) Deposits with customs, MSEB, KSEB, BSNL, Rent deposit & Registrar HC.	497.37	498.12
Total	**497.37**	**498.12**

6. Inventories (Valued at lower of cost and net realisable value)

a. Raw materials and components	1,699.53	1,281.06
b. Work in progress	1,133.84	960.65
c. Finished goods	2,265.34	1,007.75
d. Store and spares	2,795.21	2,233.76
Less: Allowances for obsolesence	(382.73)	(402.50)
Total	**7,511.19**	**5,080.72**

* Allowances for stores obsolesence are made at 50% of the Slow moving items above five years and at 100% for obsolete items.

7. Trade Receivables

Current		
Secured	-	-
Considered good - Unsecured	735.12	240.82
Credit impaired	1,489.46	1,474.13
Less: Allowance for doubtul trade receivable	(1,489.46)	(1,474.13)
Less: Bills Receivables discounted	-	-
Total trade receivables	**735.12**	**240.82**

Allowance is made in the accounts for trade receivables which in the opinion of the management are considered credit impaired. The Company is consistently following the practice of creating allowance for those trade receivables which remain outstanding for more than three years or doubtful of recovery.The disclosure of movement as required under Indian Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets

Allowance for doubtful Trade receivables	**As at 31.03.2022**	**As at 31.03.2021**
Provision at the beginning of the year	1,474.13	1,465.78
Provisions made during the year	16.77	40.80
Released during the year *	1.44	32.45
Provision at the end of the year	1,489.46	1,474.13

*During the year the Company has written off Trade Receivables to the tune of Rs.1.44 Lakh(previous year 32.45) for which allowance has already been created.

Trade Receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date periods					Total
		Less Than 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More Than 3 years	
Current Year	2021-22						
(i) Undisputed Trade receivables-considered good	291.20	431.89	3.11	5.83			732.03
(ii) Undisputed Trade Receivables-which have significant increase in credit risk					3.09		3.09
(iii) Undisputed Trade Receivables-credit impaired						598.64	598.64
(iv) Disputed Trade Receivables-considered good							0.00
(v) Disputed Trade Receivables-which have significant increase in credit risk						891.03	891.03
(vi)Disputed Trade Receivables-credit impaired Total	291.20	431.89	3.11	5.83	3.09	1489.67	2224.79
Less Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	1489.67	1489.67
Net Amount Previous Year	291.20	431.89	3.11	5.83	3.09	0.00	735.12
Previous Year	2020-21						
(i) Undisputed Trade receivables-considered good	58.60	133.60	6.81	4.78			203.79
(ii) Undisputed Trade Receivables-which have significant increase in credit risk					37.03		37.03
(iii)Undisputed Trade Receivables-credit impaired						583.10	583.10
(v) Disputed Trade Receivables-considered good							0.00
(v) Disputed Trade Receivables-which have significant increase in credit risk.							0.00
(vi) Disputed Trade Receivables-credit impaired						891.03	891.03
Total	58.60	133.60	6.81	4.78	37.03	1474.13	1714.95
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	1474.13	1474.13
Net Amount	58.60	133.60	6.81	4.78	37.03	0.00	240.82

8a. Cash and cash equivalents		Rs. in Lakh
Description	As at 31.03.2022	As at 31.03.2021
Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	239.30	115.54
Saving Account *	149.25	145.23
Deposits with original maturity of less than three months	1624.50	3025.28
Cash on Hand	1.48	0.92
	2014.53	**3286.97**

* Balance in Saving account is earmarked for the rental dues of Harchandrai House as per the direction of Small Causes Court, Mumbai.

8b. Other Bank Balance		Rs. in Lakh
Fixed Deposit against BG/LC	5592.19	5026.49
Fixed deposit for maturity of more than three months but less than 12 month	5904.01	6506.29
Total	**11496.20**	**11532.78**

9. Loans (Current asset)		
A) Current Loans and Advances to related parties Secured (M/s. Hindustan Fluorocarbons Ltd.)	3197.08	3197.08
Less: Provision for Doubtful repayment	0.00	1161.82
Net amount	**3197.08**	**2035.26**
(B) Loans to employees a. Unsecured, Considered good	21.01	30.88
(C) Advance to suppliers Doubtful	65.00	65.00
Less: Allowance for doubtul advance to suppliers	65.00	65.00
	0.00	0.00
Total loans - Current	**3218.09**	**2066.14**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company

Subsidiary Company Hindustan Fluorocarbons Ltd has created mortgage in favour of the company on 84.31 acres of land at Rudraram Village, Medak Dist., Telengana state towards zero coupon loan of Rs.2744.07 Lakh outstanding, the interest bearing loan of Rs.453.01 Lakh and interest accruing thereon till the date of repayment of loan together with interest accrued. As per the valuation report by an external registed independent valuer having professional qualification the value of the property/ security comes to Rs.10196.76 Lakh, therefore provision for doubtful of recovery of loan and accrued interest already provided amounting to Rs.2122.34 Lakh (loan Rs.1161.82 Lakh and interest Rs.960.52 lakhs) has been written back during the year 2021-22.

Description	As at 31.03.2022	As at 31.03.2021
10. Interest and other receivables		
Current		
A) Interest receivable		
Unsecured, Considered good		
Accrued Interest on Deposits	**316.25**	**393.43**
Accrued Interest on Advance	106.08	106.08
Less: Provision for Doubtful repayment	106.08	106.08
Net amount	**0.00**	**0.00**
Accrued Income from Township	5.53	5.53
Less : Allowances	5.53	5.53
	0.00	**0.00**
B) Interest Receivables from related parties		
(M/s. Hindustan Fluorocarbons Ltd.)	1,017.79	960.52
Less: Provision for Doubtful repayment	-	(960.52)
Net amount	**1017.79**	**0.00**
Total Other Financial Assets	**1334.04**	**393.43**

11. Deposits, advances and other receivables Rs. in Lakh		
i) Deposits with the Collectorate of Central Excise and Customs	7.37	7.53
Less : Allowances	2.90	2.90
Sub-total	**4.47**	**4.63**
ii) Statutory receivables - Duties & Taxes, Prepaid Taxes	842.07	1468.02
Less: Allowances	4.29	4.29
Sub-total	**837.78**	**1463.73**
iii) Advances to suppliers	277.26	211.48
Less: Allowances	4.31	1.44
	272.95	**210.04**
iv) Deposits - Gratuity, EMD & Rent	**1544.33**	**679.69**
v) Prepaid Expense	163.01	196.36
vi) Other Advances Recoverable	28.56	27.61
vii) Accrued income on Employee Advances	8.15	14.89
viii) Recoverable from employees	60.41	60.41
Sub-total	**260.13**	**299.27**
Less: Allowance	60.41	60.41
Sub-total	**199.72**	**238.86**
Total	**2859.25**	**2596.95**

Gratuity deposit of Rs.1490.61 Lakh (previous year Rs.625.98 lakh) in LIC/ICICI Bank towards Employees Group Gratuity Fund Trust created against Gratuity liability.

12. Share Capital **Rs. in Lakh**

Description	As at 31.03.2022		As at 31.03.2021	
	Nos.	Rs.	Nos.	Rs.
Authorised Share Capital				
Equity Shares of Rs. 10 each				
Opening Balance	100000000	10000.00	100000000	10000.00
Increase/(decrease) during the year	-	0.00	-	0.00
Closing balance	100000000	10000.00	100000000	10000.00
Preference Shares of Rs. 10 each				
Opening Balance	270000000	27000.00	270000000	27000.00
Increase/(decrease) during the year	-	0.00	-	0.00
Closing balance	270000000	27000.00	270000000	27000.00
Total authorised capital	370000000	37000.00	370000000	37000.00
Issued equity capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening balance	67173100	6717.31	67173100	6717.31
Add: Paid-up amount on shares forfeited	-	9.65	-	9.65
Increase/(decrease) during the year	-	0.00	-	0.00
Total - Equity share capital	**67173100**	**6726.96**	**67173100**	**6726.96**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having at par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company and Shareholding of Promoters

Name of the shareholder	**As at 1.03.2022**		**As at 31.03.2021**		**% change during the year**
	No. of shares	**% Holding**	**No. of shares**	**% Holding**	
Equity shares of INR 10 each fully paid: The Government of India (Promoter)	39,481,500	58.78%	39,481,500	58.78%	Nil
During the year 2010-11, the Company forfeited 193000 shares of Rs.10 each (Rs.5 paid up) for non payment of allotment and call monies and the amount paid towards application money in respect of these forfeited shares has been transferred to "Share's Forfeiture Account".					

13. Other equity		
Description	**As at 31.03.2022**	**As at 31.03.2021**
a) Securities Premium Reserve		
Opening balance	4838.57	4838.57
Increase/(decrease) during the year	**0.00**	**0.00**
Closing balance	**4838.57**	**4838.57**
b) Retained Earnings		
Opening balance	(99,497.02)	(101,103.24)
Changes in accounting policy or prior period errors	59.76	9.85
Restated balance at the beginning of the period	(99,437.26)	(101,093.39)
Add: Profit / (Loss) for the year	(2,324.46)	1,597.09
Add: Profit on sale of Land	**-**	**59.04**
Closing balance	**(101761.72)**	**(99437.26)**
c) Other comprehensive income		
i) Revaluation of Property, plant & Equipments		
Opening balance	93,606.29	92,453.31
Add: Revaluation during the year	1,978.42	1,631.02
Less: Reserve transferred to Retained Earning	-	(59.04)
Add : Reversal of Deferred Tax liability on account of sale	-	12.00
Add/(Less): Deferred Tax liability on account of revaluation during the year	(576.00)	(431.00)
Closing balance	**95,008.71**	**93,606.29**
ii) Equity Instrument through Other Comprehensive Income		
Opening balance	(192.08)	(553.94)
Add/Less: Revaluation during the year	224.52	509.86
Less: Deferred Tax liability on account of revaluation during the year	(65.00)	(148.00)
Closing balance	**(32.56)**	**(192.08)**

iii) Changes in Employees defined benefits plan		
Opening	502.48	533.58
Add:	-	-
Less: Remeasurement of defined benefit plan	40.99	(31.10)
Closing balance	**543.47**	**502.48**
Total	**95,519.62**	**93,916.69**
Total Other Equity	**(1,403.53)**	**(682.00)**

Securities Premium Reserve - Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

14. Borrowings (Non-Current Liability)

Term Loan		
Loans from Government of India	0.00	7695.09
Other Loan	0.00	0.00
Total	**0.00**	**7695.09**

15. Provisions (Long term liability) **Rs. in Lakh**

Description	As at 31.03.2022	As at 31.03.2021
Opening		
For Employee's Benefits - Leave encashment and Gratuity	1104.09	1039.16
For Employee's Benefits -Gratuity	2200.93	2183.22
Diff. in Fixed Assets	20.52	3.73
Provision for rent	9.15	5.11
Sub-total	**3334.69**	**3231.22**
Arising during the year:		
For Employee's Benefits - Leave encashment	0.00	64.93
For Employee's Benefits -Gratuity	0.00	17.71
Diff. in Fixed Assets	2.61	16.79
Provision for rent	173.83	4.04
Sub-total	**176.44**	**103.47**
Utilised:		
For Employee's Benefits - Leave encashment	200.68	0.00
For Employee's Benefits -Gratuity	329.89	0.00
Diff. in Fixed Assets	0.00	0.00
Provision for rent	0.00	0.00
Sub-total	**530.57**	**0.00**
Closing		
For Employee's Benefits - Leave encashment	903.42	1104.09
For Employee's Benefits -Gratuity	1871.04	2200.93
Diff. in Fixed Assets	23.13	20.52
Provision for rent	182.98	9.15
Total	**2980.57**	**3334.69**

16. Deferred Tax liabilities

Fair Value of Land	16417.52	15841.52
Fair Value of Investment in HFL	(15.00)	(80.00)
Net Deferred tax liability [Note No.41]	**16402.52**	**15761.52**

The deferred tax asset has not been recognised as there is no vertual certainity about the future adequate taxable profitability of the company. Also refer Note No.41.

17. Dues to preference share holder		
Opening Balance	27000.00	27000.00
Increase/(decrease) during the year	0.00	0.00
Closing balance	**27000.00**	**27000.00**

Note

1. The preference shareholders have no voting rights.

2. The Government of India had released earlier in the year 2006-07 Rs.27000 Lakh (for financial restructuring Rs. 25000 Lakh and Caustic Soda Plant recommissioning Rs. 2000 Lakh) against allotment of 8% Non-Cumulative Redeemable Preference Shares, thereby broadening the capital base as per the revival scheme. The 8% Preference Shares were allotted to Government of India by the Board on 28th January, 2008, redeemable @ 20% commencing from 4th year with last redemption in the 8th year (ie.2015-16). At the request of the Company, Government of India had extended the commencement of redemption from financial year 2011-12 to financial year 2015-16 @ 25% each year. Government of India, had granted extension of redemption, subject to payment of interest @ 1.5 % pa, on the total amount of Rs.27000 Lakh and an amount of Rs.405 Lakh has been provided in the books of accounts during the year. Further interest @1 % is payable for default in repayment and accordingly interest amount of Rs.270 Lakh has been provided during the year.

18. Trade payables

Description	As at 31.03.2022	As at 31.03.2021
Current - Trade Payables		
i) Outstanding dues of micro and small enterprises	55.50	21.03
ii) Outstanding dues of other than micro and small enterprises	4096.34	1626.99
	4151.84	**1648.02**
Amount due to Micro, Small and Medium enterprises:		
a) i) Principal amount remaining unpaid as at the end of each accounting year	55.50	21.03
ii) Interest due thereon	0.00	0.00
iii) Interest due and payable for the period of delay in payment	0.00	0.00
iv) Interest accrued and remaining unpaid	0.00	0.00
v) Interest due and payable even in suceeding years	0.00	0.00

b) Dues to Micro, Small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. All the dues to them are paid within due date and there is no overdue amount as on the closing date.

Trade payable ageing schedule

Particulars	Not due	Outstanding for following periods from due date				Total
		Less than 1 year	1 -2 years	2 -3 years	More Than 3 years	
Current Year	2021-22					
i) MSME	55.50	0.00	0.00	0.00	0.00	55.50
ii) Others	3996.68	4.74	2.40	24.66	62.86	4091.34
iii) Disputed dues - MSME		0.00	0.00	0.00	0.00	0.00
iv) Disputed dues : Others		0.00	0.00	0.00	5.00	5.00
	4052.18	**4.74**	**2.40**	**24.66**	**67.86**	**4151.84**
Previous year	2020 -21					
i) MSME	21.03	0.00	0.00	0.00	0.00	21.03
ii) Others	1503.57	10.20	38.71	1.51	68.00	1621.99
iii) Disputed dues - MSME		0.00	0.00	0.00	0.00	0.00
iv) Disputed dues : Others		0.00	0.00	0.00	5.00	5.00
	1524.60	**10.20**	**38.71**	**1.51**	**73.00**	**1648.02**

19. Other Current financial liabilities

Description	**As at 31.03.2022**	**As at 31.03.2021**
Current maturities of Long term debt:		
Current maturities of Govt loan	**7695.09**	**8187.29**
Total Borrowings	7695.09	15882.38
Less: Amount clubbed under "other current financial liabilities	7695.09	8187.29
Other payables	0.00	0.00
Non-current Borrowings (Net)	**0.00**	**7695.09**
Aggregate Secured loans	0.00	0.00
Aggregate Unsecured loans	7695.09	15882.38

Note:

i) There is a continuing default in repayment of loan from Government of India since the year 2009-10 and the overdue amount towards principal is Rs.37561.37 Lakh (previous year Rs.30778.08 Lakh) and for interest accrued is Rs.32168.06 Lakh (previous year Rs.26972.25 Lakh), these amounts are shown under 'Other Current Liabilities'. Rs.7695.09 Lakh (previous year Rs.8187.29 Lakh) maturing in next 12 months is shown under Other Current financial Liabilities as 'current maturity of long-term borrowings'. The Company has during the year repaid loan overdue Principal amounts of Rs.1404.00 Lakh (previous year Rs.1556.00 Lakh).

Note no.19a Details of Loan from Govt. of India as on 31.03.2022

Sl. No.	Govt. Sanction No.	Purpose	Date of Sanction Date	Date of drawal	Rate of Interest	No. of installments	Loan Amt. as on 31.03.2022	Instalments due upto 31.03.2022	Total Interest upto 31.03.2022	Interest overdue upto 31.03.2022	Current maturity of loan
								Note No.24 (i)		Note No.24 (v)	Note No.21
1	51/11/2009-Ch.III	For various projects in Kochi unit.	01.12.2009	15.12.2009	11.50%	5	660.00	660.00	933.05	910.80	
2	51/11/2009-Ch.III	-do-	20.01.2010	22/01/2010	11.50%	5	843.00	843.00	1181.67	1163.34	
3	P.51012/01/2012-32	For various projects	12.09.2012	18/09/2012	11.50%	5	1760.00	1760.00	1929.73	1821.60	
4	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	07.09.2015	10/09/2015	11.50%	5	1057.00	1057.00	796.93	729.33	
5	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX & XXI with GoI guarantee.	22.09.2016	27/09/2016	11.00%	5	2461.00	2461.00	1491.50	1353.55	0.00
6	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	02.08.2017	07/08/2017	11.00%	5	1057.00	845.60	540.58	465.08	211.40
7	P.51012/4/2013-32-Ch.III	For repayment of principal HOCL Bonds series XX with GoI guarantee.	11.08.2017	14/08/2017	11.00%	5	10000.00	8000.00	5093.15	4400.00	2000.00
8	P.51012/4/2013-32-Ch.III	For repayment of principal and interest on HOCL Bonds series XXI with GoI guarantee.	12.09.2017	19/09/2017	11.00%	5	16392.46	13113.97	8171.08	7212.68	3278.49
9	P.51012/4/2013-32-Ch.III	For payment of statutory dues related to employees and other.	28.09.2017	29/09/2017	11.00%	5	11026.00	8820.80	5462.85	4851.45	2205.20
	Interest outstanding on secured loan from Govt. of India (Secured by Fixed assets). The principal of loan have been fully paid.								3329.41	3329.41	
	Interest outstanding on unsecured loan from Govt. of India. The principal of loan have been fully paid.								5930.82	5930.82	
	Total						**45256.46**	**37561.37**	**34860.77**	**32168.06**	**7695.09**

Note: The loan amount of Rs.45256.46 lakhs are unsecured loans (Previous year total loan amount was Rs.46660.46 Lakhs).

20. Short Term Provisions

Description	As at 31.03.2022	As at 31.03.2021
Opening		
i) for Employee Benefits (Leave encash.)	316.15	370.65
ii) for Employee Benefits (Gratuity)	77.31	79.14
iii) for Employee remuneration	20.81	20.81
iv) for Statutory Claims	6.08	60.10
v) for Interest to others-PS	4860.00	4185.00
vi) for Penal Interest	850.00	1032.06
Sub-total	**6130.35**	**5747.76**
Arising during the year		
i) for Employee Benefits (Leave encash.)	77.39	201.92
ii) for Employee Benefits (Gratuity)	41.19	77.31
iii) for Employee remuneration	0.00	0.00
iv) for Statutory Claims	14.60	0.00
v) for Interest to others-PS	675.00	675.00
vi) for Penal Interest	0.00	0.00
Sub-total	**808.18**	**954.23**
Utilised		
i) for Employee Benefits (Leave encash.)	79.09	256.43
ii) for Employee Benefits (Gratuity)	52.66	79.14
iii) for Employee remuneration	0.00	0.00
iv) for Statutory Claims	6.08	54.02
v) for Interest to others-PS	0.00	0.00
vi) for Penal Interest	0.00	182.06
Sub-total	**137.83**	**571.64**
Closing		
i) for Employee Benefits (Leave encash.)	314.45	316.15
ii) for Employee Benefits (Gratuity)	65.83	77.31
iii) for Employee remuneration	20.81	20.81
iv) for Statutory Claims	14.60	6.08
v) for Interest to others-PS	5535.00	4860.00
vi) for Penal Interest	850.00	850.00
Total	**6800.69**	**6130.35**

During the year the Company has made provision in respect of Damages/Penalty/Penal interest and the total cumulative provision is given below.

a. Interest (1.5 %) on Preference Share (Rs.270 Crore) postponement of redemption for 4 year Rs.405 lakhs.

b. Interest on default in repayment of Preference Share Capital @ 1 % Rs.270 lakhs per year.

Total impact on account of the above is Rs.675 Lakhs per year.

21. Other current liabilities

i) Loan overdue- Loan from Government of India	37561.37	30778.08
ii) Advances from customers	412.81	415.11
iii) Deposits from Vendors / Customers	209.09	199.36
iv) Interest accrued but not due (on GoI Loan)	2692.72	2790.87
v) Interest accrued and due (on GoI Loan)	32168.06	26972.18
vi) Statutory Liabilities	232.92	544.19
vii) Employee related liabilities	130.79	125.54
viii) Payroll Recoveries Payable	20.59	37.25
ix) Other Liabilities	1630.54	1647.81
Others - total	**75058.89**	**63510.39**

22. Revenue from operations - Sale of products (Manufactured)

Description	Year ended 31.03.2022	Year ended 31.03.2021
Revenue disaggregation by class of products		
Phenol	29931.04	21037.77
Acetone	9341.88	17577.08
Hydrogen Peroxide	2542.01	822.53
H. E. of Cumene	867.79	1150.69
Cumox Oil	684.67	569.73
Sale value of Products : Total	**43367.39**	**41157.80**

23. Other income

Direct income:		
Sale of Scrap	2.85	36.88
Sub-total	**2.85**	**36.88**
Interest income on		
On Call and Term Deposits (Gross)	672.82	702.87
On Advances and Deposits with KSEB and others	112.51	21.39
On loan to Subsidiary Company	63.62	63.62
Delayed payment & Finance charges from trade receivable	0.78	41.66
Sub-total	**849.73**	**829.54**
Other non-operating income		
Estate Rent	78.58	53.16
Transport, Water, Electricity,etc. recoveries	7.46	2.83
Sale of Tender Forms	0.00	0.11
Exchange rate Diff - Gain	0.00	0.00
Excess provision written back	2143.56	936.23
Profit on Sale of Assets	0.00	15.96
Miscellaneous Income	60.55	86.58
Sub-total	**2290.15**	**1094.87**
Total	**3142.73**	**1961.29**
Reversal of Excess Provision w/ back include the following:		
1. Excess provision written back-GAIL LNG	-	790.96
2. Reversal of excess provision for DPC of EPS (Rasayani)	-	91.02
3. Reversal of excess provision for doubtful debts	1.43	1.11
4. Provision no longer required in various cases	-	53.14
5. Excess Provision written back HFL	2122.35	-
6. Excess Provision written back-Stores & Spares	19.78	-
Total	**2143.56**	**936.23**

1. Miscellaneous income relating to 2020-21 Rs.33.72 lakhs has been incorrectly accounted due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8 .

