हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

HINDUSTAN ORGANIC CHEMICALS LIMITED

CIN: L99999KL1960GOI082753

64 वीं वार्षिक रिपोर्ट
64rd Annual Report

2024-2025

कोच्चि में फिनोल कॉम्प्लेक्स

Phenol Complex at Kochi

HINDUSTAN ORGANIC CHEMICALS LIMITED [CIN L99999KL1960GOI082753]

AUDITORS

STATUTORY AUDITORS

M/S Balan & Company.
Chartered Accountants, Kochi

SECRETARIAL AUDITORS

M/s J K Das & Associates
Company Secretaries, Kolkata

INTERNAL AUDITORS

M/s. Suneel Maggo and Associates
Chartered Accountants, NOIDA, UP

COST AUDITORS

M/s B.B.S & Associates.
Cost Accountants, Kochi

Bankers

State Bank of India

ICICI Bank Ltd.

REGISTRAR AND SHARE TRANSFER AGENTS
M/s. BIGSHARE SERVICES PVT.LTD.
Registered Office: Big share Services Pvt Ltd.
Office No.S-6,6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai-400 093
Tel: 022 62638200, Fax: 022 62638299
Email: investor@bigshareonline.com
vinod.y@bigshareonline.com

CONTENTS

REGISTERED & CORPORATE OFFICE AND FACTORY
Ambalamugal PO, Kunnathunad,
Ernakulam, Kerala- 682302 India
Tel No. 0484 – 2727342/2720911/12
E-mail id: cs@hoclindia.com, kochi@hoclindia.com
Website: www.hoclindia.com

OTHER LOCATIONS:

MUMBAI

Hindustan Organic Chemicals Limited
Office No. 1003-1004, 10th Floor
NMS Titanium Premises Co-op
Society Ltd, Plot No.74, Sector 15
CBD Belapur, Navi Mumbai-400 0614 MH

NEW DELHI

Core 6, First Floor
SCOPE Complex
1st Floor, Lodi Road
New Delhi – 110 003
Tel. No. 24361610/24364690
Fax: 011 – 24360698

SUBSIDIARY COMPANY

HINDUSTAN FLUOROCARBONS LTD.:
303, 3rd Floor, Babukhan Estate,
Basheerbagh, Hyderabad - 500 001
Telangana State.
Tel. No. 040 – 42022053
E-mail: hflshareholders@gmail.com
Web site: www.hfl.co.in

BOARD OF DIRECTORS

Shri Sajeev B. [DIN: 09344438]	Chairman & Managing Director (till 31.05.2025)
Shri Yogendra Prasad Shukla [DIN: 09674122]	Director (Finance) (w.e.f 04.07.2022) and Chairman & Managing Director (i/c) (w.e.f 31.05.2025)
Shri Manoj Sethi [DIN: 00301439]	Govt. Nominee Director (w.e.f 22.11.2023)
Shri Kanishk Kant Srivastava (DIN: 09699641)	Govt. Nominee Director (till 30.03.2025)
Dr. Bharat J. Kanabar (DIN: 09466694)	Non-official Independent Director (till 23.12.2024)
Shri Pratyush Mandal (DIN: 09461918)	Non-official Independent Director (till 23.12.2024)
Shri Subodh Kumar (DIN: 11193532)	Non-official Independent Director (w.e.f 21.05.2025)
Shri Vinay Kumar Sharma (DIN: 03604125)	Non-official Independent Director (w.e.f 05.06.2025)
Ms Vandana (DIN: 11259725)	Govt. Nominee Director (w.e.f 10.06.2025

KEY MANAGERIAL PERSONNEL

Shri Sajeev B	Chairman & Managing Director
Shri Yogendra Prasad Shukla	Director (Finance & CFO)
Shri Subramonian H	Company Secretary