   (a) Nature of the prior perid error : Miscellaneous Income

   (b) Amount of correction : Rs.33.72 lakhs

   (c) Financial line item affected: Note No.23 (Miscellaneous Income)

2. Miscellaneous income relating to 2019.20 Rs.5.04 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2021.

   (a) Nature of the prior perid error : Miscellaneous Income

   (b) Amount of correction : Rs.5.04 lakhs

   (c) Financial line item affected: Note No.23 (Miscellaneous Income)

24. Cost of raw material and components consumed

Description	Year ended 31.03.2022	Year ended 31.03.2021
Inventory at the beginning of the year	1281.06	515.89
Add: Purchases	28298.17	20870.28
Less: inventory at the end of the year	1699.53	1281.06
Cost of raw material and components consumed	**27879.70**	**20105.11**

25. Changes in Inventories of Finished Goods and WIP

(Increase) / Decrease in inventory

Description	Year ended 31.03.2022	Year ended 31.03.2021
Inventories at the beginning of the year		
(i) Stock-in-Process	960.65	835.12
(ii) Stock for Captive consumption	87.91	138.14
(iii) Main Products	900.63	952.58
(iv) By Products	19.21	97.13
Sub-total	**1968.40**	**2022.97**
Inventories at the end of the year		
(i) Stock-in-Process	1133.84	960.65
(ii) Stock for Captive consumption	571.60	87.91
(iii) Main Products	1659.54	900.63
(iv) By Products	34.20	19.21
Sub-total	3399.18	1968.40
Changes in Inventories of finished goods and work in progress	**(1430.78)**	**54.57**

26. Employee benefits expense

Description	Year ended 31.03.2022	Year ended 31.03.2021
a) Salary, Wages and allowances	3284.33	3370.44
b) Company's contribution to Provident Fund and Other funds	326.28	336.64
c) Gratuity payment including premium for Group Gratuity- cum-Life assurance scheme	167.67	201.43
d) Provision for Leave Encashment	279.77	266.09
e) Staff welfare expenses		
Medical amenities	121.03	86.48
Canteen and Nutrition amenities	262.63	258.94
Other welfare expenses	33.13	49.72
Sub-total	**416.79**	**395.14**
Voluntary Retirement benefits (VRS &VSS)	45.51	0.00
	4520.35	**4569.74**
Sub-total	3399.18	1968.40
Changes in Inventories of finished goods and work in progress	**(1430.78)**	**54.57**

The Company had announced a VRS Scheme on 20.02.2017 which was kept open for one month initially and further extended by another 15 days. One employee who was opted for VRS scheme was retained for restructuring procees was relieved during the year 2021-22.

Leave encashment relating to 2019.20 Rs.12.66 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2021.

(a) Nature of the prior perid error : Leave encashment

(b) Amount of correction : Rs.12.66 lakhs

‘(c) Financial line item affected: Note No.26 (Employee benefit expense)

27. Finance costs

Description	Year ended 31.03.2022	Year ended 31.03.2021
Interest:		
On Fixed Loans (Govt. Loan)	5097.73	5296.14
On Other Loans	0.00	0.00
Interest - Others	10.10	30.82
	5107.83	5326.96
Other Borrowing Cost-Bank charges	26.34	9.50
Total finance costs	**5134.17**	**5336.46**

28. Depreciation and amortization expense

Description	Year ended 31.03.2022	Year ended 31.03.2021
Depreciation of tangible assets	108.34	115.56
Amortization of intangible assets	8.03	5.23
Total	**116.37**	**120.79**

29. Other expenses

Description	Year ended 31.03.2022	Year ended 31.03.2021
Consumption of Stores and Spares		
i) Catalyst and Chemicals	340.70	367.49
ii) Consumable stores	342.14	257.56
iii) Packing materials	484.16	360.34
	1167.00	**985.39**
Utilities		
Power	1671.16	1766.28
Fuel	5988.21	5162.90
Water	219.29	214.52
	7878.66	**7143.70**
Repairs & Maintenance:		
Building	140.78	109.19
Plant and Machinery	383.89	195.43
Other Assets	132.62	160.51
	657.29	**465.13**
Administration Expenses:		
Rent	72.09	17.02
Insurance	206.44	213.27
Rates and taxes	464.36	370.86
Consultancy charges	104.06	72.00
Payment to Auditors:		
For Statutory audit	4.60	5.60
For Other audits	1.60	1.40
For Reimb. of Expenses	0.76	0.85
Other expenses:		
Power for Township	16.80	16.87
Water for Township	21.87	18.26
Security Expenses	269.62	237.62
Advertisement Expenses	6.38	5.21
Hire of Vehicles Expenses	24.48	23.82
Loss on Sale / Disposal of Assets	0.00	4.09
Other Misc. Exp.	90.51	129.04
	1283.57	**1115.91**
Selling and distribution expenses:		
Cash Discount	753.18	786.44
Other Selling expenses	0.00	0.06
	753.18	**786.50**
Provisions:		
Provision for Doubtful Debts	16.77	40.80
Provision for Statutory claims	0.00	44.04
Provision for Penal interest	675.00	675.00
Provision for Unidentified assets	2.61	16.79
Provision for doubtful receipt	180.70	62.05
	875.08	**838.68**
Total	**12614.78**	**11335.31**

Notes:

1. An amount of Rs.22.64 lakhs excess provided towards Rates & Taxes during the year 2020-21 due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8

   (a) Nature of the prior perid error : Rates & Taxes

   (b) Amount of correction : Rs.22.64 lakhs

   (c) Financial line item affected: Note No.29 (Rates & Taxes))

2. An amount of Rs.21.14 lakhs excess provided towards Rates & Taxes during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained rearnings as per Ind As 8

   (a) Nature of the prior perid error : Rates & Taxes

   (b) Amount of correction : Rs.21.14 lakhs

   (c) Financial line item affected: Note No.29 (Rates & Taxes))

3. An amount of Rs.0.06 lakhs excess provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8

   (a) Nature of the prior perid error : Hire charges

   (b) Amount of correction : Rs.0.06 lakhs

   (c) Financial line item affected: Note No.29 (Hire charges))

4. An amount of Rs.6.44 lakhs short provided towards Miscellaneous Expense during the year 2020-21 due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8

   (a) Nature of the prior perid error : Miscellaneous Expense

   (b) Amount of correction : Rs.6.44 lakhs

   (c) Financial line item affected: Note No.29 (Miscellaneous Expense))

5. An amount of Rs.3.73 lakhs short provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8

   (a) Nature of the prior perid error : Miscellaneous Expense

   (b) Amount of correction : Rs.3.73 lakhs

   (c) Financial line item affected: Note No.29 (Miscellaneous Expense))

30 EMPLOYEES BENEFIT PLAN:

A. Provision for leave encashment

The Company has made a provision and levied Rs.1217.87 Lakh (previous year Rs.1420.24 lakh) for leave encashment as on 31st March, 2022, as per the Ind AS-19 based on Actuarial Valuation and the unpaid amount of leave encashment claims submitted by the employees.

B. Provident fund

Employees receive benefits from the provident fund managed by the Company upto 30th June 2018. From 1st July 2018 onwards the Company has transferred the Provident fund accounts of all employees to Employees Provident Fund Organisation (EPFO) and managed by EPFO. The employee and employer each make monthly contributions to the Provident Fund/Pension Fund plan equal to 12% of the employees' salary/wages.

C. Gratuity

Gratuity plan is governed by the Payment of Gratuity Act, 1972 and employee who has completed five years of service is entitled to gratuity and the level of benefits provided depended on the member's length of service and salary at retirement age. The Employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Trust through an Annuity Scheme maintained with Life Insurance Corporation of India (LIC). The balance fund available with LIC is Rs.1490.18 lakh (Previous year Rs.625.73 lakh) and depoist with ICICI Bank Rs.0.43 lakh (Previous year Rs. 0.25 lakh)

1. Funded Status of the plan		Rs. in Lakh
Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Present value of funded obligations	1936.87	2278.24
Fair value of plan assets	(1490.61)	(625.98)
Net Liability (Asset)	446.26	1652.26

2a. Profit and loss account for current period		Rs. in Lakh
Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Current Service Cost	77.30	78.41
Past Service cost and loss/gain on curtailments and settlement	0.00	0.00
Net Interest cost	90.36	123.02
Total included in 'Employee Benefit Expense' (P&L)	167.66	201.43

2b. Other Comprehensive Income for the current period		Rs. in Lakh
Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(77.19)	68.22
Due to change in demographic assumption	0.00	0.00
Due to experience adjustments	53.39	(24.18)
Return on plan assets excluding amounts included in interest income	(17.19)	(12.94)
Amounts recognized in Other Comprehensive Income	(40.99)	31.10

3. Reconciliation of defined benefit obligation		Rs. in Lakh
Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Opening Defined Benefit Obligation	2278.24	2278.38
Transfer in/(out) obligation	0.00	0.00
Current service cost	77.30	78.41
Interest Cost	113.68	123.02
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(77.18)	68.22
Due to change in demographic assumption	0.00	0.00
Due to experience adjustments	53.39	(24.18)
Past Service Cost	0.00	0.00
Loss(gain) on curtailments	0.00	0.00
Liabilities Extinguished on settlement	0.00	0.00
Liabilities assumed in an amalgamation in the nature of purchase	0.00	0.00
Exchange diffeences on foreign plans	0.00	0.00
Benefits paid	(508.55)	(245.61)
Closing defined benefit Obligation	1936.88	2278.24

4. Reconciliation of plan Assets		Rs. in Lakh
	As at 31.03.2022	**As at 31.03.2021**
Opening value of plan assets	625.98	15.34
Transfer in (out) plan assets	0.00	0.00
Expenses deducted from the fund	0.00	0.00
Inerest Income	23.32	0.00
Return on plan assets excluding amounts included in interest income	17.20	12.94
Assets distributed on settlements	0.00	0.00
Contributions by employer	1280.00	597.70
Assets acquired in an amalgamation in the nature of		
purchase	0.00	0.00
Exchange rate differences on foreign plans	0.00	0.00
Benefits paid	(455.89)	0.00
Closing value of plan assets	1490.61	625.98

5. Reconciliation of net defined benefit liability		Rs. in Lakh
	As at 31.03.2022	**As at 31.03.2021**
Net opening provision in books of accounts	1652.26	2263.05
Transfer in (out) obligation	0.00	0.00
Transfer (in) out plan assets	0.00	0.00
Employee benefits Expense as per Annexure 2	167.66	201.43
Amounts recognized in other comprehensive income	(40.99)	31.10
	1778.93	2495.58
Benefits paid by the company	(52.66)	(245.62)
Benefits settled (Rasayani Unit)	0.00	0.00
Contributions to plan assets	(1280.00)	(597.70)
Closing provision in the books of accounts	446.27	1652.26

Reconciliation of Assets Ceiling		Rs. in Lakh
	As at 31.03.2022	As at 31.03.2021
Opening Value of Assets Ceilng	0.00	0.00
Interest on Opening Value of Assets Ceiling	0.00	0.00
Loss/Gain on Assets due to surplus/Deficit	0.00	0.00
Closing Value of Plan Assets Ceiling	0.00	0.00

6. Composition of the Plan assets		Rs. in Lakh
Particulars	As at 31.03.2022	As at 31.03.2021
	%	%
Government of India Seccurities	0%	0%
State government seccurites	0%	0%
High Quality Corporate Bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of Insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	100%	100%

7. Bifurcation of liability as per schedule III		Rs. in Lakh
Particulars	As at 31.03.2022	As at 31.03.2021
Current liability	65.83	77.30
Non - Current liability	380.42	1574.96
Net Liability	**446.25**	**1652.26**

8.Principle acturial assumptions		Rs. in Lakh
Particulars	As at 31.03.2022	As at 31.03.2021
Discount Rate	6.40%	5.60%
Salary Growth rate	7.00%	7.00%
Withdrawal rates	3% at Younger ages	3% at Younger ages
	reducing to 1% at	reducing to 1% at
	older ages	older ages
Rate of Return on Plan Assets	6.40	5.60% p.a

9. Maturity Profile of Defined Benefit Obligation		As at 31.03.2022
	Cash Flows Rs. In lakh	Distribution (%)
Year 1 Cash Flow	579.48	21.3%
Year 2 Cash Flow	202.80	7.4%
Year 3 Cash Flow	263.39	9.7%
Year 4 Cash Flow	195.97	7.2%
Year 5 Cash Flow	189.48	6.9%
Year 6 to Year 10	634.85	23.3%

The future accrual is not considerd in arriving at the above cash flows

The expected contribution for the next year is Rs 65.83 Lakh.

The Average outstanding term of obligations (years) as at valuation date is 4.56 years

10.Sensitivity to key assumptions		Rs. in Lakh
Particulars	As at 31.03.2022	As at 31.03.2021
Discount Rate Sensitivity		
Increase by 0.5 %	1891.72	2225.37
(% change)	-2.33%	-2.32%
Decrease by 0.5%	1984.37	2333.87
(% change)	2.45%	2.44%
Salary Growth rate Sensitivity		
Increase by 0.5 %	1956.58	2303.18
(% change)	1.02%	1.09%
Decrease by 0.5%	1916.53	2251.70
(% change)	-1.05%	-1.16%
Withdrawal rate(W R) Sensitivity		
W. R x 110%	1939.82	2280.95
(% change)	15.00%	0.12%
W. R x 90%	1933.97	2275.61
(% change)	-15.00%	-0.12%

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if the two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any

Appendix A: Break-up of defined benefit obligation

		Rs. in Lakh
Particulars	As at 31.03.2022	As at 31.03.2021
Vested	1,933.41	2,269.01
Non-vested	3.46	9.23
Total	1,936.87	2,278.24
Closing Value of Plan Assets Ceiling	0.00	0.00

Appendix B: Age wise distribution of defined benefit obligation Rs. in Lakh

Age (In years)	DBO	
	As at 31.03.2022	As at 31.03.2021
Less than 25	-	-
25 to 35	13.20	16.61
35 to 45	193.73	208.81
45 to 55	807.53	923.87
55 and above	922.41	1128.95
Accrued gratuity for Left Employees	-	-
Total	**1936.87**	**2278.24**

Appendix C: Past service wise distribution of defined benefit obligation Rs. in Lakh

Age (In years)	DBO	
	As at 31.03.2022	As at 31.03.2021
0 to 4	3.46	3.75
4 to 10	65.08	61.17
10 to 15	162.12	165.53
15 and above	1706.21	2047.79
Accrued gratuity for Left Employees	-	-
Total	**1936.87**	**2278.24**

MAJOR RISK TO THE PLAN

A. Acturial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience:

Salary hikes that are higher than the assumed salary escalations will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates:

If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk :

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The Summary of the assumptions used in the valuations is given below:

Financial Assumptions (Table 9)

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	6.40% p.a	5.60% p.a
Salary Growth rate	7.00% p.a	7.00% p.a
Rate of Return on Plan Assets	6.40% p.a	5.60% p.a

Demographic Assumptions

Withdrawal rates p.a (Table 10)

Age Band	As at 31.03.2022	As at 31.03.2021
25 and below	3.00%	3.00%
25 to 35	2.50%	2.50%
35 to 45	2.00%	2.00%
45 to 55	1.50%	1.50%
55 and above	1.00%	1.00%

Mortality rates

Sample rates p.a of Indian Assured Lives Mortality (2012-14) Table 11

Age (In years)	As at 31.03.2022	As at 31.03.2021
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%

Method of Valuation

Actuaries has used projected unit credit (PUC) Method to value the Defined benefit obligation.

31 PROPERTY, PLANT AND EQUIPMENT

a) Originally the Rasayani unit of the Company was in possession of land admeasuring 1012.355 acres (as per revenue records). Out of the said land, 251 acres were sold to BPCL and 20 acres were sold to ISRO during the year 2017-18, 38.687 acres were sold to BPCL in the year 2018-19. In the year 2019-20, 85.27 acres of land sold to BPCL and 0.386 acre was sold to IOCL (Petrol pump area). Out of the balance land of 65.840 acres, 22.717 acres has been idenitified as encroached, 32.547 acres in possession of MIDC, MSEB, HIL, MES etc, and 10.576 acres of public road, considered at Nil value. The said encroachment has been determined on the basis of the survey carried out by the company through M/s. The Geo Tek vide their report dated April 24, 2019. The balance 551.172 acres (Previous year 551.172 acres) of land has been revalued at the ready recknor rate or the agreed rate of sale to BPCL valuing to Rs.832.95 Crore (Previous year Rs. 832.95 Crore).

b) As per the communication received from Municipal commissioner Panvel, regarding the actual area of plot No.11 & 12 of survey No.738 on which there is a public road passing through and thereby the total area of Panvel land available for sale has reduced from 8 acre to 7.09 acre. Accordingly the reserve price (fair value) has been reduced to Rs.158 crore. Further HOCL has applied for NOC from govt. of Maharashtra for sale of land which is yet to be received.

c) The company is in the process of implementation of the Govt. Approved restructuring plan vide order dated May 22, 2017, the company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbured land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

32 INVESTMENT

a) The Company has an investment of Rs.1106.00 lakh (previous year Rs.1106.00 lakh) in the equity share of subsidiary company M/s. Hindustan Fluorocarbons Ltd. (HFL) which is under BIFR since 1994. The net worth of the Company based on its latest audited balance sheet as at 31st March, 2022 is negative. Market value of the shares (face value Rs.10) as on 31.03.2022 was Rs.9.57 (Previous year Rs.7.54 lakh). Provision has been made in the books towards diminution in the value of these investments amounting to Rs.47.56 lakh (Previous year Rs.272.08 lakh). Government of India has decided to close down M/s.HFL as per CCEA decision on 29.01.2020. An amount of Rs.75.87 crore (Rs.73.70 crore on 26.05.2020 and Rs.2.17 crore on 15.03.2022) has been released by Government of India as interest free loan to meet the VRS expenses and for clearing dues to Bank and suppliers.

b) During the year 2007-08, the Modified Draft Rehabilitation Scheme (MDRS) for revival of subsidiary - Hindustan Flurocarbon Ltd. (HFL) was approved by BIFR for implementation. As part of implementation of MDRS, HOCL had waived interest of Rs.2260.26 lakh accumulated on loan given to HFL and converted the unsecured loan amounting to Rs.2744.07 lakh as Zero Coupon Loan (ZCL), into secured loan by on HFL creating first charge on immovable property (land 84.31 acre valued to the extent of Rs. 2035.25 lakh as per Govt. rate) in favour of HOCL. This loan was payable in 7 equal annual instalments commencing from 2010-11, aggregating to Rs.2744.07 lakh (Previous year Rs.2744.07 lakh) which has become due and payable in full. Further, the Company had given loans to HFL aggregating to Rs. 453.01 lakh (Previous Year Rs. 453.01 lakh) 10.25% to 14.50% which has become payable in full. This loan is also secured by first charge on the HFL immovable property. A provision was made for the shortfall in the security to the extent of Rs.2122.34 lakh including interest as on 31st March, 2021. As per the valuation report by an external registered independent valuer having professional qualification the value of the secured property is Rs.10196.76 lakh as on date. Therefore, the provision of Rs.2122.35 lakh provided in the books is reversed on 31.03.2022.

c) The company has entered into an agreement on 16.10.2006 to lease the school infrastructure facilities to M/s.Mahatma Education Society (MES) for managing the school for a period of 30 years. The management of MES in order to start professional courses has constructed new buildings and facilities in the premises in contravention of the terms of agreement. The company has sent a notice for termination as per the tems of the agreement to M/s.MES. M/s.MES has filed a petition challenging the termination notice in the Dist. Magistrates Court Alibag. MES has filed petition in the Bombay High Court for appointment of Arbitrator in the dispute between HOCL and MES. The District Court has granted stay pending the final disposal of the Arbitration petition of MES. Company has filed a petition to vacate the stay granted by the District Court in the Bombay High Court.

33 EARNING PER SHARE

Earnings per share has been calculated as follows:	As at 31.03.2022	As at 31.03.2021
Net Profit/(Loss) after Tax (Rs. in lakh)	(2324.47)	1597.11
Weighted average number of equity shares	67173100	67173100
Nominal Value per equity share (Rs.)	10.00	10.00
Basic / Diluted Earning per equity share (Rs.)	(3.46)	2.38

34 SEGMENT REPORTING.

Since the company is manufacturing only Chemicals, there are no separate reportable primary and secondary segments and all the chemicals manufactured by the company are considered to have been representing as single reportable segment. The requirements of Indian Accounting Standard 108 with regard to disclosure of segmental results are therefore considered not applicable to the company.

35 BALANCE CONFIRMATION

Balances of trade receivables, trade payables, loans, advances, other current assets and borrowings are subject to confirmation / reconciliation and subsequent adjustments except in cases where confirmation has been received.

36 Contingent Liabilities & Commitments

i) Contingent Liabilities	As at 31.03.2022	As at 31.03.2021
a) Claims against the Company not Acknowledged as debts:		
i) Income Tax Claims	91.99	492.49
ii) Excise duty / Service tax	104.63	104.63
iii) Gratuity for School teachers	75.31	75.31
iv) Other claims (Legal cases)	272.90	272.90
v) Rental claim Harchandrai House	5949.98	5863.85
vi) JNPT lease rent	2974.52	2974.52
vii) Penal interest on Govt. Loans	7119.24	5940.71
viii) Interest on interest on Govt. Loan	40113.98	32981.28
	56702.55	**48705.69**
b) Bank Guarantees issued from Banks	102.19	150.07
ii) Commitments:		
Estimated amount of Contracts remaining to be executed on capital account and not provided for:	36.27	88.63

a) Claims against the Company not Acknowledged as debts:

i) Income Tax Claims: Rs.91.99 Lakh.