AUDIT COMMITTEE

Dr Bharat J Kanabar
Non-Official Independent Director
Chairman

Shri Pratyush Mandal
Non-Official Independent Director
Member

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

Shri Subramonian H
Secretary

NOMINATION & REMUNERATION COMMITTEE W.E.F 16.05.2025

Shri Subodh Kumar
Non-Official Independent Director
Chairman

Shri Vinay Kumar Sharma
Non-Official Independent Director

Ms Vandana
Non-Executive, Govt. Nominee Director
Member

Shri Subramonian H
Secretary

STAKEHOLDER RELATIONSHIP COMMITTEE

Shri Vinay Kumar Sharma
Non-Official Independent Director
Chairman

Shri Subodh Kumar
Executive Director
Member

Shri Yogendra Prasad Shukla
Non-Official Independent Director
Member

Shri Subramonian H
Secretary

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Subodh Kumar
Non-Official Independent Director
Chairman

Shri Vinay Kumar Sharma
Executive Director
Member

Shri Yogendra Prasad Shukla
Non-Official Independent Director
Member

Shri Subramonian H
Secretary

Energy Management System (EnMS) Policy

(Incorporating the requirements of ISO 50001:2018)

The Management and Employees of HOC are committed to efficiently use & conserve the energy in an effective manner by:

- Complying with applicable legal and other requirements related to energy efficiency, energy use and energy consumption of our process.
- Setting and reviewing EnMS objectives & targets by ensuring the availability of information and necessary resources to achieve them, ensuring continual improvement of the energy performance and energy management system.
- Continually improving energy efficiency in key energy consuming areas.
- Supporting the procurement of energy efficient products and services that impact energy performance of our process and product
- Supporting design activities that consider energy performance improvement.
- Increasing the awareness about energy conservation among the employees and stake holders.
- Continuous monitoring and optimization of specific energy consumption of our products and other energy performance indicators.

This Energy Management System (EnMS) Policy is established in line with the HOC's core values, best management practices, efficient technologies, and corporate vision. This policy is available to all our stakeholders.

Sd/-

01st Jan, 2022 **Executive Director & Unit-In-Charge**

Integrated Management System Policy

Hindustan Organic Chemicals Ltd., a Government of India Enterprise, manufacturing and selling Phenol, Acetone and Hydrogen Peroxide, is committed to:

- Enhance customer satisfaction through product reliability, timely delivery and sharing relevant information to interested parties
- Protect the environment and Prevent pollution by implementing and operating all the plants based on good process control system to minimise waste generation, conserve natural resources and energy conservation.
- Provide safe and healthy working conditions for the prevention of work-related injury and ill health
- Eliminate hazards and reduce OH&S risks by implementing control measures and good process control system
- Comply with all obligations including applicable legal and other requirements.
- Ensure continual improvements in quality, environment, Health and safety management systems
- The consultation and participation of workers in enhancing quality, environment, occupational health and safety performance.

Sd/-

01st Jan 2020 **Executive Director & Unit-In-Charge**

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of my colleagues on the Board of Hindustan Organic Chemicals Limited (HOCL), it gives me great pleasure to present to you the 64th Integrated Annual Report for the FY 2024-25 of your company. This report includes the Notice of 64th AGM, audited annual accounts, the Director's Report and the Auditor's Report along with the Nil Comment Report from the Comptroller & Auditor General of India (C&AG). Further, the Notice of 64th AGM also outlines the business items to be considered by the shareholders for approval at the AGM.

PERFORMANCE

I am pleased to share the key highlights of your Company's performance during the FY 2024-25. Details of the achievements and initiatives taken by your company are provided in Directors Report.

As per accounts of FY 2024-25, your Company has earned a net profit of Rs.391.54 Cr. (after tax) as against net loss incurred during the previous FY 2023-24 of Rs.55.32 Cr. due to waiver of Govt. of India loan.

HOCL has only one functioning unit located at Ambalamugal, Ernakulam District 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. Capacity utilization of main products (Phenol and Acetone) of Kochi Unit has improved extensively during the year. Phenol plant and Hydrogen Peroxide plant at Kochi achieved 87% and 97% capacity utilization during year ended 31st March 2025.

GROWTH OPPORTUNITIES

Your Company's core products such as Phenol, Acetone and Hydrogen Peroxide which satisfies the requirements of key customers who procure multiple products. Your Company's products cater to wide range of end-use sectors such as dyes & pigments, agrochemicals, pharmaceuticals companies. This assists the organization in obtaining new clients and addressing huge spectrum of their demands.

In order to improve the operational efficiency and profitability, your company:

- Commissioned a new air compressor and is now supplying the air for Phenol & Hydrogen Peroxide plant. This upgrade has resulted in energy savings.
- Additionally, company has transitioned the fuel from furnace oil to LNG in Boilers and Heaters has resulted in further reducing the operational costs.
- Furthermore, your company has initiated the manufacture of Acetophenone, which is expected to contribute additional revenue in the coming years.

Your Company remains vigilant and is well positioned to capitalize on the new opportunities that arise as a result of swift transformation in the industry landscape.

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 is given in the Directors Report.

HOCL has celebrated swachhta Diwas in a befitting manner on the auspicious day of the birth anniversary of our father of the Nation.

The birth Anniversary of Sardar Vallabhbai Patel, the architect of the national integration of independent India is observed as "The Rashtriya Ekta Diwas" started with a pledge to foster and reinforce our dedication to preserve and strengthen the unity, integrity and security of the nation

Under the aegis of "Har Ghar Tiranga" to further honour our National Flag and invoke the feeling of patriotism in the hearts of the citizen and promote awareness about the National Flag, distributed the Indian National Flag to our employees and other stakeholders and requested to hoist the same at their houses during the Independence week.

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 were carried out during the year 2024 for 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. Auto toxicity tests were carried out for the Benzene handlers apart from other statutory regular check-ups. Urine Phenol Test was added for Benzene Handlers. Our Occupational Health Centre was renovated during the year under review.

In alignment with our commitment to environmental protection and sustainability, HOCL has undertaken a series of proactive initiatives to minimize its ecological footprint and promote environmental awareness. We are proud to report that the level of pollutants emitted from our factory and the surrounding areas remains well below the permissible limits prescribed by regulatory authorities.

As part of our environmental stewardship, we have conducted various awareness sessions, competitions, and cleanliness drives under the *Swachh Bharat* initiative. Plant premises have been beautified with the active participation of all employees, reinforcing a sense of ownership and responsibility toward the environment. Our commitment extended beyond the plant as we organized cleanliness activities in nearby schools and public roads. These efforts aim to instil environmental values in the community and enhance the surroundings.

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. HOCL Kochi Unit is certified for IMS (Integrated Management System) which is comprising of Quality Management System (ISO-9001), Environment Management System (ISO-14001) and Occupational Health and Safety Management System (ISO 45001). Company is also certified for Energy Management System (ISO-50001). All the products of HOCL are certified by BIS.

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. Company also complies with the applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

HINDUSTAN FLUOROCARBONS LIMITED (HFL) – SUBSIDIARY COMPANY

Your company has one 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 29-01-2020 informed the decision of Cabinet Committee on Economic Affairs [CCEA], directed closure of Hindustan Fluorocarbons Limited and the same was approved by the shareholders of HFL. Now, HFL is in the process of Delisting of equity shares from BSE.

ACKNOWLEDGEMENT

I take this opportunity to place on record my sincere appreciation and heartfelt gratitude to all the employees and other stakeholders who had extended their support and co-operation during the year. I would also like 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, Bankers, Statutory/ Govt. Auditors, Cost Auditors, Internal Auditors, Secretarial Auditors and all the agencies concerned.

I sincerely looking forward to achieve an early turnaround of the company.

Sd/-
Yogendra Prasad Shukla
Chairman and Managing Director
DIN: 09674122

13.08.2025
Kochi, Kerala

HINDUSTAN ORGANIC CHEMICALS LIMITED
[CIN: L99999KL1960GOI082753]
Registered office: Post Bag No. 18, Ambalamugal PO, Ernakulam Dist. Kerala – 682302, India, Tel. No. 0484 – 2727342
Website: www.hoclindia.com; E-mail: cs@hoclindia.com

NOTICE

Notice is hereby given that the 64th Annual General Meeting ("AGM") of the members of Hindustan Organic Chemicals Limited ("HOCL/Company") will be held on **Friday, 26th September, 2025 at 03:30 PM** [IST] through Video Conference/Other Audio Visual Means (**"VC/OAVM"**) to transact the following businesses:

ORDINARY BUSINESS:

ITEM NO. 1

To consider, approve and adopt the Audited standalone and consolidated financial statements of the company comprising the Balance Sheet as on 31st March, 2025, the profit & loss account for the year ended on that date, cash flow statements, schedules, and notes to accounts attached thereto, together with director's report and the auditor's report along with the report of Comptroller and Auditor General of India (CAG).