There are various appeals for Assessment years are pending before authorities i.e. ITAT, High Court and other forums. The Company is awaiting for hearing, the details are as follows A Y 2002-03 Rs. 70.49 Lakh and AY 2011-12 Rs.21.50 Lakh.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

ii) Excise duty / Service tax

The Company has ongoing disputes with Central excise authorities relating to the period 2006-07, amounting to Rs.104.63 Lakh. Company has filed Appeals at various Tribunals.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

iii) Gratuity for School teachers

Case filed by the teaching staff of HOC Rasayani School for the period upto March 1997, pending before Bombay High Court (Rs.75.31 Lakh).

iv) Other claims (Legal cases): Rs.272.90 Lakh.

a) Case filed by the Company against the award passed by MAC Tribunel, Trichur in relation to Phenol Tanker accident in 1994 (Rs.118 Lakh)

b) ESI corporation has raised a demand for contribution during the period from 01.04.1992 to 31.10.1992 amounting to Rs.2.17 lakh. The matter is pending with ESI Court, Ernakulam, as desired by the ESI Court we had applied for exemption from ESI Act to the Govt. of India, hence no liability is created and a contingent liability to that extend is provided.

c) The Company had invited open tender for work of construction of "Civil and Structural works for Construction of Plant Building, Technical Service Building, R&D Building, etc of PU System House Project. Company had issued the Work Order to M/s Shetusha Engineers & Constructions Pvt. Ltd. (SECPL). On account of delay and other shortcomings in the completion, company had deducted Liquidated damages. SECPL objected for the said deductions and filed an Arbitration Application before the Hon'ble High Court, Mumbai. Later the M/s SECPL had unconditionally withdrawn the said Arbitration Application from the Court. Further, M/s SECPL had filed Suit before the Hon'ble High Court, Mumbai against the Company for passing the Decree against the Company towards payment of Rs.113.35 Lakh including interest.

d) The Company invoked the peformance gurantee given by M/s Vakharia Construction Company, Mumbai (VCC) to whom civil contracts had been alloted as the contract works were not completed as per the terms of the work order. The matter was referred to arbitration and later went to the High Court. The court ordered the company to deposit Rs.12 lakhs and M/s VCC is allowed to withdraw the amount on submission of bank gurantee. The appeals filed before the Hight Court were dismissed. Now M/s VCC raised demand for bank gurantee commission paid to the bank and interest at the rate of 18% as the money decree passed by the Trial Court in favour of VCC was stayed due to filing civil application by the company. The liability estimated on this is Rs.39.38 lakhs and the matter is pending before court of law and accordingly shown under contigent liabilities.

v) Rental claim Harchandrai House Rs.5949.98 Lakh

As the company has not vacated the office premises taken on lease from M/s Harchandrai & Sons as per their notice they initiated legal proceedings and stopped to accept the lease rent. The company vacated the office premises during the year 2014. The rent not accepted by the landlord till the vacation of the office premises amounting to Rs.580.80 lakhs has been provided in the accounts. Landlords filed the Mesne Profit Application before Small Causes Court, Mumbai for Mesne profit for the period from 01/06/2000 to till the possession of the said premises. The Mense profit application filed by M/s.Harchandrai & Sons is allowed by the Court of Small Causes, Mumbai on 02.05.2022 directing the Company to pay the mesne profit @Rs.138/- per sq.ft. for the period from 01/06/2000 to 31/12/2006, for subsequent period @Rs.274/-per sq.ft. together with an interest@9% p.a. The total amount as per Order of Small Causes court, Mumbai for mesne profit for the period from 01/06/2000 to 31/03/2014 and interest thereon works out to Rs.6713.75 lakh. The valuer appointed by HOCL has submitted his report and the average rate is assessed @Rs.48.91 per sq.ft. which is not considered by the Small Causes Court, Mumbai. As per the legal opinion, the company is filing appeal against the Order and the Company is of the opinion that there is uncertainties in crystalisation of demand other than the amount calculated as per the report of the HOCL valuer assessing mesne profit @Rs.48.91 per sq.ft. The amount of mesne profit calculated based on the report of HOCL valuer @Rs.48.91 per sq.ft is Rs.763.78 lakh out of which an amount of Rs.593.97 lakh has already been provided in the books of account for the year 2021-22, hence an additional provision of Rs.169.81 lakh has been provided as on 31.03.2022. The difference amount of Rs.5949.98 lakh (6713.76-763.78) is shown as contingent liability.

vi) JNPT lease rent: Rs.2974.52 Lakh

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land alloted to the company for setting up Liquid Tank Farm on lease bais along with assets of the company 'as is where is basis'. The JNPT raised a demand of Rs.4124 lakhs towards lease rentals and other charges. The company has instituted arbitral proceedings and Arbitral Tribunal issed the awared in favour of the company. The assets of the company valued as per the MoU at Rs.1638.50 lakhs and same is agreed . The undisputed amount of lease rent payable by the Company to JNPT was computed on a mutual understanding between the Parties on the basis of arbitral award is Rs. 805.13 lakhs, water charges 0.65 Lakh, way leave charges Rs.297.09 Lakhs and Service tax of way leave charges Rs.46.61 lakhs. The company has shown balance amount of demand of JNPT after adjusting undispute lease rental paid as contingent liability since the appeal filed against the arbitral awards pending for hearing before High Court and the company is of the opinion that no provision is required as there is uncertainities in crystatlisation of demand at this stage of litigation. The registration and handing over of the tank form is still pending.

vii) Interest at higher rate on Govt. Loans: Rs.7119.24 Lakh and Interest on defaulted interest Govt. Loan 40113.98

The Government of India reserves the right to raise the rate of interest in respect of loans granted to the company, in case of default of repayment of principal on the due date and also charge interest at rate on default in any of the payment of interest due. As there is default in payment of principal loan as well as interest due thereon, the company, in anticipation that the Government of India may demand higher rate on principal and interest on interest outstanding, arrived the additional interest liability and shown as contingent laibility. As per the balance confirmation given by the Government of India, the interest at the higher rate and interest on defualted interest have not been included.

viii) The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular and retired employees and not acknowledged as debts is not ascertainable.

b) Bank Guarantees issued Rs.102.19 Lakh

"The Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.101 lakh, BPCL Rs.3500 lakh, OMPL Rs.1000 lakh GAIL Rs.870 lakh and Rs.1.19 Lakh to others. The company does not expect any outflow in respect of the above. Contingent liability and commitments has been shown against bank guarantees issued to KSEB Rs.101 lakh and others Rs.1.19 lakh only."

II) Estimated amount of Contracts remaining to be executed on capital account and not provided for: Rs.36.27 Lakh

Rs. In lakh

Work order issued for the following contracts.	2021-22	2020-21
a) Tally implementation (Balance amount)		13.18
b) 2x15 KVA UPS for Phenol plant	21.61	21.61
c) Laying water supply pipeline to township		9.75
d) Restoration charge/Licence fee/ performance guarantee for road cutting permission from concerned authorities	14.66	14.66
e) 60T Weigh bridge		18.05
e) EPAPX system		5.23
f) 132 KW FLP motor		6.16
Total	36.27	88.64

37 Disclosure relating to error or omission as per Ind AS 8

The following expenditure/income had been incorrectly accounted during the year 2021-22 due to error. The comparative expenditure/income in the financial statement of the year 2020-21 have been restated to correct the errors. The effect of the restatement on the financial statement is summarised below.

(Rs. In lakh)

	As at 31.03.2022	As at 31.03.2021
Increase in Other Income (Refer Note 23)	33.72	5.04
Decrease in Other Expenses (Refer Note 29)	22.64	
Increase in Other Expenses (Refer Note 29)	(6.45)	(1.33)
Total	49.91	3.71
Income tax laiblity	-	-
(Increase)/decrease in Equity	49.91	3.71
(Increase)/decrease in Earning Per Share	0.07	0.01
(Increase)/decrease in Diluted Earning Per Share	0.07	0.01

1. Miscellaneous income relating to 2020-21 Rs.33.72 lakhs has been incorrectly accounted due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8 .

   (a) Nature of the prior perid error : Miscellaneous Income

   (b) Amount of correction : Rs.33.72 lakhs

   (c) Financial line item affected: Note No.23 (Miscellaneous Income)

2. An amount of Rs.22.64 lakhs excess provided towards Rates & Taxes during the year 2020-21 due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8

   (a) Nature of the prior perid error : Rates & Taxes

   (b) Amount of correction : Rs.22.64 lakhs

   (c) Financial line item affected: Note No.29 (Rates & Taxes)

3. An amount of Rs.6.45 lakhs short provided towards Miscellaneous Expense during the year 2020-21 due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8

   (a) Nature of the prior perid error : Miscellaneous Expense

   (b) Amount of correction : Rs.6.45 lakhs

   (c) Financial line item affected: Note No.29 (Miscellaneous Expense)

(Rs. In lakh)

Opening retained earnings as on 01.04.2021	(99,497.02)
Add: Increase in other income (Note No.23)	5.04
Less: Increase in leave encashment (Note No.26)	(12.66)
Add: decrease in rates and taxes (Note No.29)	21.14
Add: Decrease in hire charge(Note No.29)	0.06
Less: Increase in hire charge(Note No.29)	(3.73)
Reinstated retained earnings as on 01.04.2020	(99,487.17)

1. Miscellaneous income relating to 2019.20 Rs.5.04 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2021.

   (a) Nature of the prior perid error : Miscellaneous Income

   (b) Amount of correction : Rs.5.04 lakhs

   (c) Financial line item affected: Note No.23 (Miscellaneous Income)

2. Leave encashment relating to 2019.20 Rs.12.66 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2021.

   (a) Nature of the prior perid error : Leave encashment

   (b) Amount of correction : Rs.12.66 lakhs

   (c) Financial line item affected: Note No.26 (Employee benefit expense)

3. An amount of Rs.21.14 lakhs excess provided towards Rates & Taxes during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained rearnings as per Ind As 8

   (a) Nature of the prior perid error : Rates & Taxes

   (b) Amount of correction : Rs.21.14 lakhs

   (c) Financial line item affected: Note No.29 (Rates & Taxes)

4. An amount of Rs.0.06 lakhs excess provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8

   (a) Nature of the prior perid error : Hire charges

   (b) Amount of correction : Rs.0.06 lakhs

   (c) Financial line item affected: Note No.29 (Hire charges)

5. An amount of Rs.3.73 lakhs short provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8

   (a) Nature of the prior perid error : Miscellaneous Expense

   (b) Amount of correction : Rs.3.73 lakhs

   (c) Financial line item affected: Note No.29 (Miscellaneous Expense)

38 RELATED PARTY DISCLOSURE AS PER Ind- AS 24

Since Government of India owns 58.78% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party Relationship	Relationship	Details of Transaction	Amt. of Transaction during 2021-22	Outstanding at the end of the year (31.03.2022)	Amt. of Transaction during 2020-21	Outstanding at the end of the year (31.03.2021)
1	Hindustan Flurocarbon Ltd. (HFL)	Subsidiary company with 56.43% share holding.	Interest on loan given to HFL	63.62	4214.87	63.62	4157.60
2a	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Purchase of Raw materials (LPG, Benzene, FO, H2 & LNG)	22883.56	3051.35	21389.53	945.93
2b	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Finished Goods (H2O2)	15.07	22.84	22.28	22.33
4a	Indian Oil Corporation Limited	Controlled by Government of India.	Purchase of Raw materials (Benzene)	478.67	0.00	1825.19	0.00
4b	Indian Oil Corporation Limited	Controlled by Government of India.	Sale of Rasayani land (Petol pump area)	0.00	0.00	75.00	0.00
5	Fertilisers And Chemicals Travancore Limited (FACT)	Controlled by Government of India.	Purchase of Raw materials (Sulphuric acid)	0.00	0.00	12.66	0.00
Trust constituted by the Company							
6	HOCL Group Gratuity Trust	-do-	Investment and interest on investment	1320.93	1490.61	610.89	626.23

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

		Short-term employee benefits	Post-term employee benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
2021-2022							
A. Remuneration to Whole time Director, Managing Director and/or Manager:							
	Shri. S.B. Bhide, CMD (upto 31.7.21)	29.91	1.48	0.00	0.00	0.00	31.39
	Shri. Sajeev B, CMD (from 6.9.2021)	20.74	2.45	0.00	0.00	0.00	23.19
B. Remuneration to Other Directors							
i) Govt. Nominee Directors							
Shri. Satendra Singh, ASFA (C&F)		0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS		0.00	0.00	0.00	0.00	0.00	0.00
ii) Independent Directors							
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)							
	Dr. Bharat J. Kanabar	0.60	0.00	0.00	0.00	0.00	0.60
	Shri Pratyush Mandal	0.60	0.00	0.00	0.00	0.00	0.60
C. Key Managerial Personnel							
Shri. P.O. Luise, CFO		33.97	3.39	0.00	0.00	0.00	37.36
Mrs.S.S. Kulkarni,CS (upto 28.02.22)		36.45	3.53	0.00	0.00	0.00	39.98
Shri. Subramonian H (from 1.3.2022)		1.06	0.14	0.00	0.00	0.00	1.20
Total		123.33	10.99	0.00	0.00	0.00	134.32

2020-21						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. S.B. Bhide, CMD	32.35	4.41	0.00	0.00	0.00	36.76
Shri. C.P. Bhatia, DF (upto 05.11.20)	20.94	2.35	0.00	0.00	0.00	23.29
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Ms. Alka Tiwari, AS&FA	0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS	0.00	0.00	0.00	0.00	0.00	0.00
ii) Independent Directors						
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)						
Nil	0.00	0.00	0.00	0.00	0.00	0.00
C. Key Managerial Personnel						
Mrs. Susheela S. Kulkarni, CS	27.82	3.51	0.00	0.00	0.00	31.33
Mr. P.O. Luise, CFO (From 06.11.20)	10.00	1.28	0.00	0.00	0.00	11.28
Total	91.11	11.55	0.00	0.00	0.00	102.66

Note: In the ordinary course of its business, the Company enters into transactions with other Government controlled entities (not included in the list above). The Company has transactions with other Government-controlled entities,including but not limited to the followings:

Sales and purchases of goods and ancillary materials; Rendering and receiving of services; Receipt of dividends; Loans and advances; Depositing and borrowing money; Guarantees and Uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government controlled entities.

	As at 31st March, 2022				As at 31st March, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets :								
Loans	-	-	3218.09	3218.09	-	-	2066.14	2066.14
Trade Receivables	-	-	735.12	735.12	-	-	240.82	240.82
Investments	1058.44	-	5.00	1063.44	833.92	-	5.00	838.92
Cash and cash equivalents	-	-	2014.53	2014.53	-	-	3286.97	3286.97
Bank balances other than Cash			11496.20	11496.20			11532.78	11532.78
Other Financial Assets	-	-	1334.04	1334.04	-	-	393.43	393.43
Total Financial assets	**1,058.44**	**-**	**18,802.98**	**19,861.42**	**833.92**	**-**	**17,525.14**	**18359.06**
Financial liabilities								-
Non Cumulative Preference share	-	-	27000.00	27000.00	-	-	27000.00	27000.00
Borrowings	-	-	0.00	0.00	-	-	7695.09	7695.09
Trade payables	-	-	4151.84	4151.84	-	-	1648.02	1648.02
Other current financial liabilities	**-**	**-**	**7695.09**	**7695.09**	**-**	**-**	**8187.29**	**8187.29**
Total Financial liabilities	**-**	**-**	**38,846.93**	**38,846.93**	**-**	**-**	**44,530.40**	**44530.40**

39b. Categories of Financial Instruments

A Fair Values hierarchy :

	As at 31st March, 2022				As at 31st March, 2021			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets :								
Loans	-	-	3218.09	3218.09	-	-	2066.14	2066.14
Trade Receivables	-	-	735.12	735.12	-	-	240.82	240.82
Investments	-	-	1063.44	1063.44	-	-	838.92	838.92
Cash and cash equivalents	-	-	2014.53	2014.53	-	-	3286.97	3286.97
Bank balances other than Cash	-	-	11496.20	11496.20	-	-	11532.78	11532.78
Other Financial Assets	-	-	1334.04	1334.04	-	-	393.43	393.43
Total Financial assets	**-**	**-**	**19,861.42**	**19,861.42**	**-**	**-**	**18,359.06**	**18,359.06**
Financial liabilities				-				-
Non Cumulative Preference share	-	-	27000.00	27000.00	-	-	27000.00	27000.00
Borrowings	-	-	0.00	0.00	-	-	7695.09	7695.09
Trade payables	-	-	4151.84	4151.84	-	-	1648.02	1648.02
Other current financial liabilities	-	-	7695.09	7695.09	-	-	8187.29	8187.29
Total Financial liabilities			**38,846.93**	**38,846.93**			**44,530.40**	**44,530.40**

40 Financial risk management

i. 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.

a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company but as company balance in foreign currency hence comapny is not exposed to foreign currecncy exchange rate risk

b) Interest rate risk

The Company's investments are primarily in subsidiary through quoted equity share and unquated equity share of other entity therefore none of the investment activity is generating interest out of the investment. Hence, the Company is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets, company generating revenue for individually in excess of 10% or more of the Company's revenue for the year ended March 31, 2022 from the below mention customer.

Name of customer	Amt of revenue	% of total revenue
Pooja Petro Chemicals	13276.60	31%
Sonkamal Enterprises P Ltd	10446.56	24%
Ramesh Kumar & Company	5210.93	12%

Geographic concentration of credit risk

Geographical concentration of trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets is allocated based on the location of the customers.

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, continuosly monitoring forecast and actual cash flow and by matching the maturity profiles of financial assets and liabilties.

41 Deferred Tax

For the Year 2021-22						Rs. in Lakh
	Opening Balance 01.04.2021	Recognisable in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2022
Deferred Tax Liability						
Revaluation of land in Fair Value	19,897.52			-	576.00	20,473.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,056.00)			-	-	(4,056.00)
Fair Value of Investment in HFL	(80.00)				65.00	(15.00)
	15,761.52			-	**641.00**	**16,402.52**
Deferred Tax Asset						
Depreciation	-	21.00	21.00	-	-	-
Provision for Leave Encashment	-	**81.00**	**81.00**	-	-	-
Voluntary Retirement Benefits (VRS/VSS)	-			-	-	-
Provision for Doubtful Debts	-	5.00	5.00	-	-	-
Provision for Doubtful Advances	-			-	-	-
Provision for Long Term Agreements	-			-	-	-
Provision for Obsolescence	-	1.00	1.00	-	-	-
Provision for Statutory claims	-			-	-	-
Accumulated Income tax loss to the extent of deferred tax liability	-			-	-	-
	-			-	-	-
Net Deferred tax liability	**15,761.52**	**108.00**	**108.00**	-	**641.00**	**16,402.52**

For the Year 2020-21						Rs. in Lakh
	Opening Balance 01.04.2020	Recognisable in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2021
Deferred Tax Liability						
Revaluation of land in Fair Value	19,466.52			-	431.00	19,897.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,044.00)			-	(12.00)	(4,056.00)
Fair Value of Investment in HFL	(228.00)				148.00	(80.00)
	15,194.52			-	**567.00**	**15,761.52**
Deferred Tax Asset						
Depreciation	-	22.00	22.00	-	-	-
Provision for Leave Encashment	-	**77.00**	**77.00**	-	-	-
Voluntary Retirement Benefits (VRS/VSS)	-	-	-	-	-	-
Provision for Doubtful Debts	-	12.00	12.00	-	-	-
Provision for Doubtful Advances	-	17.00	17.00	-	-	-
Provision for Long Term Agreements	-	-	-	-	-	-
Provision for Stock Obsolescence	-	5.00	5.00	-	-	-
Provision for Statutory claims	-	13.00	13.00	-	-	-
	3,031.00	**146.00**	**146.00**	-	-	-
Net Deferred tax liability	**12,163.52**	**(146.00)**	**(146.00)**	-	**567.00**	**15,761.52**

42. Additional disclosures

Financial, Liquidity and Other Ratios

Ratios	Components of Numerator	Components of Denominator	For the Year ended 31.03.2022	For the Year ended 31.03.2021	% Variance	Explanation by Management
Current Ratio	Current Assets	Current Liabilities	1.06	1.17	-8.97%	-
Debt Equity Ratio	Total debt	Shareholders' Equity	20.12	17.11	17.61%	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	0.03	0.08	-58.77%	The company was in shut down for a period of 157 days during the year for changing the catalyst and also due to unfavourable market condition, which contributed to net loss of the company. Also the total loan due and outstanding along with interest thereon as on 31st March 2022 has been considered.
Return on Equity Ratio	Net profit after tax	Shareholders' Equity	-0.41	0.36	-214.46%	The company was in shut down for a period of 157 days during the year for changing the catalyst and also due to unfavourable market condition, which contributed to net loss of the company
Inventory Turnover Ratio	Sales	Average Inventory	16.16	20.62	-21.65%	-
Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	88.87	80.15	10.89%	-
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	9.76	7.93	22.99%	-
Net Capital Turnover Ratio	Net Sales	Working Capital	5.65	2.29	-146.10%	Current liability has increased in 2021-22 due to the increase of interest due on govt. loan.
Net Profit Ratio	Net profit after tax	Net Sales	-0.05	0.04	-238.13%	The company was in shut down for a period of 157 days during the year for changing the catalyst and also due to unfavourable market condition, which contributed to net loss of the company. Also there was a huge increase in the main raw mateial but the selling price could not have increase due to the unfavourable market conditins which resulted in net loss.
Return on Capital Employed	Profit Before Interest and Taxes (PBIT)	Capital Employed	0.65	1.26	-48.19%	
Return on Investment	Dividend	Share Price	-	-	0.00%	

43 Notes to Statement of Profit and Loss and Other Comprehensive Income

a) The Company has elected to continue with the carrying value for all its Property, Plant and Equipment as of April 1, 2016 measured under Indian GAAP as deemed cost as of April 1, 2016 (transition date) except Freehold Land where fair value (circle rate) has been considered as deemed cost.

b) Under Indian GAAP, the Company measured financial assets at cost. As at the transition date, the company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101. All the financials liabilities have been carried at amortized cost and such differences have been appropriately addressed.

c) The Company recognises costs related to its post-employment defined benefit plan on an actuarial basis both under Indian GAAP and Ind AS. Under Indian GAAP, the entire cost including actuarial gains and losses and return on planned assets are charged to profit or loss. Under Ind AS, actuarial gains and losses and return on planned assets recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

d) Consequential sum of the adjustments carried out in the other comprehensive income net of tax implications thereon.

44 Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015- as per Regulation 17(1)(b), the chairman being an executive director, at least half of the board of Directors should be comprised of Independent Directors. Currently, the Company does not have required number of Independent Directors on its board. Accordingly, there is consequent non-compliance of Regulations 18,19 and 20 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 (Refer Note 47 to Financial Statements). Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 - as per the Regulation 17 (1) (a) of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015, Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors. Currently, the Company does not have woman director on its Board.

45 There is no considerable financial impact on account of Covid-19 pandemic during the year ended 31.03.2022.

46 The company has reported net loss including other comprehensive income of Rs.721.54 lakhs (Previous year net profit including other comprehensive income of Rs.3139.89 lakhs) Also the company has accumulated loss amounting to Rs.101761.72 lakhs (Previous year Rs.99437.26 lakhs) with a negative networth of Rs.90196.19 lakhs (Previous year Rs.87871.73 lakhs). But its current assets exceeds its current liabilities by Rs.7681.65 lakhs (Previous year Rs.17941.50 lakhs). The company has a balance under current assets of cash and cash equivalents and other bank balances of Rs.13510.73 lakhs (Previous year Rs.14819.75 lakhs) as at the year end. The Phenol Plant at Kochi was under shutdown during the period from 27.3.2021 to 25.07.2021 for change of Catalyst and from 16.11.2021 to 26.12.2021 due to unfavourable market conditions impacting the Turnover and Profit of the Company during the year. After considering these conditions, the standalone financial result of the company have been prepared on going concern basis.

47 Board recommended to implement salary revision of employees w.e.f. 25.01.2021 subject to the approval of Ministry of Chemicals and Fertilizers. Since no final approval has been received no adjustment in accounts is made as on 31.03.2022.

48 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 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.

49 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.

50 Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Access Services P Ltd	Security service	Rs.0.23 lakh	Creditor

51 No charge or satisfaction yet to be registered with ROC beyond the statutory period.

52 No Loans or Advances in the nature of loan is granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person during the year.

53 There is no capital- work- in progress as on 31.03.2022

54 There is no intangible assets under development

55 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

56 Company has no borrowings from banks or financial institutions on the basis of security of current assets.

57 Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

58 Company has no transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under 11 any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

59 The Company is not required mandatorily to carry out any CSR activities on account of losses incurred during the previous years.

60 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

61 The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 26.05.2022.

62 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai

Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKDYEI7538

Place: Ernakulam

Date: 30.05.2022

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Hindustan Organic Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Hindustan Organic Chemicals Limited (the "Company") and its subsidiary, (the Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the "consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated Loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Going Concern

4. We draw attention to Note 46 of consolidated Ind AS financial statements. The Company has reported net loss including other comprehensive income of Rs.721.54. Also, the Company has accumulated loss amounting to Rs.1,01,761.72 lakhs (previous year Rs.99,437.26 lakhs) with a negative net worth of Rs.90,196.19 lakhs (previous year Rs.87871.73 lakhs). But its current assets exceed its current liabilities by Rs.7681.65 lakhs (previous year Rs.17941.50 lakhs) The Company has a balance under current assets of Cash and Cash Equivalents and Other Bank balances of Rs.13,510.73 Lakhs (previous year Rs.14,819.75 lakhs) as at year end. During the year under report, phenol plant of the company was under shut down for changing catalyst for a period 4 months and for 41 days due to unfavorable market conditions, which have impacted the turnover and profit of the company. Also, the company is in the process of implementation of the Govt. approved restructuring plan. Accordingly, Sale of unencumbered land in Rasayani through NBCC and Panvel through e-auction are in progress and the proceeds will be used to refund the Government of India loans and its outstanding interest, which will result in increase of profit of the company. After considering these conditions, the standalone Ind AS financial statements of the Company have been prepared on going concern basis. Also refer Note 31 (c) financial statements.
5. We draw attention to the material uncertainty related to going concern to the audit opinion of the financial statement of M/s Hindustan Fluorocarbons Limited, a subsidiary of the Holding Company issued by independent firm of Chartered Accountants vide its report dated May 24, 2022 reproduced as under:

   "Attention is drawn to Note 35 (Note 48 in Consolidated Financial Statement) 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 fee unsecured loan for settling various liabilities by GOI, receipt of the same, significant payments being made, out of total estimated liabilities by year end, plan of action for balance payment, 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 Company is no longer a going concern. entity"

Emphasis Matter

6. We draw attention to the following Emphasis Matters to the audit opinion of the financial statement of related to going concern to the audit opinion of the financial statement of M/s Hindustan Fluorocarbons Limited, a subsidiary of the Holding Company issued by independent firm of Chartered Accountants vide its report dated May 24, 2022 reproduced as under:

(i) "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."

(ii) "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."

(iii) "We draw attention is drawn 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."

(iv) "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.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

   We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sl. No.	Key Audit Matters	How the audit addressed the key audit matters
i	The Company makes sales to various customers, whereby the prices of the products are subject to various factors including price variation in international level, volatility in foreign currencies, level of offtake by customers and demand supply situation in the market. Such prices are intimated to the regular customers and purchase order will be obtained accordingly. The discounts offered to the customers are also informed to the customers regularly. Price of the products are fixed on the basis of management's estimate and judgement. The amounts involved being material to these financial statements, and dependent on various factors stated above, revenue recognition was determined to be a key audit matter in our audit	Our audit procedures included the following: ▪ We have evaluated the Company's process and controls around revenue recognition, estimation of discounts and timing of recognizing sales as per sales terms, including testing effectiveness of such controls. ▪ We have inquired of key sales personnel regarding price adjustments, and discussed with management regarding their awareness of price fixation that could affect revenue. ▪ We checked the balance confirmations obtained from customers on a sample basis as at the year-end. Performed alternate audit procedures where such confirmations could not be obtained. ▪ We have performed procedures on the Company's key components, analysed the revenues, cost of sales and discounts / incentives in comparison with historical data. ▪ We also discussed with the management on the likely timing of issuance of credit notes to customers where discounts have been recorded and are pending to be passed on to the concerned customers. ▪ We tested sample of sales transactions at the year-end to determine the timing of recognition of such sales. ▪ We also obtained necessary representation from the management in regard to the timing of revenue recognition.

ii	**Excess Kerala Value Added tax Input Credit Refund Receivable** The Company is claimed refund of excess in input tax credit on purchases of raw materials and consumables from the Kerala Commercial Tax Department. The total refund due as on March 31, 2022 for the periods 2010-11, 2011-12, 2013-14, 2015-16 and 2016-17 is Rs.576.39 lakhs. The Company has filed refund claim applications in Form No.21B and 21CC with Assessing Authority for each year as per the Act, which is pending before assessing authority for further process/ completion of the assessment. The amounts involved is being material to these financial statements and dependent on decision of the assessing authority.	Our audit procedures included the following: ▪ Analyzed the relevant provisions of the Kerala Value Added Tax Act and Rules there under, to ascertain the claim of refund is prima facie acceptable by the authority. ▪ Reviewed the records and documents submitted to the Assessing Authority for claiming the refund and also the related correspondence received from the Assessing Authority. ▪ Reviewed the working/calculations of refund amount claimed.
iii	**Estimation of Provision & Contingent Liabilities** The Company is involved in litigations, both for and against the Company, comprising of tax matters, legal compliances and other disputes. The Company assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its advisors and consultants. This involves a high level of management Judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	Our audit procedures included the following: ▪ We evaluated and tested the Company's processes and controls for monitoring of claims, litigations, disputes, compliances and assessment thereof for determining the likely outcome. ▪ We read the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. ▪ We discussed with the management, including the Company's internal tax experts and head of legal matters to understand the basis of management's judgements and estimates. ▪ We read the minutes of the board meetings, and tested the Company's legal expenses to determine the completeness of claims, disputes and litigations. ▪ We tested the adequacy of disclosures in the consolidated financial statements. ▪ We also obtained necessary representation from the management in regard to the provisioning and disclosures in respect of the claims and Litigations.

Information Other than the Financial Statements and Auditor's Report Thereon

8. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Shareholder's Information and Chairman's statement, but does not include the consolidated financial statements, and our auditor's report thereon.

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

10. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

11. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the consolidated financial statements

12. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

13. In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

14. The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

15. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

16. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 control 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 and its subsidiary companies which are companies incorporated in India, 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 the 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 ability of the Group 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 consolidated financial statements or, if such disclosures 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

17. We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

18. 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.

19. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matter

20. We did not audit the standalone financial statements/ information of subsidiary whose financial statements is included in the consolidated financial statements of the Company. The financial statements/financial information of the subsidiary reflects total assets of Rs. 7352.74 lakhs as at 31st March 2022 and total revenue of Rs.281.76 lakhs and total comprehensive loss of Rs. 617.06 lakhs for the year ended on that date, as considered in the consolidated financial statements.

21. This financial statements/information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect the subsidiary and our report in terms of section 143(3) and (11) of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of its auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

22. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) As per the notification no. G.S.R. 463(E) dated June 05, 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly, we are not required to report whether any director(s) are disqualified in terms of provisions contained in said section.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 36 to the consolidated financial statements;

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv. a. The respective Managements of the Company and its subsidiary which is incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, as disclosed in the Note 49 to the consolidated financial statements, 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 or any of such subsidiary 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 persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

b. The respective Managements of the Company and its subsidiary which is incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, as disclosed in the Note 50 to the consolidated financial statements, no funds have been received by the Company or any of such subsidiary, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, associates and joint ventures 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 that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which is incorporated in India whose financial statement has been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

d. The company has not declared or paid dividend during the year under report and accordingly nothing to report with regard to compliance of provisions of section 123 of the Act.

23. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we report clause 3 (xxi) of the Order as below:

The Statutory Auditors of the subsidiary, M/s Hindustan Fluorocarbons Ltd has made qualification/ adverse remarks in paragraphs (ix)(a) and (xix) of the Companies (Auditor's Report) Order, 2020 report.

24. As required by the directions and sub directions issued by the office of the Comptroller & Auditor General of India under section 143 (5) of the Act, we give in the **"Annexure A"** a statement on the matters referred in those directions.

25. Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015:

The Company has not complied with the Regulations 17 (1)(a) and 17(1)(b) in respect of maintenance of an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors and in respect of maintenance of at least half of the board of Directors comprised of Independent Directors respectively as the chairman being an executive director. Accordingly, there is consequent non-compliance of Regulations 18 and 19 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 (Refer Note 44 to the Consolidated Financial Statements).

For BSJ & Associates
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
CA. Jojo Augustine
Partner
(Membership No. 214088)
UDIN: 22214088AKDZMH2878

Place: Ernakulam
Date: 30/05/2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 24 under 'Report on Other Legal and Regulatory Requirements' section of our report even date)

AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022 AS PER THE DIRECTION AND SUB-DIRECTION OF THE COMPROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (5) OF COMPANIES ACT, 2013

A. Direction

Sl. No.	C & AG Direction	Comments of Statutory Auditors	
		Holding Company	Subsidiary Company
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of accounts along with financial implications if any may be stated	The year under report all accounting transactions except Fixed Assets register are maintained/processed through Taly ERP and HRM Software System. Consolidation of accounts of Head office and Kochi Unit is being prepared using MS Office. Fixed Assets Register is maintained in MS Office-Excel. No instances of processing of accounting transactions outside the IT system	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;
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts /loans/ interest etc made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	There is no such instances during the year under audit	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;
3	Whether funds (grants/ subsidy etc) received or receivable for specific schemes from central/ state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the case of deviations.	No. The company has not received any fund for specific scheme from central or state agencies.	As per the information, explanations and records produced for our verification, during the year under review, as a part of closure direction given by GoI, an amount of Rs.7720 lakhs was sanctioned by GoI as interest free term loan to be exclusively utilized for closure related expenditure including (a) implementation of VRS/VSs for HFL employees, their dues, statutory dues, payment to suppliers/ contractors/ utilities dues and repayment of SBI working capital loan (b) salary/wages and administrative expenses of HFL's skeletal staff to be temporarily retained for completing the closure of HFL for two years. The table given below as **annexure** shows the said interest free loan amount sanctioned, received and spent during the financial year 2021-22 for the said purpose against each head of expenditure:

Annexure:

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**

B. Sub-direction

1	State areas of land under encroachment and briefly explain the steps taken by the Company to remove encroachments.	As per the information and explanation available to us, in Rasayani Unit, land admeasuring 22.717 acres is under encroachment as per the report of survey conducted by M/s The Geo Tek dated April 24, 2019. Also there is public road constructed in 10.576 acres of land and its value considered as Nil. 32.547 Acres of land is given to Maharashtra Industrial Development Corporation, Maharashtra State Electricity Board, Hindustan Insecticides Limited, and Mahatma Education Society. We have been informed that the company has taken up matter before the Ministry and is in the process of necessary action for the recovery of encroached land.	Not reported
2	Whether there is any effective system for follow up of accumulated trade receivables especially which are more than three years old?	As per the explanation and information provided to us and based on our verification of records of the company, the company has initiated legal recovery proceedings against certain trade receivables. But the system prevailing in the company for follow up of suit filed/ accumulated/ overdue trade receivables required to be further strengthened for the timely initiation of legal proceeding and the recovery of accumulated/ overdue trade receivables.	Not reported
3	Whether there was an adequate system for watching actual consumption against norms in case of raw materials, intermediaries and utilities?	As per the explanation and information provided to us and based on our verification of records of the company, company has an adequate system for observing the actual consumption against the standard/norms. On monthly basis company is preparing comparison statements for each item of raw materials, intermediaries and utilities as a part of Management Information System.	Not reported

For BSJ & Associates
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
CA. Jojo Augustine
Partner
(Membership No. 214088)
UDIN: 22214088AKDZMH2878

Place: Ernakulam
Date: 30/05/2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 22 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report even date)

Report on the Internal Financial Controls

under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hindustan Organic Chemicals Limited ("the Company") and its subsidiary, which is incorporated in India, as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 revised consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Group.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BSJ & Associates
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
CA. Jojo Augustine
Partner
(Membership No. 214088)
UDIN: 22214088AKDZMH2878

Place: Ernakulam
Date: 30/05/2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN ORGANIC CHEMICALS LIMITED, FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of Hindustan Organic Chemicals 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on 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 30 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the consolidated financial statements of Hindustan Organic Chemicals Limited for the year ended 31 March 2022 under Section 143(6)(a) read with section 129(4) of the Act.

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

Sd/-
(P. V. Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai
Date: 02. August 2022

Consolidated Balance Sheet as at 31st March, 2022

	Notes	Current Year As at 31.03.2022	Previous Year As at 31.03.2021
ASSETS			
I. Non Current assets			
a) Property, Plant and equipment	3a	15,348.07	13,447.26
b) Investment Property	3b	88.74	87.93
c) Other Intangible assets	3c	27.25	22.53
d) Financial Assets			
(i) Investments	4	5.00	5.00
e) Other Non-current Assets	5	497.37	498.12
Total Non current Assets		**15,966.43**	**14,060.84**
Current assets			
a) Inventories	6	7,651.25	5,347.58
b) Financial assets			
(i) Trade Receivables	7	864.28	371.61
(ii) Cash and cash equivalents	8a	2,169.32	3,304.59
(iii) Bank balances other than (ii) above	8b	11,576.05	11,535.88
(iv) Loans	9	21.01	30.88
C) Other current assets			
i) Interest and Other receivables	10	395.52	502.74
ii) Deposits, Advances and Other Receivables	11	4,919.26	4,953.32
iii) Property, Plant and Equipments held for sale	3d	103,929.34	103,936.66
Total Current Assets		**131,526.03**	**129,983.26**
Total Assets		**147,492.46**	**144,044.10**
EQUITY AND LIABILITIES			
1. Equity			
a) Equity Share capital	12	6,726.96	6,726.96
b) Other equity			
(i) Securities Premium	13a	4,838.57	4,838.57
(ii) Retained Earnings	13b	(108,198.87)	(103,421.22)
(iii) Other comprehensive Income	13c	96,450.23	95,009.17
Total Other Equity		**(6,910.07)**	**(3,573.48)**
Total Equity		**(183.11)**	**3,153.48**
Non Controlling interest		**(3,432.91)**	**(3,164.05)**
2. Liabilities			
Non-current liabilities:			
a) Financial liabilities			
i) Borrowings	14	-	7,695.09
ia) Lease liabilities			
b) Provisions	15	2,980.57	3,334.69
c) Deferred Tax liabilities (Net)	16	16,402.52	15,841.52
Total Non-current liabilities		**19,383.09**	**26,871.30**
Current liabilities:			
a) Financial liabilities			
i) Dues to preference share holder	17	27,000.00	27,000.00
ia) Lease liabilities			
(ii) Borrowings	17a	9,167.00	8,950.00
(iii) Trade payables			
Dues to micro and small enterprises	18	55.50	25.62
Dues to Others	18	4,144.71	1,679.30
(iv) Other financial liabilities	19	8,531.68	9,023.90
b) Provisions	20	6,996.14	6,362.73
c) Other current liabilities	21	75,830.36	64,141.82
Current Liabilities - Total		**131,725.39**	**117,183.37**
Total equity and liabilities		**147,492.46**	**144,044.10**
Significant Accounting Policies	2		
Notes to the Financial Statements	1&3-63		

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai
Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKD2MH2878

Place: Ernakulam
Date: 30.05.2022

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
Revenue from operations:			
Revenue from operations-Sale of products	22	43,367.72	41,524.71
Other Income	23	3,360.54	2,147.57
Total Income		**46,728.26**	**43,672.28**
Expenses:			
Cost of Materials Consumed	24	27,888.46	20,275.68
Changes in Inventories of Finished Goods and WIP	25	(1,430.78)	145.23
Employee Benefits Expenses	26	4,759.47	6,788.41
Finance Costs	27	5,143.18	5,361.86
Depreciation and amortization expenses	28	116.37	290.23
Other Expenses	**29**	**13,188.90**	**11,639.58**
Total expenses		49,665.60	44,500.99
Profit / (Loss) before exceptional items and tax		(2,937.34)	(828.71)
Less: Exceptional items		-	-
Profit / (Loss) before tax		(2,937.34)	(828.71)
(1) Current tax		-	-
(2) Deferred tax		**-**	**-**
Tax expenses:		0.00	0.00
Profit / (Loss) for the period		**(2,937.34)**	**(828.71)**
Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss			
a) Revaluation of Plant, property & equipments	13c	1,978.42	1,631.02
Deferred Tax expenses	13c	(576.00)	(419.00)
b) Provision for diminution of investment			
Deferred Tax expenses		-	-
c) Changes in defined benefit plan	13c	36.80	(58.74)
d) Financial Instruments through OCI at amortised cost		-	-
Other Comprehensive Income for the year, net of tax		1,439.22	1,153.28
Total Comprehensive Income for the year		(1,498.12)	324.57
Net profit attributable to			
a) Owners of the Company		(2,670.31)	253.17
b) Non controlling interest		(267.03)	(1,081.88)
Other Comprehensive income attributable to			
a) Owners of the Company		1,441.05	1,174.62
b) Non controlling interest		(1.83)	(21.34)
Total Comprehensive income attributable to			
a) Owners of the Company		(1,229.27)	1,427.79
b) Non controlling interest		(268.85)	(1,103.22)
Earnings per equity share (in Rupees)			
Basic (Face value of Rs. 10 each)		(4.37)	(1.23)
Diluted (Face value of Rs. 10 each)		(4.37)	(1.23)
Significant Accounting Policies	2		
Notes to the Financial Statements	1&3-63		

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai
Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKD2MH2878

Place: Ernakulam
Date: 30.05.2022

A. EQUITY SHARE CAPITAL

1. Current reporting period (2021-22)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated 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**	**01.04.2021**	**2021-22**	**31.03.2022**
Equity shares of Rs.10 each	6726.96	0	6726.96	0	6726.96

2. Previous reporting period (2020-21)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated 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**	**01.04.2020**	**2020-21**	**31.03.2021**
Equity shares of Rs.10 each	6726.96	0	6726.96	0	6726.96

B. OTHER EQUITY

Particulars	Share application money pending allotment	Equity component of compound financial instrument	Reserves and surplus				Items of Other Comprehensive Income (OCI)						Money received against share warrants	Total
			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 (Changes in Employees defined benefits plan)		
1. Current reporting period (2021-22)														2021-22
Balance at the beginning of the current reporting period (01.04.2021)	0.00	0.00	0.00	4838.57	0.00	(103480.99)	0.00	0.00	0.00	95296.80	0.00	(287.63)	0.00	-3633.25
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	59.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.77
Restated balance at the beginning of the current reporting period	0.00	0.00	0.00	4838.57	0.00	(103421.22)	0.00	0.00	0.00	95296.80	0.00	(287.63)	0.00	-3573.48
Total Comprehensive Income for the current year	0.00	0.00	0.00	0.00	0.00	(4777.65)	0.00	0.00	0.00	1978.42	0.00	(2.35)	0.00	-2801.58
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
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
Any other change (to be specified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-576.00)	0.00	40.99	0.00	-535.01
Balance at the end of the current reporting period (31.03.2022)	0.00	0.00	0.00	4838.57	0.00	(108198.87)	0.00	0.00	0.00	96699.22	0.00	(248.99)	0.00	-6910.07
2. Previous reporting period (2020-21)														2020-21
Balance at the beginning of the current reporting period (01.04.2020)	0.00	0.00	0.00	4838.57	0.00	(103744.00)	0.00	0.00	0.00	94143.82	0.00	(228.89)	0.00	(4990.50)
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	9.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.85
Restated balance at the beginning of the current reporting period	0.00	0.00	0.00	4838.57	0.00	(103734.15)	0.00	0.00	0.00	94143.82	0.00	(228.89)	0.00	(4980.65)
Total Comprehensive Income for the current year	0.00	0.00	0.00	0.00	0.00	312.93	0.00	0.00	0.00	1631.02	0.00	(58.74)	0.00	1885.21
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
Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(59.04)	0.00	0.00	0.00	(59.04)
Any other change (Deferred Tax liability)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(419.00)	0.00	0.00	0.00	(419.00)
Balance at the end of the current reporting period (31.03.2021)	0.00	0.00	0.00	4838.57	0.00	(103421.22)	0.00	0.00	0.00	95296.80	0.00	(287.63)	0.00	(3573.48)

For and on behalf of the Board of Directors

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKD2MH2878

Place: Navi Mumbai
Date: 26.05.2022

Place: Ernakulam
Date: 30.05.2022

Consolidated Cash flow Statement for the Year ended 31st March 2022

(Rs.in Lakhs)

Description	For the year ended 31st March 2022	For the year ended 31st March 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period	(2,937.34)	(828.71)
Adjustments for :		
Depreciation/Loss on impairment of Assets	116.37	290.24
Profit(-) / Loss on sale of Assets	-	(11.68)
Interest Income	(789.01)	(817.73)
Interest & Finance Charges	5,881.80	6,100.48
Income from investment	(255.49)	(179.82)
Changes in defined Employee benefit plan-other comprehensive income	36.80	(80.08)
Effect of measurement of financail instrumet at amortised cost	-	-
Operating Cash Flows before Working Capital changes (A)	**2,053.13**	**4,472.70**
Adjustments for		
(Increase)/Decrease in Inventories	(2,303.67)	(311.22)
(Increase)/Decrease in Trade & Other Receivables	(1,671.81)	(1,650.34)
Increase/(Decrease) in Trade Payables & Other Liabilities	**2,173.59**	**(7,480.87)**
Cash Generated from Operations (Working Capital Changes) (B)	**(1,801.89)**	**(9,442.43)**
Net Cash flow from Operating activities (1) (A+B)	**251.24**	**(4,969.73)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(44.25)	(20.91)
Sale of fixed assets - Assets held for sale	7.31	71.92
Interest Income	906.58	584.50
Income from investments	**191.87**	**116.20**
Net Cash flow from / (used in) Investing activities (2)	1,061.51	751.71
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/Decrease in Secured Loans	(1,161.82)	(600.00)
Increase/Decrease in Unsecured Loans	(1,394.13)	(980.63)
Increase/Decrease in Unsecured Loans (Net of Repayments)	**217.00**	**6,864.75**
Effect of measurement of financail instrumet at amortised cost	-	-
Interest Paid	(109.07)	(129.34)
Net cash used in financing activities (3)	**(2,448.02)**	**5,154.78**
Net Increase Decrease in Cash and Cash Equivalents (1+2+3)	(1,135.27)	936.76
Cash & cash equivalents at the beginning of the period	3,304.59	2,367.83
Cash & cash equivalents at the end of the period	2,169.32	3,304.59
Cash & Cash equivalents as per above comprise of following		
a) Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	233.15	107.39
Saving Account (Refer Note i)	310.19	171.00
Deposits with original maturity of less than three months	1,624.50	3,025.28
b) Cash on Hand	1.48	0.92
Total	**2,169.32**	**3,304.59**

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Place: Navi Mumbai
Date: 26.05.2022

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKD2MH2878

Place: Ernakulam
Date: 30.05.2022

Notes to the Consolidated Financial statements for the period ended 31st March, 2022

1. Corporate Information

Hindustan Organic Chemicals Limited (the company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) in India. The registered office of the company is located at 401, 402 and 403, 4th Floor, V Times Square, Sector 15, CBD Belapur, Navi Mumbai 400614. The Company is principally engaged in the business of bulk industrial chemicals and chemical intermediates.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statement

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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The separate financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

Derivative financial Instrument

Defined Benefit Plans – Plan Assets

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),The financial statements are presented in Indian Rupee ('INR') or ('Rs.') which is also the Company's functional currency and all values are rounded to the nearest lakhs upto two decimals, except when otherwise indicated. Wherever the amount represented Rs. '0' (zero) construes value less than Rupees a lakh.