ITEM NO. 2

To appoint Shri Manoj Sethi (DIN:00301439), JS&FA, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India who retires by rotation and being eligible for re-appointment.

ITEM NO. 3

To authorize the Board of Directors to fix remuneration to be paid to the Statutory Auditors as and when appointed by Comptroller & Auditor General of India for the financial year 2025-26 in terms of provisions of section 139(5) read with Section 142 of the Companies Act, 2013 and, to consider and, thought fit, to pass the following resolution, as an Ordinary Resolution

"**RESOLVED THAT** pursuant to the provisions of Section 142 of the Companies Act, 2013 the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration to the Statutory Auditors of the Company as and when appointed by the Comptroller and Auditor General of India for the financial year 2025- 26."

SPECIAL BUSINESS:

ITEM NO. 4

Appointment of Shri Subodh Kumar (DIN 11193532) 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, Regulation 17 (1C) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and read with Articles of Association of the Company and applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Subodh Kumar [DIN 11193532] who was appointed as part time Non-Official Director (Independent Director) vide Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals Order No. P-53011/1/2025-CHEM.I-CPC dated 21.05.2025, for a period of three years with effect from the date of notification of the appointment order, or until further orders whichever is earlier be and is hereby appointed as Non-official Independent Director with effect 21.05.2025 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."

ITEM NO. 5

Appointment of Shri Vinay Kumar Sharma (DIN 03604125) 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, Regulation 17 (1C) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and read with Articles of Association of the Company and applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Vinay Kumar Sharma (DIN 03604125) who was appointed as part time Non-Official Director (Independent Director) vide Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals Order No. P-53013/8/2019-CHEM.III-CPC dated 05.06.2025, for a period of one year with effect from the date of notification of the appointment order, or until further orders whichever is earlier be and is hereby appointed as Non-official Independent Director with effect 05.06.2025 on the Board of the Company for a period of one (1) year or till further orders from the Government of India and he shall be not liable to retire by rotation."

ITEM NO. 6

Appointment of Ms Vandana (DIN: 11259725) Director, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India as Government Nominee Director

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

"**RESOLVED THAT** pursuant to the provisions Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re- enactment(s) thereof and applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Articles of Association of the Company, Ms Vandana [DIN: 11259725]who was appointed by Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals vide P-51011/6/2011-32 dated 10.06.2025, for a period of three years or until further orders, whichever is earlier in place of Shri Kanish Kant Srivastava be and is hereby appointed as Government Nominee Director of the Company w.e.f 10.06.2025 and she shall be liable to retire by rotation."

ITEM NO. 7

Ratification of remuneration of the Cost Auditor for the financial year 2025-26

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

"**RESOLVED THAT,** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration payable amounting to Rs.50,000/- plus GST as a total fees for the audit of cost accounts and records of the Company and to issue compliance certificates thereof and to give cost audit report for the year 2025-26 and for assistance 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, 2025 to M/s. B.B.S. Associates, the Cost Auditors of the Company for the FY 2025-26."

ITEM NO. 8

Appointment of M/s. S Basu & Associates as Secretarial Auditor for five financial years from financial year 2025-2026.

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

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, including any amendments thereto and regulation 24A of the SEBI (LODR) Regulations, 2015 and upon recommendation of the Audit Committee and the Board of Directors of the Company approval of members is hereby accorded for the appointment of M/s. S Basu & Associates, Practicing Company Secretaries (ICSI Unique Code: S2017WB456500) as the Secretarial Auditors of the Company to conduct Secretarial Audit of the Company for a term of five consecutive years commencing from financial year 2025-26 to 2029-30 at an audit fee amounting to Rs.63,750/- (GST extra) for five years."

RESOLVED FURTHER THAT Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution and for all matters connected therewith or incidental thereto.