Significant accounting estimates, assumptions and judgements

The preparation of the Company's separate financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed at appropriate places.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

Taxes

Tax expense (Income Tax and Deferred Tax) in accordance with Ind-AS 12: Accounting for Taxes on Income has been recognised. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made.The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii. Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity, pension, post-employment medical plans; and

(b) Defined contribution plans such as provident fund.

iv. Defined benefit plans

The Company's gratuity scheme is a defined benefit plan. A defined benefit plan is a post employment benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employee have earned in return for their services in the current and prior periods.

v. Defined contribution plans

The company's provident fund scheme is a defined contribution plan. A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognised as employees benefit expenses in the statement of Profit and Loss when they are due.

i. Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date. The Company's liability is actuarially determined at the end of each year. Actuarial gains/ losses through re-measurement are recognised in other comprehensive income.

Pension and gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

a) Defined benefit plans (gratuity benefits), liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the planned assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels and period of service etc.

b) Company's contribution to provident fund is accounted for on accrual basis.

c) Temporary employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

d) Bonus is provided in accordance with provisions of Payment of bonus act,1965 on the basis of profitability.

e) Post employment and other long term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation technique. Actuarial gain and loss in respect of post employment and other long term benefits are charged to statement of profit and loss.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured on the basis of quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model.The inputs to these models are taken from observation of the market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk,credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use, on the basis of technical assessment. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date providing provision for slow moving inventory at 50% and in the case of obsolete items at 100%.

Impairment of financial assets

Provision for doubtful debts / Loans / Advances is made in the Books in respect of Sundry Debtors outstanding for more than 3 years. In respect of other Debtors, Loans and Advances, provisions are made to the extent considered as not recoverable by the management.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset should be considered as impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators."

2.2 Summary of significant accounting policies

a) Current versus Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Trade receivables which are expected to be realised within 12 months from the reporting date shall be classified as current. Outstanding more than 12 months shall be shown as noncurrent only unless efforts for its recovery have been made and it is likely that payment shall be received within 12 months from the reporting date. A Judicious decision shall be taken by units in this regard.

liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period payable shall be classified as Trade Payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade payables which are expected to be settled within 12 months from the reporting date shall be shown as current.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Revenue recognition

The Company earns revenue primarily from manufacturing chemical product.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

As the Company is engaged only in chemical manufacturing business and operating from single location only therefore disaggregates revenue based on geography location and industrial vertical are not require.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of product

Revenue from the sale of prduct is recognised when the significant risks and rewards of ownership of the product have passed to the buyer. Revenue from the sale of product is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, and volume rebates..

Rendering of services

Income from services are recognized as and when the services are rendered.

Interest income

Interest income from a financial asset is recognised using effective interest rate method. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental income arising from operating lease on investment properties is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

c) Property, Plant and Equipment

Items of Property, plant and equipment including Capital-work in-progress are stated at cost (except land valued at fair value), net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives as prescribed in schedule II of Companies Act,2013. All other repair and maintenance costs are recognised in statement of profit or loss as an when incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

The management's considered view is that estimated useful lives as per the Schedule II of the Companies Act, 2013 are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company reviews the useful life of the Property, plant & equipment and Intangible asset as at the end of each reporting period and these reassessment may result in change in depreciation expenditure in future period.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives of Property, plant and equipment as per Schedule II of the Companies Act 2013 as under:

1) Buildings : 3/5/30/60 years
2) Plant & equipments: 10/12/15/20 years
3) Furniture & fixtures: 10 years
4) Vehicles: 8/10 years
5) Office equipments: 3/5/6/8 years
6) Intangible assets: 5 years

Items of fixed assets that have been retired from active use and are held for disposal are valued at lower of their net book value or net realisable value."

Investment Properties

The company uses the carrying value as the deemed cost of investment properties. Investments in property that are not intended to be occupied substantially for use by, or in the operations of the company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

The company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Property, plant and equipment held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale transactions rather than through continuing use.This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Leasehold improvements over the period of lease

Leasehold Land:

Lease premium paid on leasehold land is amortised over the life of the lease. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

i) Intangible assets consisting of computer software, SAP licence cost and Tally ERP cost are amortised over a period of 5 years on straight line basis (SLM) from the date of acquisition.

ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition,intangible assets with definite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. Research costs are expensed as an when incurred. -Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset."

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Foreign Currency Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets

h) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place eitherin the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantageous market must be accessible by the Company.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricingthe asset or liability, assuming that market participants act in their economic best interest.A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities"

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition."

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term."

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease."

j) Inventories

(i) Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi-finished products and finished products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

(iii) By-products are valued at estimated net realizable value.

(iv) Trading goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale."

k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified,an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators."

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event,it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profitand loss net of any reimbursement.If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects,when appropriate, 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. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss."

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

"b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method."

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has designated certain debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument,excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

the rights to receive Cash flows from the asset have expired, or

the company has transferred its rights to receive Cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay."

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits,trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
e) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables andOther receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial Instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral Held or Other credit enhancements that are integral to the contractual terms. financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount."

n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts,financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis,to realise the assets and settle the liabilities simultaneously.

o) Derivative financial instruments

Initial recognition and subsequent measurement,The Company uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits,as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r) Taxes

Current income tax

"Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.Deferred tax liabilities are recognised for all taxable temporary differences, except:When the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in the temporary differences will not reverse in the foreseeable future Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it hasbecome probable that future taxable profits will allow the deferred tax asset to be recovered.Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

s) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Export Benefits:

"Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'."

u) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Contingent Liability and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise.When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.Contingent liabilities and contingent assets are reviewed at each balance sheet date.

w) Share-Based Payments:

Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102, Share-Based Payment. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

x) Errors and Omissions of earlier period:

Errors and omissions in individual items of Income and Expenditure relating to earlier periods, exceeding `1 Lakh is accounted in the respective period, if possible, or adjusted against opening retained earnings.

xi).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 or any of its subsidiaries, associates and joint ventures which are companies incorporated in India 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 persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, associates and joint ventures ("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 or any of its subsidiaries, associates and joint ventures which are companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, associates and joint ventures 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.

Recent Accounting Pronouncements

The Ministry of Corporate Affairs through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified the following new and amendments to Ind AS which the company has applied as they are effective for annual period that begins on or after April 1, 2020

Ind AS 103: Business Combination

Definition of term "business" has been substituted with "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Accordingly, providing goods or services to customers has been added. This amendment is necessary because every business involves providing goods or services to the customers. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 107 and Ind AS 109: Financial Instrument

Hedge accounting is a method of accounting where entries to adjust the fair value of a security and its opposing hedge are treated as one. Hedge accounting attempts to reduce the volatility created by the repeated adjustment to a financial instrument's value, known as fair value accounting or mark to market. This reduction in volatility is done by combining the instrument and the hedge as one entry, which offsets the opposing movements. For hedging relationships to which an entity applies an entity shall disclose

(a) the significant interest rate benchmarks to which the entity's hedging relationships are exposed

(b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform

(c) how the entity is managing the process to transition to alternative benchmark rates

(d) a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and

(e) the nominal amount of the hedging instruments in those hedging relationships.

Following temporary exceptions have also being provided from applying specific hedge accounting requirements

a) For assessing highly probable requirement for cash flow hedges

b) Reclassifying the amount accumulated in the cash flow hedge reserve

c) Assessing the economic relationship between the hedged item and the hedging instrument d) Designating a component of an item as a hedged item. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 116: Leases

Due to the COVID- 19, and thereafter the lockdown in India, many businesses have been shut or partially opened resulting into adverse impact on Revenue & Cash flow. Accordingly, the lease payment has been affected and the businesses are demanding the rent concession from their vendors. If the below mentioned conditions are fulfilled, then entity treat the Rent concession without lease modification. (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (b) any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and (c) there is no substantive change to other terms and conditions of the lease. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 1 and 8: Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors

A new definition of material has been introduced by this amendment, this is more refined and also most expected by the industry, some of the examples of circumstances have also been provided for more clarity.

Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured: –

a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear

b) information regarding a material item, transaction or other event is scattered throughout the financial statements

c) dissimilar items, transactions or other events are inappropriately aggregated;

d) similar items, transactions or other events are inappropriately disaggregated; and

e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity`s general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity ‘s own circumstances.

The primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyses the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

The Company has duly considered the changes in definition of ‘materiality’ for presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors.

Ind AS 10 Events after the Reporting Period

A paragraph 21 of the Ind AS 10 have been substituted, in the amendment any non-adjusting events that could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements which provide financial information about a specific reporting entity have been added.

Accordingly, the following disclosure to be provided

a) the nature of the event; and

b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

The company duly considered the aforesaid amendment for the preparation, disclosure and presentation of financial statements.

Ind AS 34 Interim Financial Reporting

Consequential amendment and accounting of restructuring plan.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

A management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period

a) started to implement the restructuring plan; or

b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring.

This amendment is not applicable to the company.

New Standards or Other Amendments Issued but not yet Effective:

Recent Indian Accounting Standards (Ind AS)

The Central Government, in consultation with the National Financial Reporting Authority has notified the Companies (Indian Accounting Standards) Amendment Rules,2021 to further amend the Companies (Indian Accounting Standards) Rules, 2015. In this amendment, the following new and amendments brought into Indian Accounting Standards, which the Group has duly applied, wherever applicable during the year:

Ind AS – 103: Business Combination

The first amendment relates to recognition condition of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire. To qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Frame work for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect any impact from this amendment.

Ind AS – 105: Non-current Assets Held for Sale and Discontinued Operations

The amendment provides for the change in the definition of recoverable amount – recoverable amount means the higher of an asset’s fair value less costs of disposal. The Company does not expect any impact from this amendment.

Ind AS – 107: Financial Instruments – Disclosures

The amendment provides for additional disclosures related to interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The Company does not expect any impact from this amendment.

Ind AS – 109: Financial Instruments

The amendment provides for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform by way of amending the contractual terms specified at the initial recognition of the financial instrument, in a way that was not considered by—or contemplated in—the contractual terms at the initial recognition of the financial instrument, without amending the contractual terms and/or because of the activation of an existing contractual term. The Company does not expect any impact from this amendment.

Ind AS – 114: R**egulatory Deferral Accounts**

This amendment provide for the change in accounting polices in respect of regulatory deferral account balances. An entity shall not change its accounting policies in order to start to recognise regulatory deferral account balances. An entity may only change its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. An entity shall judge relevance and reliability using the criteria in paragraph 10 of Ind AS 8. The Company does not expect any impact from this amendment.

Ind AS – 116: Leases

The amendment provides for the change the basis for determining future lease payments as a result of interest rate benchmark reform. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:(a) the modification is necessary as a direct consequence of interest rate benchmark reform; and(b) the new basis for determining the lease payments is economically equivalent to the previous basis. The Company does not expect any impact from this amendment.

Recent Indian Accounting Standards (Ind AS)

The Central Government, in consultation with the National Financial Reporting Authority has notified the Companies (Indian Accounting Standards) Amendment Rules,2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015. In this amendment, the following new and amendments brought into Indian Accounting Standards, which the Group has not applied as they are effective from April 1, 2022:

Ind AS – 16: Property Plant and Equipment

The amendment provides for directly attributable cost in respect of costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment). Excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect any impact from this amendment.

Ind AS – 37: Provisions, Contingent Liabilities and Contingent Assets

This amendment provides for, in respect of onerous contract, the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both-(a) the incremental costs of fulfilling that contract(b) an allocation of other costs that relate directly to fulfilling contracts. It also provides for, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The Company does not expect any impact from this amendment.

3 - PROPERTY, PLANT AND EQUIPMENT

Sl. No.	Description	GROSS BLOCK					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
		As at 01.04.2021	Additions	Deletions	Adj.	As at 31.03.2022	Up to 01.04.2021	Deletions	Provided during the year	Adj.	Up to 31.03.2022	As on 31.03.2022	As on 31.03.2021
a. Property, Plant and equipment													
1	Land and Land Development	11005.80	1978.45	0.00	0.00	12984.25	0.00	0.00	0.00	0.00	0.00	12984.25	578.25
2	Buildings	1282.52	0.00	0.00	0.00	1282.52	881.32	0.00	18.41	0.00	899.73	382.79	10427.55
3	Plant and Equipment	24923.78	18.59	0.00	0.00	24942.37	22965.77	0.00	78.28	0.00	23044.05	1898.32	401.20
4	Furniture, Fixtures and Equipments	114.77	0.36	0.00	0.00	115.13	102.42	0.00	0.85	0.00	103.27	11.86	1958.01
5	Vehicles	117.98	0.65	0.00	0.00	118.63	107.70	0.00	0.84	0.00	108.54	10.09	12.35
6	Office Equipment	671.13	11.90	0.00	0.00	683.03	614.52	0.00	7.79	0.00	622.31	60.72	10.28
7	Library Books	13.47	0.00	0.00	0.00	13.47	13.43	0.00	0.00	0.00	13.43	0.04	56.61
	Sub-total	38129.45	2009.95	0.00	0.00	40139.40	24685.16	0.00	106.17	0.00	24791.33	15348.07	13444.25
8	Assets held for disposal	110177.37	0.00	0.00	0.00	110177.37	6240.71	0.00	0.00	0.00	6248.03	103929.34	103936.66
	Total	148306.82	2009.95	0.00	0.00	150316.77	30925.87	0.00	106.17	0.00	31039.36	119277.41	117380.91
b.	**Investment property Land**	16.71	0.00	0.00	0.00	16.71	0.00	0.00	0.00	0.00	0.00	16.71	16.71
b1.	**Investment property Building**	136.89	0.00	0.00	0.00	136.89	62.70	0.00	2.16	0.00	64.86	72.03	74.19
	Total	153.60	0.00	0.00	0.00	153.60	62.70	0.00	2.16	0.00	64.86	88.74	90.90
c) Intangible assets - Computer software		663.40	12.75	0.00	0.00	676.15	640.87	0.00	8.02	0.00	648.89	27.26	22.53
	G. Total (a + b + c)	149123.82	2022.70	0.00	0.00	151146.52	31629.44	0.00	116.35	0.00	31753.11	119393.41	117494.34

1. During the year there is no change in the management estimates of the useful life for various class of Property, plant and equipments and Intangible assets.
2. Kochi unit of the Holding Company had given 1.03 acre of land to M/s. Sterling Gas Limited as operating lease under cancellable lease agreement. Investment properties are distinguished from owner occupied property based on area covered under lease agreement and the value of investment has been determined using pro-rata basis.
3. The holding Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which 46594 Sq. ft. consisting of 55 flats has been earmarked as investment property for letting out.
4. In the books of subsidiary company, land included in asset held for disposal is 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 subsidiary 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.

Amounts recognised in profit or loss for investment properties	**31.03.2022**	**31.03.2021**
Rental income including contingent rent	24.07	24.94
Direct operating expenses from property that generated Rental Income	7.20	8.73
Direct operating expenses from property that did not generate rental income	0.00	0.00
Income from investment properties before depreciation	16.87	16.21
Depreciation	2.16	2.17
Income from investment properties	**14.71**	**14.04**
Fair value of investment property (Land)		
Investment property-Sterling Gas Ltd	111.66	94.52
Investment property-Township	**371.35**	**338.29**
Total	**483.01**	**432.81**

Estimation of fair value:

The fair value of investment property has been determined by an external independent property valuer having professional qualification.

NOTE 3 - FIXED ASSETS

d) Non current assets held for sale

Description of the Non-Current Assets	Facts and Circumstances of the sale	Manner of disposal	Timing of disposal	N ET BLOCK	
				As on 31.03.2022	As on 31.03.2021
Land	Closure of Rasayani unit of Holding company & subsidiary company and disposal of assets.	Direct sale of 152 acres of land to BPCL and balance through NBCC.	Within 12 months	102149.66	102149.66
Buildings		E-auction through MSTC	-do-	207.19	207.19
Plant and Equipment		-do-	-do-	1565.46	1565.46
Furniture, Fixtures and Equipments		-do-	-do-	6.35	13.54
Office Equipments-Computers		Handing over to JNPT	-do-	0.67	0.81
				103929.34	103936.66

Note:

(1) The holding company is in the process of implementation of the Govt. Approved restructuring plan vide order dated May 22, 2017, the company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbured land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

(2) The subsidiary company 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 for shutting down the operations of the plant/unit of HFL & closure of the Company.

HOCL

Description of the Non-Current Assets	Facts and Circumstances of the sale	Manner of disposal	Timing of disposal	NET BLOCK	
				As on 31.03.2022	As on 31.03.2021
Land	Closure of Rasayani unit of Holding company and disposal of assets.	Direct sale of 152 acres of land to BPCL and balance through NBCC.	Within 12 months	99094.83	99094.83
Buildings		E-auction through MSTC	-do-	65.15	65.15
Plant and Equipment		-do-	-do-	58.81	58.81
Furniture, Fixtures and Equipments		-do-	-do-	0.94	0.95
Office Equipments-Computers		Handing over to JNPT	-do-	0.00	0.00
			Total	99094.83	99094.83

HFL

Description of the Non-Current Assets	Facts and Circumstances of the sale	Manner of disposal	Timing of disposal	NET BLOCK	
				As on 31.03.2022	As on 31.03.2021
Land			Within 12 months	3054.83	3054.83
Buildings			-do-	142.04	142.04
Plant and Equipment			-do-	1506.65	1506.65
Furniture, Fixtures and Equipments			-do-	5.41	12.59
Office Equipments-Computers			-do-	0.67	0.81
			Total	3054.83	3054.83

Description	As at 31.03.2022	As at 31.03.2021
Financial Assets		
4. Investments		
Investment stated at Cost:		
Investment in Unquoted Equity Shares of Kerala Enviro Infrastucture Ltd.		
(50000 Unquoted Equity Shares @ Rs.10/-)	5.00	5.00
Less :- Provision for impairement in value of investment	0.00	0.00
	5.00	5.00
Total Non-Current Investments	**5.00**	**5.00**
Aggregate amount of quoted investments (Market Value)	0.00	0.00
Aggregate amount of quoted investments (Cost)	0.00	0.00
Aggregate amount of unquoted investments	0.00	0.00
Aggregate amount of provision for impairment		
Total Non-Current Investments	0.00	0.00

5. Other Non-Current Assets

Description	As at 31.03.2022	As at 31.03.2021
i) Deposits with customs, MSEB, KSEB, BSNL, Rent deposit & Registrar HC.	497.37	498.12
Sub-total	497.37	498.12
ii) Other Deposits	0	0
Total	**497.37**	**498.12**

6. Inventories (Valued at lower of cost and net realisable value)

a. Raw materials and components	**1701.86**	**1293.11**
b. Work in progress	1133.84	960.65
c. Finished goods	2265.34	1007.75
d. Store and spares	2932.94	2488.57
Less; Allowances for obsolesence *	**-382.73**	**-402.50**
Total	**7651.25**	**5347.58**

* In the books of holding company, Allowances for stores obsolesence are made at 50% of the Slow moving items above five years and at 100% for obsolate items.

7. Trade Receivables

Financial Assets	As at 31.03.2022	As at 31.03.2021
Current		
Secured	0	0.00
Considered good - Unsecured	864.28	371.61
Credit impaired	1489.46	1474.13
Less: Allowance for doubtul trade receivable	-1489.46	-1474.13
Less: Bills Receivables discounted	**0**	**0.00**
Total trade receivables	**864.28**	**371.61**

i) In the books of holding company, Allowance is made in the accounts for trade receivables which in the opinion of the management are considered credit impaired. The Company is consistently following the practice of creating allowance for those trade receivables which remain outstanding for more than three years or doubtful of recovery.

ii) In the books of subsidiary company balance standing to the debit/credit of parties is subject to confirmation by them and review by the Company.

iii) In the books of Subsidiary company, Debts over due includes towards case filed in High Court of Andhra Pradesh, which is pending amounting to Rs.129.16 Lakhs (Previous year Rs 129.16 lakhs)

The disclosure of movement as required under Indian Accounting Standard 37

Allowance for doubtful Trade receivables		
Provision at the beginning of the year	1474.13	1465.78
Provisions made during the year	16.77	40.80
Released during the year *	1.44	32.45
Provision at the end of the year	**1489.46**	**1474.13**

* During the year the holding company has written off trade receivables to the tune ofRs.1.44 lakh (previous year Rs. 32.44 Lakh) for which allowance has already been created.

Trade Receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date periods					Total
		Less Than 6 Months	6 Months - 1 Year	1- 2 Years	2- 3 Years	More Than 3 years	
Current Year	**2021-22**						
(i) Undisputed Trade receivables-considered good	291.20	431.89	3.11	5.83	0.00	0.00	732.03
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	0.00	0.00	0.00	0.00	3.09	0.00	3.09
(iii) Undisputed Trade Receivables-credit impaired	0.00	0.00	0.00	0.00	0.00	598.64	598.64
(iv) Disputed Trade Receivables-considered good	0.00	0.00	0.00	0.00	0.00	129.16	129.16
(v) Disputed Trade Receivables-which have significant increase in credit risk	0.00	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	0.00	922.67	922.67
Total	**291.20**	**431.89**	**3.11**	**5.83**	**3.09**	**1650.47**	**2385.59**
Less Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	1521.31	1521.31
Net Amount Previous Year	**291.20**	**431.89**	**3.11**	**5.83**	**3.09**	**129.16**	**864.28**
Previous Year	**2020-21**						
(i) Undisputed Trade receivables-considered good	58.60	133.60	6.81	4.78	0.00	0.00	203.79
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	0.00	0.00	0.00	0.00	37.03	0.00	37.03
(iii)Undisputed Trade Receivables-credit impaired	0.00	0.00	0.00	0.00	0.00	583.10	583.10
(v) Disputed Trade Receivables-considered good	0.00	1.53	0.00	0.00	0.00	129.26	130.79
(v) Disputed Trade Receivables-which have significant increase in credit risk.	0.00	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	0.00	1184.50	1184.50
Total	**58.60**	**135.13**	**6.81**	**4.78**	**37.03**	**1896.86**	**2139.21**
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	1767.60	1767.60
Net Amount	**58.60**	**135.13**	**6.81**	**4.78**	**37.03**	**129.26**	**371.61**

8a. Cash and cash equivalents		
Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	233.15	107.39
Saving Account *	310.19	171
Deposits with original maturity of less than three months	1624.5	3025.28
Cash on Hand	1.48	0.92
Total	**2169.32**	**3304.59**

* Balance in Saving account of the Holding company is earmarked for the rental dues of Harchandrai House as per the direction of Small Causes Court, Mumbai.

Description	As at 31.03.2022	As at 31.03.2021
8b. Other Bank Balance		Rs. in Lakh
Fixed Deposit against LC/BG	5595.43	5029.59
Fixed deposit for maturity of more than three months but less than 12 month	5980.62	6506.29
Total	**11576.05**	**11535.88**

9. Loans (Current asset)		
(A) Loans to employees		
a. Unsecured, Considered good	21.01	30.88
	21.01	30.88
(B) Advance to Suppliers		
Doubtful	65.00	65.00
Less: Allowance for doubtul doubtful advance	65.00	65.00
	0.00	0.00
Total loans	**21.01**	**30.88**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company.

10. Interest and other receivables		
(A) Interest receivable		
a. Unsecured, Considered good		
Accrued Interest on Deposits	395.52	502.74
Accrued interest on Advance	106.08	106.08
Less: Provision for Doubtful Receipt	106.08	106.08
	0.00	**0.00**
Accrued Income from Township	5.53	5.53
Less : Allowances	5.53	5.53
	0.00	**0.00**
Total	0.00	0.00
B) Miscellaneous advance recoverable		
a. Unsecured, Considered good		
b. Doubtful	**0.00**	**0.00**
Less: Allowance for doubtful other financial assets	0.00	0.00
	0.00	0.00
Total	**395.52**	**502.74**

Subsidiary Company Hindustan Fluorocarbons Ltd has created mortgage in favour of the Holding Company on 84.31 acre of land at Rudraram Vill, Medak Dist., Telengana state towards zero coupon loan of Rs.2744.07 lakhs, interest bearing loan of Rs.453.01 lakhs and interest accrued thereon amounting to Rs.1017.79 lakhs are outstanding.

The Subsidiary company has outstanding Govt. 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 lakh 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 lakh shown in Note-17a under the head 'current borowings'. The company had received Letter No. P.51015/06/2019-CH III(Vol.II) dated 29.01.2020 on closure of the subsidiary company in which interest on Rs. 1580 Lakhs will be freezed up to 31.03.2019. Hence interest has not been charged for the year 2021-22.

Description	As at 31.03.2022	As at 31.03.2021
11. Deposits, advances and other receivables Rs. in Lakh		
(i) Deposits with the Collectorate of Central Excise and Customs	7.37	7.53
Less : Allowances	2.90	2.90
Sub-total	4.47	4.63
(ii) Statutory receivables - Duties & Taxes	877.51	1477.10
Less :- Allowances	4.29	4.29
Sub-total	873.22	1472.81
(iii) Advances to suppliers		
- Considered good	277.26	217.12
Less: Allowances for doubtful	4.31	1.44
Sub-total	272.95	215.68
(iv) Deposits - Gratuity, EMD , Rent etc.	3554.32	3002.68
(v) Prepaid Expenses	171.95	205.03
(vi) Other Advances Recoverable	34.20	27.61
(vii) Accrued income on Employee Advances	8.15	24.88
(viii) Recoverable form Employees	60.41	60.41
Sub-total	274.71	317.93
Less:Allowances	60.41	60.41
	214.30	257.52
Total	4919.26	4953.32

In the books of holding company gratuity deposit of Rs.1490.61 (previous year Rs.625.98 lakh) Lakh in LIC/ICICI Bank towards Employees Group Gratuity Fund Trust created against Gratuity liability.

12. Share Capital

Description	As at 31.03.2022		As at 31.03.2021	
	Nos.	Rs.	Nos.	Rs.
Authorised Share Capital				
Equity Shares of Rs. 10 each				
Opening Balance	100000000	10000.00	100000000	10000.00
Increase/(decrease) during the year	0	0.00	0	0.00
Closing balance	100000000	10000.00	100000000	10000.00
Preference Shares of Rs. 10 each				
Opening Balance	270000000	27000.00	270000000	27000.00
Increase/(decrease) during the year	-	0.00	-	0.00
Closing balance	270000000	27000.00	270000000	27000.00
Total authorised capital	370000000	37000.00	370000000	37000.00
Issued equity capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening balance	67173100	6717.31	67173100	6717.31
Add: Paid-up amount on shares forfeited	0	9.65	0	9.65
Increase/(decrease) during the year	0	0.00	0	0
Total - Equity share capital	67173100	6726.96	67173100	6726.96

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company and Shareholding of Promoters

Name of the shareholder	As at 1.03.2022		As at 31.03.2021		% change during the year
	No. of shares	% Holding	No. of shares	% Holding	
Equity shares of INR 10 each fully paid: The Government of India (Promoter)	39,481,500	58.78%	39,481,500	58.78%	Nil
During the year 2010-11, the Company forfeited 193000 shares of Rs.10 each (Rs.5 paid up) for non payment of allotment and call monies and the amount paid towards application money in respect of these forfeited shares has been transferred to "Share's Forfeiture Account".					

Promoters Shareholding at the end of the Year (Subsidiary Company)

Name of the shareholder	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of shares	% Holding	No. of shares	% Holding	
Hindustan Organic Chemicals Ltd	11,060,000	58.78%	39,481,500	58.78%	Nil
Andhra Pradesh Industrial Development Corporation	870,000	4.44%	870,000	4.44%	Nil
Equity shares of INR 10 each fully paid		60.87%		60.87%	

13. Other equity

Description	As at 31.03.2022	As at 31.03.2021
a) Securities Premium Reserve		
Opening balance	4,838.57	4,838.57
Increase/(decrease) during the year	-	-
Closing balance	4,838.57	4,838.57
b) Retained Earnings		
Opening balance	**(103,480.99)**	**(103,744.00)**
Changes in accounting policy or prior period errors	59.77	9.85
Restated balance at the beginning of the period	(103,421.22)	(103,734.15)
Add: Profit for the year	(4,777.65)	253.89
Add: Fair value of land sold	-	59.04
Closing balance	**(108,198.87)**	**(103,421.22)**
c) Other comprehensive income		
i) Revaluation of Property, plant & Equipments		
Opening balance	95,296.80	94,143.82
Add: Revaluation during the year	1,978.42	1,631.02
Less : Cost of sale of revalued assets	-	-
Less: Reserve transferred to Retained Earning	-	(59.04)
Add : Reversal of Deferred Tax liability on account of sale	-	12.00
Add/Less : Deferred Tax liability on account of revaluation during the year	(576.00)	(431.00)
Closing balance	96,699.22	95,296.80
ii) Changes in Employees defined benefits plan		
Opening balance	(287.63)	(228.89)
Add/Less: Revaluation during the year	(2.35)	(58.74)
Less:Re-measurement of defined benefit plan	40.99	-
Less: Deferred Tax liability on account of revaluation during the year	-	-
	(248.99)	(287.63)
iii) Equity Instrument through Other Comprehensive Income		
Opening balance	-	-
Add:	-	-
Less: Remeasurement of defined benefit plan	-	-
Closing balance	-	-
Grand Total	96,450.23	95,009.17
Total Other Equity	(6,910.07)	(3,573.48)

Securities Premium Reserve - Where the Holding Company issued shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

14. Borrowings (Non-Current Liability)

Description	As at 31.03.2022	As at 31.03.2021
Loans from Government of India	0.00	7695.09
Total	0.00	7695.09

15. Provisions (Long term liability) Rs. in Lakh

Description	As at 31.03.2022	As at 31.03.2021
Opening		
For Employee's Benefits - Leave encashment	1104.09	1039.16
For Employee's Benefits -Gratuity	2200.93	2183.22
Diff. in Fixed Assets	20.52	3.73
Provision for rent	9.15	5.11
Sub-total	3334.69	3231.22
Arising during the year		
For Employee's Benefits - Leave encashment	0.00	64.93
For Employee's Benefits -Gratuity	0.00	17.71
Diff. in Fixed Assets	2.61	16.79
Provision for rent	173.83	4.04
Sub-total	176.44	103.47
Utilised		
For Employee's Benefits - Leave encashment	200.68	0.00
For Employee's Benefits -Gratuity	329.89	0.00
Diff. in Fixed Assets	0.00	0.00
Provision for rent	0.00	0.00
Sub-total	530.57	0.00
Closing		
For Employee's Benefits - Leave encashment	903.42	1104.09
For Employee's Benefits -Gratuity	1871.04	2200.93
Diff. in Fixed Assets	23.13	20.52
Provision for rent	182.98	9.15
Total	2980.57	3334.69

16. Deferred Tax liabilities

Description	As at 31.03.2022	As at 31.03.2021
Fair Value of Land	16417.52	15841.52
Fair Value of Investment	**(15.00)**	**0.00**
Net Deferred tax liability [Note No.41]	**16402.52**	**15841.52**

The deferred tax asset has not been recognised as there is no vertual certainity about the future adequate taxable profitability of the company. Also refer Note No.41.

17. Dues to preference share holder

Description	As at 31.03.2022	As at 31.03.2021
Opening Balance	**27000.00**	**27000.00**
Increase/(decrease) during the year	**0.00**	**0.00**
Closing balance	**27000.00**	**27000.00**

Note

1. The preference shareholders have no voting rights.

2. The Government of India had released earlier in the year 2006-07 Rs.27000 lakhs (for financial restructuring Rs. 25000 lakhs and Caustic Soda Plant recommissioning Rs. 2000 lakhs) against allotment of 8% Non-Cumulative Redeemable Preference Shares, thereby broadening the capital base as per the revival scheme of the holding company. The 8% Preference Shares were allotted to Government of India by the Board on 28th January, 2008, redeemable @ 20% commencing from 4th year with last redemption in the 8th year (ie.2015-16). At the request of the Company, Government of India had extended the commencement of redemption from financial year 2011-12 to financial year 2015-16 @ 25% each year, subject to payment of interest @ 1.5 % pa, on the total amount of Rs.27000 lakhs and an amount of Rs.405 lakhs has been provided in the books of accounts during the year. Further interest @1% is payable for default in repayment and accordingly interest amount of Rs.270 lakhs has been provided during the year.

17a. current Borrowings

Description	As at 31.03.2022	As at 31.03.2021
Loans repayable On Demand		
Interest free loan from Govt. of India *	**7587.00**	**7370.00**
Govt of India Plan Loan	**1580.00**	**1580.00**
Total current Borrowings	9167.00	8950.00
Aggregate Secured loans	0.00	0.00
Aggregate Unsecured loans	9167.00	8950.00

Note:

* GOI has disbursed loan of Rs. 7370 lakh on 22.05.2020 and Rs.217 lakh on 15.03.2022 as interest free loan to the subsidiary company for settling the dues of employees, creditors and closure of loans as per decision of CCEA

18. Trade payables

Description	As at 31.03.2022	As at 31.03.2021
Current - Trade Payable		
i) Outstanding dues of micro and small enterprises	55.50	25.62
ii) Outstanding dues of other than micro and small enterprises	4144.71	1679.30
Total	4200.21	1704.92
Amount due to Micro, Small and Medium enterprises:		
Particulars		
a) i) Principal amount remaining unpaid as at the end of each accounting year	55.50	25.62
ii) Interest due thereon	-	-
iii) Interest due and payable for the period of delay in payment	-	-
iv) Interest accrued and remaining unpaid	-	-
v) Interest due and payable even in suceeding years	-	-
v) Interest due and payable even in suceeding years	0.00	0.00

b) Dues to Micro, Small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. All the dues to them are paid within due date and there is no overdue amount as on the closing date.

Trade payable ageing schedule

Particulars	Not due	Outstanding for following periods from due date periods				Total
		Less than 1 year	1 -2 years	2 -3 years	More Than 3 years	
Current Year	**2021-22**					
i) MSME	55.50	0.00	0.00	0.00	0.00	55.50
ii) Others	3996.68	4.74	2.40	26.55	109.34	4139.71
iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00	0.00
iv) Disputed dues : Others	0.00	0.00	0.00	0.00	5.00	5.00
	4052.18	4.74	2.40	26.55	114.34	4200.21
Previous year	**2020 -21**					
i) MSME	21.03	0.28	0.01	0.47	2.72	24.51
ii) Others	1503.57	11.74	39.48	1.54	119.08	1675.41
iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00	0.00
iv) Disputed dues : Others	0.00	0.00	0.00	0.00	5.00	5.00
	1524.60	12.02	39.49	2.01	126.80	1704.92

19. Other Current financial liabilities

Rs. in Lakh

Description	As at 31.03.2022	As at 31.03.2021
Current maturities of Long term debt:		
Current maturities of Govt loan	7695.09	8187.29
Interest accrued and due on borrowings	787.54	787.54
Other payables	49.05	49.07
	8531.68	9023.90
Total Borrowings	**8531.68**	**16718.99**
Less: Amount clubbed under "other current financial liabilities	8531.68	9023.90
Other payables		
Non-current Borrowings (Net)	0.00	7695.09
Aggregate Secured loans	0.00	0.00
Aggregate Unsecured loans	**8531.68**	**16718.99**

Note:

i) There is a continuing default in repayment of loan from Government of India since the year 2009-10 and the overdue amount towards principal is Rs.37561.37 Lakh (previous year Rs.30778.08 Lakh) and for interest accrued is Rs.32168.06 Lakh (previous year Rs.26972.25 Lakh), these amounts are shown under 'Other Current Liabilities'. Rs.7695.09 Lakh (previous year Rs.8187.29 Lakh) maturing in next 12 months is shown under Other Current financial Liabilities as 'current maturity of long-term borrowings'. The Company has during the year repaid loan overdue Principal amounts of Rs.1404.00 Lakh (previous year Rs.1556.00 Lakh).

19 a. Details of loan from Govt. of India as on 31.03.22

Sl. No.	Govt. Sanction No.	Purpose	Date of Sanction Date	Date of drawal	Rate of Interest	No. of installments	Loan Amt. as on 31.03.2022	Instalments due upto 31.03.2022	Total Interest upto 31.03.2022	Interest overdue upto 31.03.2022	Current maturity of loan
								Note No.24 (i)		Note No.24 (v)	Note No.21
1	51/11/2009-Ch.III	For various projects in Kochi unit.	01.12.2009	15.12.2009	11.50%	5	660.00	660.00	933.05	910.80	
2	51/11/2009-Ch.III	-do-	20.01.2010	22/01/2010	11.50%	5	843.00	843.00	1181.67	1163.34	
3	P.51012/01/2012-32	For various projects	12.09.2012	18/09/2012	11.50%	5	1760.00	1760.00	1929.73	1821.60	
4	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	07.09.2015	10/09/2015	11.50%	5	1057.00	1057.00	796.93	729.33	
5	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX & XXI with GoI guarantee.	22.09.2016	27/09/2016	11.00%	5	2461.00	2461.00	1491.50	1353.55	0.00
6	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	02.08.2017	07/08/2017	11.00%	5	1057.00	845.60	540.58	465.08	211.40
7	P.51012/4/2013-32-Ch.III	For repayment of principal HOCL Bonds series XX with GoI guarantee.	11.08.2017	14/08/2017	11.00%	5	10000.00	8000.00	5093.15	4400.00	2000.00
8	P.51012/4/2013-32-Ch.III	For repayment of principal and interest on HOCL Bonds series XXI with GoI guarantee.	12.09.2017	19/09/2017	11.00%	5	16392.46	13113.97	8171.08	7212.68	3278.49
9	P.51012/4/2013-32-Ch.III	For payment of statutory dues related to employees and other.	28.09.2017	29/09/2017	11.00%	5	11026.00	8820.80	5462.85	4851.45	2205.20
	Interest outstanding on secured loan from Govt. of India (Secured by Fixed assets). The principal of loan have been fully paid.								3329.41	3329.41	
	Interest outstanding on unsecured loan from Govt. of India. The principal of loan have been fully paid.								5930.82	5930.82	
	Total						45256.46	37561.37	34860.77	32168.06	7695.09

Note: The loan amount of Rs.45256.46 lakhs are unsecured loans (Previous year total loan amount was Rs.46660.46 Lakhs)

II. Subsidiary Company

1 GOI has disbursed loan of Rs.7370 Lakhs on 22-May-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.

2 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-17a. Company had received letter no.P.51015/06/2019-Ch.III(Vol.II) dated 29.01.2020 on closure of HFL in which interest on Rs.15.80 crore will be freezed upto 31.03.2019. Hence interest has not been charged for the year 2021-22.

20. Short Term Provisions

Description	As at 31.03.2022	As at 31.03.2021
Opening		
i) for Employee Benefits (Leave encash.)	316.15	370.65
ii) for Employee Benefits (Gratuity)	77.31	79.14
iii) for Employee remuneration	20.81	20.81
iv) for Statutory Claims	6.08	60.10
v) for Interest to others-PS	4860.00	4185.00
vi) for Penal Interest	850.00	1032.06
Sub-total	**6130.35**	**5747.76**
Arising during the year		
i) for Employee Benefits (Leave encash.)	77.39	201.92
ii) for Employee Benefits (Gratuity)	41.19	77.31
iii) for Employee remuneration	0.00	0.00
iv) for Statutory Claims	14.60	0.00
v) for Interest to others-PS	675.00	675.00
vi) for Penal Interest	0.00	0.00
Sub-total	**808.18**	**954.23**
Utilised		
i) for Employee Benefits (Leave encash.)	79.09	256.43
ii) for Employee Benefits (Gratuity)	52.66	79.14
iii) for Employee remuneration	0.00	0.00
iv) for Statutory Claims	6.08	54.02
v) for Interest to others-PS	0.00	0.00
vi) for Penal Interest	0.00	182.06
Sub-total	**137.83**	**571.64**
Closing		
i) for Employee Benefits (Leave encash.)	314.45	316.15
ii) for Employee Benefits (Gratuity)	65.83	77.31
iii) for Employee remuneration	20.81	20.81
iv) for Statutory Claims	14.60	6.08
v) for Interest to others-PS	5535.00	4860.00
vi) for Penal Interest	850.00	850.00
Total	**6800.69**	**6130.35**

21. Other current liabilities

Description	Year ended 31.03.2022	Year ended 31.03.2021
i) Loan overdue- Loan from Government of India	37561.37	30778.08
ii) Advances from customers	412.81	415.11
iii) Deposits from Vendors / Customers	209.09	199.36
iv) Interest accrued but not due (on GoI Loan)	2692.72	2790.87
v) Interest accrued and due (on GoI Loan)	32168.06	26972.18
vi) Statutory Liabilities	232.92	544.19
vii) Employee related liabilities	130.79	125.54
viii) Payroll Recoveries Payable	20.59	37.25
ix) Other Liabilities	1630.54	1647.81
Others - total	**75058.89**	**63510.39**

22. Revenue from operations - Sale of products (Manufactured)

Description	Year ended 31.03.2022	Year ended 31.03.2021
Revenue disaggregation by class of products		
Phenol	29931.04	21037.77
Acetone	9341.88	17577.08
Hydrogen Peroxide	2542.01	822.53
H. E. of Cumene	867.79	1150.69
Cumox Oil	684.67	569.73
Sale value of Products : Total	**43367.39**	**41157.80**

23. Other income

Description	Year ended 31.03.2022	Year ended 31.03.2021
Direct income		
Sale of Scrap	2.85	36.88
Sub-total	2.85	36.88
Interest income on		
On Call and Term Deposits (Gross)	789.01	817.73
On Advances and Deposits with MIDC,MSEB and others	112.51	21.39
Delayed payment & Finance charges from Trade Receivables	0.78	41.66
Sub-total	**902.30**	**880.78**
Other non-operating income		
Estate Rent	78.58	53.16
Transport, Water, Electricity,etc. recoveries	7.46	2.83
Sale of Tender Forms	0.00	0.11
Exchange rate Diff - Gain	0.00	0.00
Miscellaneous Income	225.79	221.62
Excess provision written back	2143.56	936.23
Profit on Sale of Assets	0.00	15.96
Sub-total	2455.39	1229.91
Total	3360.54	2147.57
Reversal of Excess Provision w/ back include the following:		
1. Excess provision written back-GAIL LNG		790.96
2. Reversal of excess provision for DPC of EPS (Rasayani)		91.02
3. Reversal of excess provision for doubtful debts	1.43	1.11
4. Provision no longer required in various cases		53.14
5. Excess Provision written back HFL	2122.35	
6. Excess Provision written back-Stores & Spares	19.78	
Total	**2143.56**	**936.23**

In the books of holding company

1. Miscellaneous income relating to 2020-21 Rs.33.72 lakhs has been incorrectly accounted due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8 .

   (a) Nature of the prior perid error : Miscellaneous Income

   (b) Amount of correction : Rs.33.72 lakhs

   ‘(c) Financial line item affected: Note No.23 (Miscellaneous Income)

2. Miscellaneous income relating to 2019.20 Rs.5.04 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2021.

   (a) Nature of the prior perid error : Miscellaneous Income

   (b) Amount of correction : Rs.5.04 lakhs

   ‘(c) Financial line item affected: Note No.23 (Miscellaneous Income)

24. Cost of raw material and components consumed

Description	Year ended 31.03.2022	Year ended 31.03.2021
Inventory at the beginning of the year	1293.11	582.73
Add: Purchases	28298.17	20986.06
Less: inventory at the end of the year	1702.82	1293.11
Cost of raw material and components consumed	27,888.46	20,275.68

25. Changes in Inventories of Finished Goods and WIP

(Increase)/decrease in inventory

Inventories at the beginning of the year

Description	Year ended 31.03.2022	Year ended 31.03.2021
(i) Stock-in-Process	960.65	913.28
(ii) Stock for Captive consumption	87.91	138.14
(iii) Main Products	900.63	964.63
(iv) By Products	19.21	97.13
	1968.40	2113.18
Inventories at the end of the year		
(i) Stock-in-Process	1133.84	960.65
(ii) Stock for Captive consumption	571.60	87.91
(iii) Main Products	1659.54	900.63
(iv) By Products	34.20	19.21
	3399.18	1968.40
Changes in Inventories of finished goods and work in progress	-1430.78	144.78

26. Employee benefits expense

Description	**Year ended 31.03.2022**	**Year ended 31.03.2021**
a) Salaries and wages	3488.50	3732.48
b) Company's Contribution to Provident Fund	349.29	371.26
c) Gratuity	167.67	201.43
e) Provision for Leave Encashment	279.77	266.09
f) Staff welfare expenses	5.51	16.94
Medical amenities	121.03	86.48
Canteen and Nutrition amenities	262.63	258.94
Other welfare expenses	33.13	49.72
g) Termination benefits	6.43	1805.07
	4713.96	6788.41
Voluntary retirement benefits (VRS & VSS)	45.51	0.00
Total	**4759.47**	**6788.41**

27. Finance costs

Description	Year ended 31.03.2022	Year ended 31.03.2021
Interest:		
On Fixed Loans (Govt. Loan)	5097.70	5308.54
On Other Loans	9.02	0.00
Interest - Others	10.12	40.36
	5116.84	5348.90
Other Borrowing Cost-Bank charges	26.34	12.96
Total finance costs	**5143.18**	**5361.86**

28. Depreciation and amortization expense

Description	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Depreciation of tangible assets	108.34	115.56
Amortization of intangible assets	8.03	174.67
Total	116.37	290.23

29. Other expenses

Description	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Consumption of Stores and Spares		
i) Catalyst and Chemicals	340.70	367.49
ii) Consumable stores	359.66	275.02
iii) Packing materials	484.16	360.34
	1184.52	1002.85
Utilities		
Power	1692.82	1869.53
Fuel	5989.18	5162.90
Water	219.29	214.52
	7901.29	7246.95
Repairs & Maintenance:		
Building	140.78	109.19
Plant and Machinery	383.89	196.18
Other Assets	134.69	163.41
	659.36	468.78
Administration Expenses:		
Rent	78.14	23.75
Insurance	219.46	281.62
Rates and taxes	467.64	383.56
Consultancy / Professional charges	104.06	72.00
Payment to Auditors: As Auditors		
For Statutory audit	6.45	7.25
For Other audits	1.60	1.40
For Reimb. of Expenses	0.76	0.85
Other expenses:		
Power for Township	16.80	16.87
Water for Township	21.87	18.26
Security Expenses	289.30	257.25
Advertisement Expenses	6.38	5.21
Hire of Vehicles Expenses	24.48	23.82
Loss on Sale of Assets/Disposal	0.00	4.09
Miscellaneous Expenses	309.53	257.16
Corporate Social Responsibility	0.00	0.00
	1546.47	1353.09
Selling and distribution expenses:		
Cash Discount	753.18	786.44
Other selling expenes	0.00	0.06
	753.18	786.50
Provisions:		
Provision for Doubtful Debts	16.77	40.80
Provision for statutory claims	0.00	44.04
Provision for Penal interest	675.00	675.00
Provision for Unidentified assets	2.61	16.79
Provision for Doubtful receipts	180.70	4.78
Legal liability provision	269.00	0.00
	875.08	781.41
Total	12919.90	11639.58

Notes:

In the books of holding company

1. An amount of Rs.22.64 lakhs excess provided towards Rates & Taxes during the year 2020-21 due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8

   (a) Nature of the prior perid error : Rates & Taxes

   (b) Amount of correction : Rs.22.64 lakhs

   (c) Financial line item affected: Note No.29 (Rates & Taxes)

2. An amount of Rs.21.14 lakhs excess provided towards Rates & Taxes during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained rearnings as per Ind As 8

   (a) Nature of the prior perid error : Rates & Taxes

   (b) Amount of correction : Rs.21.14 lakhs

   (c) Financial line item affected: Note No.29 (Rates & Taxes)

3. An amount of Rs.0.06 lakhs excess provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8.

   (a) Nature of the prior perid error : Hire charges

   (b) Amount of correction : Rs.0.06 lakhs

   (c) Financial line item affected: Note No.29 (Hire charges)

4. An amount of Rs.6.44 lakhs short provided towards Miscellaneous Expense during the year 2020-21 due to error as such the comparative amount for the year 2020-21 is restated as per Ind As 8.