ITEM NO. 9

Reduction of Paid-up capital due to waiver of Preference Shares by Government of India

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

"RESOLVED THAT that pursuant to Section 66 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Capital of Company) Rules, 2016, Articles of the Articles of Association of the Company, and subject to and the rules framed thereunder, subject to the confirmation of NCLT and such other approvals, consent, permissions and sanctions of any other authority, body or institution (hereinafter collectively referred to as "the concerned authorities") as may be necessary, considering the waiver of Government of India loan including the preference shares, approval of the shareholders be and is hereby accorded for the reduction of Issued, Subscribed and Paid up Capital from 337173100 Equity Shares of Rs.10 each to 67173100 Equity Shares of Rs.10 each by cancelling the preference shares of 270000000 at Rs.10 each which were part of paid-up capital of the company and have already been waived off by Government of India."

"**RESOLVED FURTHER THAT** the Company Secretary or any one Director of the Company is authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for implementation of the paid-up capital reduction due to waiver of preference shares and carry out incidental documentation as also to make applications to the appropriate authorities .ie NCLT for their approvals and to initiate all necessary actions for preparation and issue of various documents, deeds, agreements on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Capital Reduction to the Registrar of Companies or other authorities."

By Order of the Board of Directors

Sd/-
Subramonian H
Company Secretary
[ACS 28380]

Date: 13.08.2025
Place: Emakulam, Kerala

Notes:

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No.10/2022 dated December 28, 2022 , General Circular No.09/2023 dated September 25, 2023 and General Circular No.09/2024 dated September 19, 2024 (collectively referred to as "MCA Circulars") and SEBI vide circular dated October 3, 2024 (in continuation with other circulars issued in this regard) permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of members at a common venue. Hence, in compliance with the provisions of the Companies Act, 2013 ("ACT"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, various MCA Circulars and SEBI Circulars, the 64th AGM is being held through VC/OAVM. For this purpose, necessary arrangements have been made by the Company in association with NSDL and instructions for the process to be followed for attending, participating and voting in the AGM through VC/OAVM is forming part of this notice. The proceedings of the AGM will be deemed to be conducted at the registered office of the Company.

2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and proxy need not to be a member of the Company. However, the 64th AGM of the Company is being held pursuant to MCA/SEBI circulars through VC/OAVM and the physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxy by the members will not be available for the 64th AGM of the Company and hence proxy form, attendance slips are not annexed to this notice.

3. Participations 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 bhavya@legalcrew.co.in with a copy marked to cs@hoclindia.com.

5. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 read with Rules notified thereunder 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 (CAG), Government of India. In pursuance of Section 142 of the Companies Act, 2013 the remuneration to the auditors shall be fixed by the Company in the AGM or in such manner as the Company in general meeting may determine. The statutory auditor of the Company for the year 2025-26 is yet to be appointed by the CAG. Accordingly, the members may authorize the Board to fix an appropriate remuneration to the statutory auditors for the FY 2025-26.

7. 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 Bigshares Services (P) Ltd. Company's RTAs. For submitting KYC related information including updation of PAN, address etc., Members may access relevant KYC forms at https://www.hoclindia.com/form-download.

8. The Register of Members and Share Transfer Books of the Company will be remain closed **from Saturday, 20th September, 2025 to Friday, 26th September, 2025 (both days inclusive).**

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 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 for electronic inspection without payment of any fee by the members from the date of circulation of this notice up to the date of 64th AGM. Members desiring inspection of such documents can send their request in writing to cs@hoclindia.com.

10. In compliance with Section 108 of the Act, read with the corresponding rules and Regulation 44 of 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 ("e-voting") facility provided by the NSDL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this notice. Boards of Directors have appointed ASKBN & Company, Practicing Company Secretaries, as the scrutinizer to scrutinize the e-voting in a fair and transparent manner.

11. The voting rights of the members shall be proportionate to the shares held by them in the paid-up equity share capital of the company as on the cut – off date i.e. **Friday, 19th September, 2025**. A person who is not a member as on the cut-off date is requested to treat this notice for information only.

12. The remote e-voting would commence on **Tuesday, 23rd September, 2025 (9:00 a.m. IST) and ends on Thursday, 25th September, 2025 (5:00 p.m. IST).** During the period, members holding shares either in physical or dematerialized form as on cut-off date (record date) i.e as on 19th September, 2025 may cast their votes electronically. The e-voting module will be disabled by the NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast.

13. The facility for the 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 not otherwise barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

14. The cut-off date for sending 64th AGM notice & Annual Report is 22nd August, 2025. 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 login ID and password by sending a request at evoting@nsdl.com or at cs@hoclindia.com. For login/e-voting method, shareholders shall refer instruction portion given in this notice.

15. In compliance with MCA/SEBI circulars, the 64th Annual Report FY 2024-25, the notice of 64th AGM and instructions for e-voting are being sent only through electronic vote to those members whose email addresses are registered with the Company/ depository participant(s) as on the cut-off date i.e. 22nd August, 2025. Physical copy of the AGM notice along with Annual Report FY 2024-25 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 M/s. Big share Services Pvt. Ltd. at investor@bigshareonline.com or vinod.y@bigshareonline.com to receive the copies of the Annual Report FY 2024-25 and other communications from the Company in electronic mode.

17. Members may also note that the notice of 64th AGM and the Annual Report FY 2024-25 will also be available on the Company's website https://www.hoclindia.com/agm, website of stock exchange i.e. BSE Limited at www.bseindia.com and on the website of the NSDL.

18. In compliance with Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from 01st April, 2019 except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with the physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA viz. M/s. Big share Services Pvt. Ltd. for any assistance in this regard.

19. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their Pan to their depository participants. Members holding shares in physical form are required to submit their PAN details to the RTA i.e. M/s. Big share Services Pvt. Ltd.

20. SEBI has established a common Online Dispute Resolution Portal (ODR Portal) for resolution of disputes arising in the Indian Securities. After exhausting the option to resolve the grievances with RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the SMART ODR portal ie. https://smartodr.in/login

21. Since the AGM will be held through VC/ OAVM, proxy form, attendance slip and route map are not annexed to this notice.

22. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail id, mobile number at cs@hoclindia.com on or before Wednesday, 19th September, 2025. The same will be replied by the company suitably through e-mail.

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

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

1. Pursuant to various circulars issued by MCA and SEBI including any other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

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 EGM/AGM through VC/OAVM will be made available for 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 reckoning the quorum under Section 103 of the Companies Act, 2013.

5. 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) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/ AGM. For this purpose, the Company has engaged National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM is provided by NSDL.

6. In line with the MCA circulars, the Notice calling the AGM has been uploaded on the website of the Company at https://www.hoclindia.com/agm. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time

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

The remote e-voting period begins Tuesday, 23rd September, 2025 (9:00 a.m. IST) and ends on Thursday, 25th September, 2025 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 19th September, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 19th September, 2025.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS' section** , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are 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 4. 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) 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. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhavya@legalcrew.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@hoclindia.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@hoclindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

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

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM"

placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@hoclindia.com. The same will be replied by the company suitably.

6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail id, mobile number at cs@hoclindia.com on or before Wednesday, 19th September, 2025. The same will be replied by the company suitably through e-mail.

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No.4: Appointment of Shri Subodh Kumar (DIN 11193532) 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 Office Order no. P-53011/1/2025-CHEM.I-CPC dated 21.05.2025 appointed Shri Subodh Paswan, as part time Non-Official Director (Independent 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 whichever is earlier.

The Company has received all statutory disclosures/declarations from him as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 13.08.2025 taken on record the Government Order appointing Shri Subodh Kumar as Non-Official Director (Independent Director) on the Board of HOCL.

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. Further, as stipulated under Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), approval of the shareholders for the appointment of person on the Board of Public Sector companies (PSUs) shall be taken in the next general meeting. Hence, the Board recommends the resolution set forth in Item No.4 for the approval of members by way of Special Resolution.

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

Item No.5: Appointment of Shri Vinay Kumar Sharma (DIN 03604125) 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 Office Order no. P-53013/8/2019-CHEM.III-CPC dated 05.06.2025 appointed Shri Vinay Kumar Sharma, as part time Non-Official Director (Independent Director) on the Board of Hindustan Organic Chemicals Limited (HOCL) for a period of One (1) year with effect from the date of notification of the appointment order, or until further orders whichever is earlier.

The Company has received all statutory disclosures/declarations from him as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 13.08.2025 taken on record the Government Order appointing Shri Vinay Kumar Sharma as Non-Official Director (Independent Director) on the Board of HOCL.