   (a) Nature of the prior perid error : Miscellaneous Expense

   (b) Amount of correction : Rs.6.44 lakhs

   (c) Financial line item affected: Note No.29 (Miscellaneous Expense)

5. An amount of Rs.3.73 lakhs short provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8.

   (a) Nature of the prior perid error : Miscellaneous Expense

   (b) Amount of correction : Rs.3.73 lakhs

   (c) Financial line item affected: Note No.29 (Miscellaneous Expense)

30 EMPLOYEES BENEFIT PLAN:

A Provision for leave encashment

The Holding Company has made a provision of Rs.1217.87 Lakh (previous year Rs.1420.24 lakh) for leave encashment as on 31st March, 2022, as per the Ind AS-19 based on Actuarial Valuation and the unpaid amount of leave encashment claims submitted by the employees.

B. Provident fund

Holding Comapny: Employees receive benefits from the provident fund managed by the Company upto 30th June 2018. From 1st July 2018 onwards the Company has transferred the Provident fund accounts of all employees to Employees Provident Fund Organisation (EPFO) and managed by EPFO. The employee and employer each make monthly contributions to the Provident Fund/Pension Fund plan equal to 12% of the employees' salary/wages.

Subsidiary Company: 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.

C. Gratuity

Gratuity plan is governed by the Payment of Gratuity Act, 1972 and employee who has completed five years of service is entitled to gratuity and the level of benefits provided depended on the member's length of service and salary at retirement age. The Employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Trust through an Annuity Scheme maintained with Life Insurance Corporation of India (LIC). The balance fund available with LIC is Rs.1490.18 lakh (Previous year Rs.625.73 lakh) and depoist with ICICI Bank Rs.0.43 lakh (Previous year Rs. 0.25 lakh).

In the case of subsidiary company the balance of fund available is Rs.4.73 lakh (previous year 4.73 lakh)

All dues on account of gratuity of Rasayani unit and Kochi unit employees relieved upto 31.03.2022 have been paid and there are no further dues.

Details of Actuarial Valuation of Gratuity Details:

1. Funded Status of the plan		Rs. in Lakh
Particulars	As at 31.03.2022	As at 31.03.2021
Present value of unfunded obligations	0.00	0.00
Present value of funded obligations	2079.41	2423.48
Fair value of plan assets	(1495.48)	(630.71)
Net Liability (Asset)	583.93	1792.77

2a. Profit and loss account for current period		**Rs. In Lakh**
Current Service Cost	79.88	83.45
Past Service cost and loss/gain on curtailments and settlement	0.00	0.00
Net Interest cost	98.95	152.28
Total included in 'Employee Benefit Expense' (P&L)	178.83	235.73

2b. Other Comprehensive Income for the current period		**Rs. In Lakh**
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(77.19)	68.22
Due to change in demographic assumption	0	0.00
Due to experience adjustments	57.58	24.8
Return on plan assets excluding amounts included in interest income	(17.19)	(12.94)
Amounts recognized in Other Comprehensive Income	-36.80	80.08

3. Reconciliation of defined benefit obligation		**Rs. In Lakh**
Opening Defined Benefit Obligation	2423.48	3228.38
Transfer in/(out) obligation	0	0.00
Current service cost	79.88	82.73
Interest Cost	122.27	152.28
Components of actuarial gain/losses on obligations:	0	0
Due to Change in financial assumptions	(77.18)	68.22
Due to change in demographic assumption	0	0
Due to experience adjustments	57.67	25.14
Past Service Cost	0	0
Loss(gain) on curtailments	0	0
Liabilities Extinguished on settlement	0	0
Liabilities assumed in an amalgamation in the nature of purchase	0	0
Exchange diffeences on foreign plans	0	0
Benefits paid	(508.55)	(245.61)
Closing defined benefit Obligation	2097.57	3311.14

4. Reconciliation of plan Assets		Rs. In Lakh
Opening value of plan assets	630.71	19.74
Transfer in (out) plan assets	0	0
Expenses deducted from the fund	0	0
Inerest Income	23.32	0
Return on plan assets excluding amounts included in interest income	17.2	12.94
Assets distributed on settlements	0	0
Contributions by employer	1298.15	1485.52
Assets acquired in an amalgamation in the nature of	0	0
purchase	0	0
Exchange rate differences on foreign plans	0	0
Benefits paid	(455.89)	(887.49)
Closing value of plan assets	1495.48	630.71
Exchange diffeences on foreign plans	0	0
Benefits paid	(508.55)	(245.61)
Closing defined benefit Obligation	2097.57	3311.14

5. Reconciliation of net defined benefit liability		Rs. In Lakh
	As at 31.03.2022	As at 031.03.2021
Transfer in (out) obligation	0	0
Transfer (in) out plan assets	0	0
Employee benefits Expense as per Annexure 2	167.66	201.43
Amounts recognized in other comprehensive income	(40.99)	31.1
Sub-total	1778.93	2495.58
Benefits paid by the company	(52.66)	(245.62)
Benefits settled (Rasayani Unit)	0	0
Contributions to plan assets	(1280)	(597.7)
Closing provision in the books of accounts	446.27	1652.26
Reconciliation of Assets Ceiling		Rs. In Lakh
Opening Value of Assets Ceilng	0	0
Interest on Opening Value of Assets Ceiling	0	0
Loss/Gain on Assets due to surplus/Deficit	0	0
Closing Value of Plan Assets Ceiling	0	0

6. Composition of the Plan assets		**Rs. In Lakh**
	%	**%**
Government of India Seccurities	0	0
State government seccurites	0	0
High Quality Corporate Bonds	0	0
Equity shares of listed companies	0	0
Property	0	0
Special Deposit Scheme	0	0
Policy of Insurance	100	100
Bank Balance	0	0
Other Investments	0	0
Total	**100**	**100**
	As at 31.03.2022	**As at 031.03.2021**
Opening Value of Assets Ceilng	0	0
Interest on Opening Value of Assets Ceiling	0	0
Loss/Gain on Assets due to surplus/Deficit	0	0
Closing Value of Plan Assets Ceiling	0	0

7. Bifurcation of liability as per schedule III		**Rs. In Lakh**
Current liability	65.83	77.30
Non - Current liability	380.42	1574.96
Net Liability	446.25	1652.26

8.Principle acturial assumptions		**Rs. In Lakh**
Discount Rate	6.40%	5.60%
Salary Growth rate	7.00%	7.00%
Withdrawal rates	3% at Younger ages	3% at Younger ages
	reducing to 1% at	reducing to 1% at
	older ages	older ages
Rate of Return on Plan aaets	5.60%	5.60%

9.Expected Cash Flows based on past service liability		**Rs. In Lakh**
	Cash Flows	**Distribution(%)**
Year 1 Cash Flow	579.48	21.30%
Year 2 Cash Flow	202.80	7.40%
Year 3 Cash Flow	263.39	9.70%
Year 4 Cash Flow	195.97	7.20%
Year 5 Cash Flow	189.48	6.90%
Year 6 to Year 10	634.85	23.30%
Rate of Return on Plan aaets	5.60%	5.60%

The future accrual is not considerd in arriving at the above cash flows

The expected contribution for the next year is Rs 65.83 Lakh.

The Average outstanding term of obligations (years) as at valuation date is 4.56 years

10.Sensitivity to key assumptions		Rs. In Lakh
Particulars	As at 31.03.2022	As at 031.03.2021
Discount Rate Sensitivity		
Increase by 0.5 %	1891.72	2225.37
(% change)	-2.33%	-2.32%
Decrease by 0.5%	1984.37	2333.87
(% change)	2.45%	2.44%
Salary Growth rate Sensitivity		
Increase by 0.5 %	1956.58	2303.18
(% change)	1.02%	1.09%
Decrease by 0.5%	1916.53	2251.7
(% change)	-1.05%	-1.16%
Withdrawal rate(W R)Sensitivity		
W. R x 110%	1939.82	2280.95
(% change)	15.00%	0.12%
W. R x 90%	1933.97	2275.61
(% change)	-15.00%	-0.12%

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if the two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Appendix A: Break-up of defined benefit obligation		**Rs. In Lakh**
Particulars	**As at 31.03.2022**	**As at 031.03.2021**
Vested	1,933.41	2,269.01
Non-vested	3.46	9.23
Total	1,936.87	2,278.24

Appendix B: Age wise distribution of defined benefit obligation		
Age (In years)	**DBO (in Rs. in lakh)**	
	As at 31.03.2022	**As at 031.03.2021**
Less than 25	-	-
26 to 35	13.20	16.61
36 to 45	193.73	208.81
46 to 55	807.53	923.87
56 and above	922.41	1128.95
Accrued gratuity for Left Employees	-	-
Total	1936.87	2278.24

Appendix C: Past service wise distribution of defined benefit obligation		
Age (In years)	**DBO (in Rs. in lakh)**	
	As at 31.03.2022	**As at 031.03.2021**
0 to 4	3.46	3.75
4 to 10	65.08	61.17
10 to 15	162.12	165.53
15 and above	1706.21	2047.79
Accrued gratuity for Left Employees	-	
Total	**1936.87**	**2278.24**

MAJOR RISK TO THE PLAN

A. Acturial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience:

Salary hikes that are higher than the assumed salary escalations will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates:

If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates:

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk :

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/ government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The Summary of the assumptions used in the valuations is given below:

Financial Assumptions		
	As at 31.03.2022	As at 031.03.2021
Discount rate	6.40% p.a	5.60% p.a
Salary Growth rate	7.00% p.a	7.00% p.a
Rate of Return on plan assets	6.40% p.a	5.60% p.a

Demographic Assumptions
Withdrawal rates p.a

Age Band	As at 31.03.2022	As at 031.03.2021
25 and below	3.00%	3.00%
25 to 35	2.50%	2.50%
35 to 45	2.00%	2.00%
45 to 55	1.50%	1.50%
55 and above	1.00%	1.00%

Mortality rates

Sample rates p.a of Indian Assured Lives Mortality (2012-14)

Age Band	As at 31.03.2022	As at 031.03.2021
25 and below	3.00%	3.00%
25 to 35	2.50%	2.50%
35 to 45	2.00%	2.00%
45 to 55	1.50%	1.50%
55 and above	1.00%	1.00%

Method of Valuation

Actuaries has used projected unit credit (PUC) Method to value the Defined benefit obligation.

31 PROPERTY, PLANT AND EQUIPMENT

a) Originally the Holding Company at Rasayani was in possession of land (as per revenue records) admeasuring 1012.355 acres. Out of the said land 251 acres were sold to BPCL and 20 acres were sold to ISRO during the year 2017-18, 38.687 acres were sold to BPCL in the year 2018-19. In the year 2019-20, 85.27 acres of land sold to BPCL and in 2020-21, 0.386 acre was sold to IOCL (Petrol pump area). Out of the said land, 65.840 acres (previous year 66.024 acres) includes 22.717 acres which has been idenitified as encroached, 32.547 acres has been given to MIDC, MSEB, HIL, MES etc, 10.576 acres of public road and hence considered at Nil value. The said encroachment has been determined on the basis of the survey carried out by the company through M/s. The Geo Tek vide their report dated April 24, 2019. The balance 551.172 acres of land has been revalued at the ready recknor rate or the agreed rate of sale to BPCL amounting to Rs. 832.95 crore.

b) As per the communication received from Municipal commissioner Panvel, regarding the actual area of plot No.11 & 12 of survey No.738 on which there is a public road passing through and thereby the total area of Panvel land available for sale has reduced from 8 acre to 7.09 acre. Accordingly the reserve price (fair value) has been reduced to Rs.158 crore. Further HOCL has applied for NOC from govt. of Maharashtra for sale of land which is yet to be received.

c) The holding company is in the process of implementation of the Govt. Approved restructuring plan vide order dated May 22, 2017, the company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbured land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

32 INVESTMENT

a) The Holding Company has an investment of Rs.1106.00 lakh (previous year Rs.1106.00 lakh) in the equity share of subsidiary company M/s. Hindustan Fluorocarbons Ltd. (HFL) which is under BIFR since 1994. The net worth of the Company based on its latest audited balance sheet as at 31st March, 2022 is negative. Market value of the shares (face value Rs.10) as on 31.03.2022 was Rs.9.57 lakh (Previous year Rs.7.54 lakh). Provision has been made in the books towards diminution in the value of these investments amounting to Rs.47.56 (Previous year Rs.272.08 lakh). Government of India has decided to close down M/s.HFL as per CCEA decision on 29.01.2020. An amount of Rs.75.87 crore (Rs.73.70 crore on 26.05.2020 and Rs.2.17 crore on 15.03.2022) has been released by Government of India as interest free loan to meet the VRS expenses and for clearing dues to Bank and suppliers.

b) During the year 2007-08, the Modified Draft Rehabilitation Scheme (MDRS) for revival of subsidiary - Hindustan Flurocarbon Ltd. (HFL) was approved by BIFR for implementation. As part of implementation of MDRS, HOCL had waived interest of Rs.2260.26 lakh accumulated on loan given to HFL and converted the unsecured loan amounting to Rs.2744.07 lakh as Zero Coupon Loan (ZCL), into secured loan by on HFL creating first charge on immovable property (land 84.31 acre valued to the extent of Rs. 2035.25 lakh as per Govt. rate) in favour of HOCL. This loan was payable in 7 equal annual instalments commencing from 2010-11, aggregating to Rs.2744.07 lakh (Previous year Rs.2744.07 lakh) which has become due and payable in full. Further, the Company had given loans to HFL aggregating to Rs. 453.01 lakh (Previous Year Rs. 453.01 lakh) 10.25% to 14.50% which has become payable in full. This loan is also secured by first charge on the HFL immovable property. A provision was made for the shortfall in the security to the extent of Rs.2122.34 lakh including interest (loan Rs.1161.82 lakh and interest Rs.960.52 lakh) as on 31st March, 2021. As per the valuation report by an external registered independent valuer having professional qualification the value of the secured property is Rs.10196.76 lakh as on date. Therefore, the provision of Rs.2122.34 lakh provided in the books is reversed on 31.03.2022.

c) The company has entered into an agreement on 16.10.2006 to lease the school infrastructure facilities to M/s.Mahatma Education Society (MES) for managing the school for a period of 30 years. The management of MES in order to start professional courses has constructed new buildings and facilities in the premises in contravention of the terms of agreement. The company has sent a notice for termination as per the tems of the agreement to M/s.MES. M/s.MES has filed a petition challenging the termination notice in the Dist. Magistrates Court Alibag. MES has filed petition in the Bombay High Court for appointment of Arbitrator in the dispute between HOCL and MES. The District Court has granted stay pending the final disposal of the Arbitration petition of MES. Company has filed a petition to vacate the stay granted by the District Court in the Bombay High Court.

33 EARNING PER SHARE		Rs. In Lakh
Earnings per share has been calculated as follows:	**As at 31.03.2022**	**As at 031.03.2021**
Net Profit/(Loss) after Tax (Rs. in Lakh)	-2937.34	-828.71
Weighted average number of equity shares	67173100	67173100
Nominal Value per equity share (Rs.)	10	10
Basic / Diluted Earning per equity share (Rs.)	-4.37	-1.23

34 SEGMENT REPORTING.

Since the company is manufacturing only Chemicals, there are no separate reportable primary and secondary segments and all the chemicals manufactured by the company are considered to have been representing as single reportable segment. The requirements of Accounting Standard 17 with regard to disclosure of segmental results are therefore considered not applicable to the company.

35 BALANCE CONFIRMATION

Balances of trade receivables, trade payables, loans, advances, other current assets and borrowings are subject to confirmation / reconciliation and subsequent adjustments except in cases where confirmation has been received.

36 .Contingent Liabilities & Commitments		Rs. In Lakh
I) Contingent Liabilities	**As at 31.03.2022**	**As at 031.03.2021**
a) Claims against the Company not Acknowledged as debts:		
i) Income Tax Claims	91.99	492.49
ii) Excise duty / Service tax	104.63	104.63
iii) Gratuity for School teachers	75.31	75.31
iv) Other claims (Legal cases)	286.36	286.36
v) Rental claim Harchandrai House	5949.98	5863.85
vi) JNPT lease rent	2974.52	2974.52
vii) Damages on Delayed payment of PF with interest	94.89	94.89
viii) Penal interest on Govt. Loans	7119.24	5940.71
ix) Interest on interest on Govt. Loan	40113.98	32981.28
Sub-total	56810.90	48814.04
b) Bank Guarantees issued from Banks	116.69	164.57
II) Commitments:		
Estimated amount of Contracts remaining to be executed on capital account and not provided for:	36.27	88.63

a) Claims against the Company not Acknowledged as debts:

i) Income Tax Claims: Rs.91.99 Lakh

There are various appeals for Assessment years are pending before authorities i.e. ITAT, High Court and other forums. The Company is awaiting for hearing, the details are as follows A Y 2002-03 Rs. 70.49 Lakh and AY 2011-12 Rs.21.50 Lakh.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

ii) Excise duty / Service tax

The Holding Company has ongoing disputes with Central excise authorities relating to the period 2006-07, amounting to Rs.104.63 Lakh. Company has filed Appeals at various Tribunals.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

iii) Gratuity for School teachers

Case filed by the teaching staff of HOC Rasayani School for the period upto March 1997, pending before Bombay High Court (Rs.75.31 Lakh).

iv) Other claims (Legal cases): Rs.286.36 Lakh.

a) Case filed by the Holding Company against the award passed by MAC Tribunel, Trichur in relation to Phenol Tanker accident in 1994 (Rs.118 Lakh)

b) ESI corporation has raised a demand for contribution during the period from 01.04.1992 to 31.10.1992 amounting to Rs.2.17 lakh (Holding Company). The matter is pending with ESI Court, Ernakulam, as desired by the ESI Court we had applied for exemption from ESI Act to the Govt. of India, hence no liability is created and a contingent liability to that extend is provided. ESI case of subsidiary company amounting to Rs.13.46 Lakh.

c) The Holding Company had invited open tender for work of construction of “Civil and Structural works for Construction of Plant Building, Technical Service Building, R&D Building, etc of PU System House Project. Company had issued the Work Order to M/s Shetusha Engineers & Constructions Pvt. Ltd. (SECPL). On account of delay and other shortcomings in the completion, company had deducted Liquidated damages. SECPL objected for the said deductions and filed an Arbitration Application before the Hon’ble High Court, Mumbai. Later the M/s SECPL had unconditionally withdrawn the said Arbitration Application from the Court. Further, M/s SECPL had filed Suit before the Hon’ble High Court, Mumbai against the Company for passing the Decree against the Company towards payment of Rs.113.35 Lakh including interest.

d) The Holding Company invoked the peformance gurantee given by M/s Vakharia Construction Company, Mumbai (VCC) to whom civil contracts had been alloted as the contract works were not completed as per the terms of the work order. The matter was referred to arbitration and later went to the High Court. The court ordered the company to deposit Rs.12 lakhs and M/s VCC is allowed to withdraw the amount on submission of bank gurantee. The appeals filed before the Hight Court were dismissed. Now M/s VCC raised demand for bank gurantee commission paid to the bank and interest at the rate of 18% as the money decree passed by the Trial Court in favour of VCC was stayed due to filing civil application by the company. The liability estimated on this is Rs.39.38 lakhs and the matter is pending before court of law and accordingly shown under contigent liabilities.

v) Rental claim Harchandrai House Rs.5949.975 Lakh

The holding company has not vacated the office premises taken on lease from M/s Harchandrai & Sons as per their notice they initiated legal proceedings and stopped to accept the lease rent. The company vacated the office premises during the year 2014. The rent not accepted by the landlord till the vacation of the office premises amounting to Rs.580.80 lakhs has been provided in the accounts. Landlords filed the Mesne Profit Application before Small Causes Court, Mumbai for Mesne profit for the period from 01/06/2000 to till the possession of the said premises. The Mense profit application filed by M/s.Harchandrai & Sons is allowed by the Court of Small Causes, Mumbai on 02.05.2022 directing the Company to pay the mesne profit @Rs.138/- per sq.ft. for the period from 01/06/2000 to 31/12/2006, for subsequent period @Rs.274/-per sq.ft. together with an interest@9% p.a. The total amount as per Order of Small Causes court, Mumbai for mesne profit for the period from 01/06/2000 to 2014 and interest yhereon works out to Rs.6713.75 lakh. The valuer appointed by HOCL has submitted his report and the average rate is assessed @Rs.48.91 per sq.ft. which is not considered by the Small Causes Court, Mumbai. As per the legal opinion we are filing appeal against the Order and the Company is of the ipinion that there is uncertainties in crystallisation of demand other than the amount calculated as per the report of the HOCL valuer assessing mesne profit @Rs.48.91 per sq.ft. The amount of mesne profit calculated based on the report of HOCL valuer @Rs.48.91 per sq.ft is Rs.763.78 lakh out of which an amount of Rs.593.97 lakh has already provided in the books of account for the year 2021-22, hence an additional provision of Rs.169.81 lakh has been provided as on 31.03.2022. The difference amount of Rs.5949.97 lakh (6713.75-763.78) is shown as contingent liability.

vi) JNPT lease rent: Rs.2974.52 Lakh

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land alloted to the company for setting up Liquid Tank Farm on lease bais along with assets of the company ‘as is where is basis’. The JNPT raised a demand of Rs.4124 lakhs towards lease rentals and other charges. The company has instituted arbitral proceedings and Arbitral Tribunal issed the awared in favour of the company. The assets of the company valued as per the MoU at Rs.1638.50 lakhs and same is agreed . The undisputed amount of lease rent payable by the Company to JNPT was computed on a mutual understanding between the Parties on the basis of arbitral award is Rs. 805.13 lakhs. The company has shown balance amount of demand of JNPT after adjusting undispute lease rental paid as contingent liability since the appeal filed against the arbitral awards pending for hearing before High Court and the company is of the opinion that no provision is required as there is uncertainities in crystatlisation of demand at this stage of litigation.The registration and handingover of the tank form is still pending.

vii) Damages on Delayed payment of PF with interest (Subsidiary company): Rs.94.89 Lakh

Damages on delayed payments of Provident fund with interest thereon from 2000 to 2011. Application filed on 14.05.2014 due to pendency of cases, matter could not be reached due to statutory provisions under the Act, Govt. of India have not constituted to hear the pending cases with BIFR.

viii) Interest at higher rate on Govt. Loans: Rs.7119.24 Lakh and Interest on defaulted interest Govt. Loan 40113.98

The Government of India reserves the right to raise the rate of interest in respect of loans granted to the company, in case of default of repayment of principal on the due date and also charge interest at rate on default in any of the payment of interest due. As there is default in payment of principal loan as well as interest due thereon, the company, in anticipation that the Government of India may demand higher rate on principal and interest on interest outstanding, arrived the additional interest liability and shown as contingent laibility. As per the balance confirmation given by the Government of India, the interest at the higher rate and interest on defualted interest have not been included.

ix) The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular and retired employees and not acknowledged as debts is not ascertainable.

x) M/s. Rockwell Industries Ltd has filed a case against the Subsidiary Company for Rs.269.00 lakhs plus interest and Hon'ble High Court of Telangana has given stay on disposal of assets of the Subsidiary Company.

b) Bank Guarantees issued Rs.116.69 lakh

The Holding Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.101 lakh, BPCL Rs.3500 lakh, OMPL Rs.1000 lakh GAIL Rs.870 lakh and Rs.1.19 Lakh to others. The company does not expect any outflow in respect of the above. Contingent liability and commitments has been shown against bank guarantees issued to KSEB Rs.101 lakh and others Rs.15.69 lakh only."