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. Further, as stipulated under Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), approval of the shareholders for the appointment of person on the Board of Public Sector companies (PSUs) shall be taken in the next general meeting. Hence, the Board recommends the resolution set forth in Item No.5 for the approval of members by way of Special Resolution.

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

Item No.6: Appointment of Ms Vandana (DIN 11259725) Director, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India 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 Office Order No. P-51011/6/2011-32 dated 10.06.2025 appointed Ms Vandana, Director, DCPC as Government Nominee Director on the Board of Hindustan Organic Chemicals Limited (HOCL) w.e.f 10.06.2025 for a period of three (3) years or until further orders, whichever is earlier in place of Shri Kanish Kant Srivastava.

The Company has received all statutory disclosures/declarations from her as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 13.08.2025 taken on record the Government Order appointing Ms Vandana as Government Nominee Director.

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. Further, as stipulated under Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), approval of the shareholders for the appointment of person on the Board of Public Sector companies (PSUs) shall be taken in the next general meeting. Hence, the Board recommends the resolution set forth in Item No.6 for the approval of members by way of ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Ms Vandana, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed Ordinary Resolution set out in item no.6.

Item No.7: Ratification of remuneration of the Cost Auditor for the financial year 2025-26

In accordance with the provisions of Section 148 of Companies Act, 2013 (“the Act”) read with 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 the products and services specified under rules issued in pursuance to the above section. The Board of Directors, has re-appointed M/s. B.B.S. Associates., Cost Accountants as Cost Auditors of the Company to conduct the cost audit of cost records maintained by the company for the FY 2025-26 at a total fee of Rs. 50,000/- plus GST and to issue compliance certificate thereof and to give cost audit report for the FY 2025-26 and for assisting in preparation & e-filing of Cost Audit Reports related XBRL e-forms in respect of Kochi unit products for the FY 2025-26.

M/s. B.B.S. Associates have furnished certificates regarding their eligibility for appointment as cost auditors of the Company. In accordance with the provisions of Section 148 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors shall be ratified by the shareholders of the Company by way of Ordinary Resolution. Accordingly, consent of members is sought for the said purpose.

The Board of Directors accordingly recommends the passing of proposed Ordinary Resolution set forth in Item No. 7 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives have any concern or interest, financially or otherwise in passing of the said Ordinary Resolution set out in item no.7.

Item no. 8: Appointment of M/s. S Basu & Associates as Secretarial Auditor for five financial years from financial year 2025-2026

Pursuant to the provisions of Regulation 24A of the Listing Regulations, as amended, a listed entity shall appoint or re-appoint a Peer Reviewed Company Secretary as Secretarial Auditor for a term of five years with the approval of shareholders at the Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 13.08.2025, inter-alia recommended the appointment of M/s. S Basu & Associates, Company Secretaries (ICSI Unique Code: S2017WB456500), for carrying out the secretarial audit for a term of five consecutive years, commencing from the financial year 2025-26 to 2029-30 for an audit fee of Rs.63,750/- (GST extra) for five years.

None of the Directors, Promoters and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 8 for approval of the members.

Item No.9: Reduction of Paid-up capital due to waiver of Preference Shares by Government of India

Government of India during the year 2006-07 had provided Rs.270.00/- Crore for financial restructuring of Rasayani unit of the company located in Maharashtra against the allotment of redeemable preference shares thereby broadening the capital bases of HOCL. In order to accommodate the investment in the form of preference shares, the Authorized capital was enhanced to Rs.370.00/- Crore during the year 2007 after necessary approval of Board and shareholders. Further, the paid up capital was also increased to Rs.337.17 Cr. consequent to the allotment of preference shares.

Ministry of Chemicals & Fertilizers, Government of India vide Order No.1600/9/2024-IFD dated 21.03.2025 informed that the Parliament has approved waiving off of Government of India dues of HOCL amounting to Rs. 1,351.38/- crores. The Government of India dues comprises of GoI loan, Interest on GoI loan, Preference shares, Interest /penalty of preference shares.

Considering the waiver of Preference shares amounting to Rs.270 Cr., (270000000 at Rs.10/- each) it is proposed to reduce the paid up capital by cancelling the preference share component. The Board of Directors in their meeting held on 13.08.2025 approved the proposal subject to the approval of shareholders.