II) Estimated amount of Contracts remaining to be executed on capital account and not provided for: Rs.23.49 Lakh

Work order issued for the following contracts.	Rs. In Lakh	
	2021-22	2020-21
a) Tally implementation (Balance amount)		13.18
b) 2x15 KVA UPS for Phenol plant	21.61	21.61
c) Laying water supply pipeline to township		9.75
d) Restoration charge/Licence fee/ performance guarantee for road cutting permission from concerned authorities	14.66	14.66
e) 60T Weigh bridge		18.05
e) EPAPX system		5.23
f) 132 KW FLP motor		6.16
Total		88.64

37 Disclosure relating to error or omission as per Ind AS 8

The following expenditure/income had been incorrectly accounted during the year 2021-22 due to error. The comparative expenditure/income in the financial statement of the year 2020-21 have been restated to correct the errors. The effect of the restatement on the financial statement is summarised below. the financial statement is summarised below.

Description	As at 31.03.2022	As at 31.03.2021
Increase in Other Income (Refer Note 23)	33.72	5.04
Increase in Other Expenses (Refer Note 29)	(6.44)	(1.33)
Decrease in Other Expenses (Refer Note 29)	22.64	-
Total	49.92	3.71
Income tax laiblity		
(Increase)/decrease in Equity	49.91	3.71
(Increase)/decrease in Earning Per Share	0.07	0.01
(Increase)/decrease in Diluted Earning Per Share	0.07	0.01

1. Miscellaneous income relating to 2019.20 Rs.5.04 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2021.

   (a) Nature of the prior perid error : Miscellaneous Income

   (b) Amount of correction : Rs.5.04 lakhs

   (c) Financial line item affected: Note No.23 (Miscellaneous Income)

2. Leave encashment relating to 2019.20 Rs.12.66 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2021.

   (a) Nature of the prior perid error : Leave encashment

   (b) Amount of correction : Rs.12.66 lakhs

   (c) Financial line item affected: Note No.26 (Employee benefit expense)

3. An amount of Rs.21.14 lakhs excess provided towards Rates & Taxes during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained rearnings as per Ind As 8

   (a) Nature of the prior perid error : Rates & Taxes

   (b) Amount of correction : Rs.21.14 lakhs

   (c) Financial line item affected: Note No.29 (Rates & Taxes)

4. An amount of Rs.0.06 lakhs excess provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8

   (a) Nature of the prior perid error : Hire charges

   (b) Amount of correction : Rs.0.06 lakhs

   (c) Financial line item affected: Note No.29 (Hire charges)

5. An amount of Rs.3.73 lakhs short provided towards Hire charges during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated in the opening retained earnings as per Ind As 8

   (a) Nature of the prior perid error : Miscellaneous Expense

   (b) Amount of correction : Rs.3.73 lakhs

   (c) Financial line item affected: Note No.29 (Miscellaneous Expense)

	(Rs. In lakh)
Opening retained earnings as on 01.04.2021	(99,497.02)
Add: Increase in other income (Note No.23)	5.04
Less: Increase in leave encashment (Note No.26)	-12.66
Add: decrease in rates and taxes (Note No.29)	21.14
Add: Decrease in hire charge(Note No.29)	0.06
Less: Increase in hire charge(Note No.29)	-3.73
Reinstated retained earnings as on 01.04.2020	(99,487.17)

38 RELATED PARTY DISCLOSURE AS PER Ind- AS 24

Since Government of India owns 58.78% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party Relationship	Relationship	Details of Transaction	Amt. of Transaction during 2021-22	Outstanding at the end of the year (31.03.2022)	Amt. of Transaction during 2020-21	Outstanding at the end of the year (31.03.2021)
1	Hindustan Flurocarbon Ltd. (HFL)	Subsidiary company with 56.43% share holding.	Interest on loan given to HFL	63.62	4214.87	63.62	4157.60
2a	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Purchase of Raw materials (LPG, Benzene, FO, H2 & LNG)	22883.56	3051.35	21389.53	945.93
2b	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Finished Goods (H2O2)	15.07	22.84	22.28	22.33
4a	Indian Oil Corporation Limited	Controlled by Government of India.	Purchase of Raw materials (Benzene)	478.67	0.00	1825.19	0.00
4b	Indian Oil Corporation Limited	Controlled by Government of India.	Sale of Rasayani land (Petol pump area)	0.00	0.00	75.00	0.00
5	Fertilisers And Chemicals Travancore Limited (FACT)	Controlled by Government of India.	Purchase of Raw materials (Sulphuric acid)	0.00	0.00	12.66	0.00
Trust constituted by the Company							
6	HOCL Group Gratuity Trust	-do-	Investment and interest on investment	1320.93	1495.48	610.89	630.71

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

		Short-term employee benefits	Post-term employee benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
2021-22							
A. Remuneration to Whole time Director, Managing Director and/or Manager:							
	Shri. S.B. Bhide, CMD (upto 31.7.21)	29.91	1.48	0.00	0.00	0.00	31.39
	Shri. Sajeev B, CMD (from 6.9.2021)	20.74	2.45	0.00	0.00	0.00	23.19
B. Remuneration to Other Directors							
i) Govt. Nominee Directors							
Shri. Satendra Singh, ASFA (C&F)		0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS		0.00	0.00	0.00	0.00	0.00	0.00
ii) Independent Directors							
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)							
	Dr. Bharat J. Kanabar	0.60	0.00	0.00	0.00	0.00	0.60
	Shri Pratyush Mandal	0.60	0.00	0.00	0.00	0.00	0.60
C. Key Managerial Personnel							
Shri. P.O. Luise, CFO		33.97	3.39	0.00	0.00	0.00	37.36
Mrs.S.S. Kulkarni,CS (upto 28.02.22)		36.45	3.53	0.00	0.00	0.00	39.98
Shri. Subramonian H (from 1.3.2022)		1.06	0.14	0.00	0.00	0.00	1.20
Total		**123.33**	**10.99**	**0.00**	**0.00**	**0.00**	**134.32**
2021-22							
A. Remuneration to Whole time Director, Managing Director and/or Manager:							
Shri. S.B. Bhide, CMD		32.35	4.41	0.00	0.00	0.00	36.76
Shri. C.P. Bhatia, DF (upto 05.11.20)		20.94	2.35	0.00	0.00	0.00	23.29
B. Remuneration to Other Directors							
i) Govt. Nominee Directors							
Ms. Alka Tiwari, AS&FA		0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS		0.00	0.00	0.00	0.00	0.00	0.00
ii) Independent Directors							
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)							
Nil		0.00	0.00	0.00	0.00	0.00	0.00
C. Key Managerial Personnel							
Mrs. Susheela S. Kulkarni, CS		27.82	3.51	0.00	0.00	0.00	31.33
Mr. P.O. Luise, CFO (From 06.11.20)	10.00	1.28	0.00	0.00	0.00	11.28	
Total	**91.11**	**11.55**	**0.00**	**0.00**	**0.00**	**102.66**	

Note:

In the ordinary course of its business, the Company enters into transactions with other Government controlled entities (not included in the list above). The Company has transactions with other Government-controlled entities,including but not limited to the followings: followings:

Sales and purchases of goods and ancillary materials; Rendering and receiving of services; Receipt of dividends; Loans and advances; Depositing and borrowing money; Guarantees and Uses of public utilities.

Sales and purchases of goods and ancillary materials; Rendering and receiving of services; Receipt of dividends; Loans and advances; Depositing and borrowing money; Guarantees and Uses of public utilities.

Note-39 Financial Instruments

39a. Fair Value measurement hierarchy

A Level 1 — Includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV. Company do not have any such investment

Level 2 — The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

"Level 3 — If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset"

	As at 31st March, 2022				As at 31st March, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets :								
Loans	-	-	21.01	21.01	-	-	30.88	30.88
Trade Receivables	-	129.16	735.12	864.28	-	130.79	240.82	371.61
Investments		-	5.00	5.00		-	5.00	5.00
Cash and cash equivalents	-	154.79	2014.53	2169.32	-	17.62	3286.97	3304.59
Bank balances other than Cash		79.85	11496.20	11576.05		3.10	11532.78	11535.88
Other Financial Assets	-	1995.92	1334.04	3329.96	-	2,349.31	393.43	2742.74
Total Financial assets	**0.00**	**2359.72**	**15605.90**	**17965.62**	**0.00**	**2500.82**	**15489.88**	**17990.70**
Financial liabilities								
Non Cumulative Preference share			27000.00	27000.00	0.00	0.00	27000.00	27000.00
Borrowings		9167.00	0.00	9167.00	0.00	8950.00	7695.09	16645.09
Trade payables		48.37	4151.84	4200.21	0.00	56.90	1648.0	1704.92
Other current financial liabilities		49.05	8482.63	8531.68	0.00	49.07	8974.83	9023.90
Total Financial liabilities			39634.47	48898.89	0.00	9055.97	45317.94	54373.91

39b. Categories of Financial Instrument

A Fair Values hierarchy :

	As at 31st March, 2022				As at 31st March, 2021			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets :								
Loans			21.01	21.01			30.88	30.88
Trade Receivables			864.28	864.28			371.61	371.61
Investments			5.00	5.00			5.00	5.00
Cash and cash equivalents			2169.32	2169.32			3304.59	3304.59
Bank balance other than cash			11576.05	11576.05			11535.88	11535.88
Other Financial Assets			3329.96	3329.96			2742.74	2742.74
Total Financial assets			17,965.62	17,965.62	0	0	17990.70	17990.70
Financial liabilities								
Non Cumulative Preference share			27000.00	27000.00			27000.00	27000.00
Borrowings			9167.00	9167.00			16645.09	16645.09
Trade payables			4200.21	4200.21			1704.92	1704.92
Other current financial liabilities			8531.68	8531.68			9023.90	9023.90
Total Financial liabilities			48,898.89	48,898.89	0	0	54373.91	54373.91

Additional information on entities included in consolidated Financial statements

	Net asset i.e total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. lakhs)	As % of consolidated profit or loss	Amount (Rs. lakhs)	As % of consolidated other comprehensive income	Amount (Rs. lakhs)	As % of consolidated total comprehensive income	Amount (Rs. lakhs)
Indian								
1.Hindustan Fluorocarbons Ltd	217.95%	(7881.02)	20.86%	(612.87)	-0.29%	(4.19)	41.18%	(617.06)
Subsidiary								

40 Financial risk management

i. 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.

a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company but as company balance in foreign currency hence comapny is not exposed to foreign currecncy exchange rate risk

b) Interest rate risk

The Company's investments are primarily in subsidiary through quoted equity share and unquated equity share of other entity therefore none of the investment activity is generating interest out of the investment. Hence, the Company is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets, company generating revenue for individually in excess of 10% or more of the Company's revenue for the year ended March 31, 2022 from the below mention customer.

Name of customer	Amt of revenue	% of total revenue
Pooja Petro Chemicals	13276.60	31%
Sonkamal Enterprises P Ltd	10446.56	24%
Ramesh Kumar & Company	5210.93	12%

Geographic concentration of credit risk

Geographical concentration of trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets is allocated based on the location of the customers.

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company manages liquidityrisk by maintaining adequate reserve, banking facilities and reserve borrowinf fcailities, continuosly monitoring forecast and actual cash flow and by matching the maturiy profiles of financial assets and liabilties.

No.41 Deferred Tax

For the Year 2021-22						Rs. in Lakh
	Opening Balance 01.04.2021	Recognisable in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2022
Deferred Tax Liability						
Revaluation of land in Fair Value	19,897.52			-	576.00	20,473.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,056.00)			-	-	(4,056.00)
	15,841.52			-	576.00	16,417.52
Deferred Tax Asset						
Depreciation	-	21.00	21.00	-	-	-
Provision for Leave Encashment	-	81.00	81.00	-	-	-
Voluntary Retirement Benefits (VRS/VSS)	-			-	-	-
Provision for Doubtful Debts	-	5.00	5.00	-	-	-
Provision for Doubtful Advances	-			-	-	-
Provision for Long Term Agreements	-			-	-	-
Provision for Obsolescence	-	1.00	1.00	-	-	-
Provision for Statutory claims	-			-	-	-
Accumulated Income tax loss to the extent of deferred tax liability	-			-	-	-
	-	108.00	108.00	-	-	-
Net Deferred tax liability	15,841.52			-	576.00	16,417.52

For the Year 2020-21						Rs. in Lakh
	Opening Balance 01.04.2020	Recognisable in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2021
Deferred Tax Liability						
Revaluation of land in Fair Value	19,466.52			-	431.00	19,897.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,044.00)			-	(12.00)	(4,056.00)
	15,422.52			-	419.00	15,841.52
Deferred Tax Asset						
Depreciation	-	22.00	22.00	-	-	-
Provision for Leave Encashment	-	77.00	77.00	-	-	-
Voluntary Retirement Benefits (VRS/VSS)	-	-	-	-	-	-
Provision for Doubtful Debts	-	12.00	12.00	-	-	-
Provision for Doubtful Advances	-	17.00	17.00	-	-	-
Provision for Long Term Agreements	-	-	-	-	-	-
Provision for Stock Obsolescence	-	5.00	5.00	-	-	-
Provision for Statutory claims	-	13.00	13.00	-	-	-
	3,031.00	146.00	146.00	-	-	-
Net Deferred tax liability	12,391.52	(146.00)	(146.00)	-	419.00	15,841.52

42. Additional disclosures to Consolidated Financial Statements

Financial, Liquidity and Other Ratios

Ratios	Components of Numerator	Components of Denominator	For the Year ended 31.03.2022	For the Year ended 31.03.2021	% Variance	Explanation by Management
Current Ratio	Current Assets	Current Liabilities	1.00	1.11	-9.98%	-
Debt Equity Ratio	Total debt	Shareholders' Equity	13.73	12.32	11.41%	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	0.03	0.06	-51.74%	The holding company was in shut down for a period of 157 days during the year for changing the catalyst and also due to unfavourable market condition, which contributed to net loss of the company. Also the total loan due and outstanding along with interest thereon as on 31st March 2022 has been considered.
Return on Equity Ratio	Net profit after tax	Shareholders' Equity	-1.98	-0.27	621.78%	The holding company was in shut down for a period of 157 days during the year for changing the catalyst and also due to unfavourable market condition, which contributed to net loss of the company
Inventory Turnover Ratio	Sales	Average Inventory	16.16	20.17	-19.88%	-
Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	70.18	71.09	-1.29%	-
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	9.58	7.89	21.43%	-
Net Capital Turnover Ratio	Net Sales	Working Capital	-217.53	3.22	6665.18%	The holding company's Current liability has increased in 2021-22 due to the increase of interest due on govt. loan.
Net Profit Ratio	Net profit after tax	Net Sales	-0.07	-0.02	236.39%	The holding company was in shut down for a period of 157 days during the year for changing the catalyst and also due to unfavourable market condition, which contributed to net loss of the company. Also there was a huge increase in the main raw mateial but the selling price could not have increase due to the unfavourable market conditins which resulted in net loss.
Return on Capital Employed	Profit Before Interest and Taxes (PBIT)	Capital Employed	-104.05	-228.80	-54.52%	
Return on Investment	Dividend	Share Price	-	-		

43. Notes to Statement of Profit and Loss and Other Comprehensive Income

a) The Company has elected to continue with the carrying value for all its Property, Plant and Equipment as of April 1, 2016 measured under Indian GAAP as deemed cost as of April 1, 2016 (transition date) except Freehold Land where fair value (circle rate) has been considered as deemed cost.

b) Under Indian GAAP, the Company measured financial assets at cost. As at the transition date, the company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101. All the financials liabilities have been carried at amortized cost and such differences have been appropriately addressed.

c) Represents Deferred Tax adjustments on the Ind AS transition adjustments. However considering the losses of the company no current tax impact was given.

d) The Company recognises costs related to its post-employment defined benefit plan on an actuarial basis both under Indian GAAP and Ind AS. Under Indian GAAP, the entire cost including actuarial gains and losses and return on planned assets are charged to profit or loss. Under Ind AS, actuarial gains and losses and return on planned assets recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

e) Consequential sum of the adjustments carried out in the other comprehensive income net of tax implications thereon.

44 Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015- as per Regulation 17(1)(b), the chairman being an executive director, at least half of the board of Directors should be comprised of Independent Directors. Currently, the Company does not have required number of Independent Directors on its board. Accordingly, there is consequent non-compliance of Regulations 18,19 and 20 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 (Refer Note 47 to Financial Statements). Non-Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 - as per the Regulation 17 (1) (a) of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015, Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors. Currently, the Company does not have woman director on its Board.

45 There is no considerable financial impact on account of Covid-19 pandemic during the year ended 31.03.2022. As the Subsidiary Company is presently working towards closure of its Unit and related activities, there is no separate impact due to Covid-19 pandemic.

46 The Holding Company has reported net loss including other comprehensive income of Rs.721.54 lakhs (Previous year net profit including other comprehensive income of Rs.3139.89 lakhs) Also the company has accumulated loss amounting to Rs.101761.72 lakhs (Previous year Rs.99437.26 lakhs) with a negative networth of Rs.90196.19 lakhs (Previous year Rs.87871.73 lakhs). But its current assets exceeds its current liabilities by Rs.7681.65 lakhs (Previous year Rs.17941.50 lakhs). The company has a balance under current assets of cash and cash equivalents and other bank balances of Rs.13510.73 lakhs (Previous year Rs.14819.75 lakhs) as at the year end. The Phenol Plant at Kochi was under shutdown during the period from 27.3.2021 to 25.07.2021 for change of Catalyst and from 16.11.2021 to 26.12.2021 due to unfavourable market conditions impacting the Turnover and Profit of the Company during the year. After considering these conditions, the standalone financial result of the company have been prepared on going concern basis.

47 Board recommended to implement salary revision of employees of Holding company w.e.f. 25.01.2021 subject to the approval of Ministry of Chemicals and Fertilizers. Since no final approval has been received no adjustment in accounts is made as on 31.03.2022.

48 As per the letter dated 29.01.2020 from the Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals, under which the Subsidiary Company functions, Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 22nd Jan, 2020 had approved the following:

a) Shutting down the operations of the plant/unit of HFL & closure of the Subsidiary Company.

b) Separating the employees (regular and non-regular/adhoc) rendered surplus due to closure of plant through VRS/VSs, 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.

c) Grant of interest free loan of Rs.77.20 crore by Govt. of India to Subsidiary Company to be utilized exclusively for closure related expenditure including (a) implementation of VRS/VSs for Subsidiary Company 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 Subsidiary Company 's skeletal staff to be temporarily retained for completing the closure of Subsidiary Company for two years.

d) Above interest free loan of Rs.77.20 crore will be repaid by Subsidiary Company to Govt. of India from the sale proceeds of land and other assets of the Subsidiary Company, as and when disposed off and after settling all the liabilities related to closure of the Subsidiary Company.

e) After settlement of all liabilities related to closure of Subsidiary Company 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 Subsidiary Company'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 Subsidiary Company '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 Subsidiary Company 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 GoI. 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.

49 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 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.

50 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.

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Access Services P Ltd	Security service	Rs.0.23 lakh	Creditor

52 No charge or satisfaction yet to be registered with ROC beyond the statutory period.

53 No Loans or Advances in the nature of loan is granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person during the year.

54 There is no capital- work- in progress as on 31.03.2022

55 There is no intangible assets under development

56 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

57 Company has no borrowings from banks or financial institutions on the basis of security of current assets.

58 Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

59 Company has no transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under 11 any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

60 The Company is not required mandatorily to carry out any CSR activities on account of losses incurred during the previous years.

61 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

62 The Consolidated financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 26.05.2022

63 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN: 010560S

Sd/-
Sajeev B.
CMD and CEO
DIN 09344438

Sd/-
Dr. Bharat J. Kanabar
Director
DIN 09466694

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
Subramonian H.
Company Secretary

Sd/-
CA. Jojo Augustine
Partner
Membership No.214088
UDIN: 22214088AKD2MH2878

Place: Navi Mumbai
Date: 26.05.2022

Place: Ernakulam
Date: 30.05.2022

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

HINDUSTAN ORGANIC CHEMICALS LIMITED

पंजीकृत एवं कार्पोरेट कार्यालय : 401,402,403 चौथा तल, V टाइम स्कवेयर,प्लॉट सं.3,सेक्टर 15, सीबीडी बेलापुर,नवी मुंबई - 400614
महाराष्ट्र संपर्क सं 022 27575268/69 ई-मेल आईडी:cs@hoclindia.com, corporate.cs@hoclindia.com वेबसाईट : www.hoclindia.com

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