Accordingly, the Board of Directors recommends the passing of proposed Special Resolution set forth in Item No. 9 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives have any concern or interest, financially or otherwise in passing of the said special resolution set out in item no.9.

By Order of the Board of Directors

Sd/-
Subramonian H
Company Secretary
[ACS 28380]

Place: Ernakulam, Kerala
Date: 13.08.2025

ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 64th ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARDS 2 ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA

1. Brief profile of Shri Manoj Sethi

DIN	00301439
Date of Birth	19.09.1968
Date of original appointment	22.11.2023
Relationship with Directors/KMP	None
Shareholding in the company	None
Remuneration proposed to be paid	None
Expertise in specific functional area & brief resume	Shri Manoj Sethi is holding MA, LLB. He is currently working as Joint Secretary & Financial Advisor (JS&FA) in Ministry of Chemicals Fertilizers, Govt. of India.
List of directorships in other Listed Companies	One (1) The Fertilisers and Chemicals Travancore Limited (FACT)
Membership of the committee of other listed companies	Nil
Details of Listed entities from which Director has resigned in the past three years	Nil
Terms of appointment	Ministry of Chemicals & Fertilizers, Government of India vide Office Memorandum No.P-51015/12/2014-CHEM.III- CPC dated 22nd November, 2023 had conveyed appointment of Shri Manoj Sethi Joint Secretary & Financial Advisor (JS&FA), Ministry of Chemicals & Fertilizers as Government Nominee Director in the Board of Hindustan Organic Chemicals Limited (HOCL). The terms and conditions of the appointment is decided by the Ministry.
Number of Board Meetings attended during 2024-25	Eight (8) out of Nine (9)

2. Brief profile of Shri Subodh Kumar

DIN	11193532
Date of Birth	10.01.1974
Date of original appointment	21.05.2025
Relationship with Directors/KMP	None
Shareholding in the company	None
Remuneration proposed to be paid	None
Expertise in specific functional area & brief resume	Shri Subodh Kumar is Graduate and a business man.
List of directorships in other Listed Companies	None
Membership of the committee of other listed companies	Nil
Details of Listed entities from which Director has resigned in the past three years	Nil
Terms of appointment	Ministry of Chemicals & Fertilizers, Government of India vide Office Order No. P-53011/1/2025-CHEM.I-CPC dated 21.05.2025 appointed Shri Subodh Paswan, as part time Non-Official Director (Independent 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 whichever is earlier. The terms and conditions of the appointment is decided by the Ministry.
Number of Board Meetings attended during 2024-25	NA

3. Brief profile of Shri Vinay Kumar Sharma

DIN	03604125
Date of Birth	31.05.1978
Date of original appointment	05.06.2025
Relationship with Directors/KMP	None
Shareholding in the company	None
Remuneration proposed to be paid	None
Expertise in specific functional area & brief resume	Shri Vinay Kumar Sharma is a social activist who holds Bachelor degree in Business Administration, Master degree in Economics and Social Work from Devi Ahilya Vishwavidyalaya (DAVV), Indore. He possesses a diverse and wide ranging experience in the areas of Management, Finance, Sales, Marketing, Corporate Governance and planning. He has been Regional Head Credit in IndusInd Bank (from 2002 to 2008) and Regional Relationship Manager Head Project Accounts in ICICI Bank Limited (from 2008 to 2012). He is presently active in the field of organic farming.
List of directorships in other Listed Companies	None
Membership of the committee of other listed companies	Nil
Details of Listed entities from which Director has resigned in the past three years	Nil
Terms of appointment	Ministry of Chemicals & Fertilizers, Government of India vide Office Order No. P-53013/8/2019-CHEM.III-CPC dated 05.06.2025 appointed Shri Vinay Kumar Sharma, as part time Non-Official Director (Independent Director) on the Board of Hindustan Organic Chemicals Limited (HOCL) for a period of One (1) year with effect from the date of notification of the appointment order, or until further orders whichever is earlier. The terms and conditions of the appointment is decided by the Ministry.
Number of Board Meetings attended during 2024-25	NA

4. Brief profile of Ms Vandana

DIN	11259725
Date of Birth	20.05.1984
Date of original appointment	10.06.2025
Relationship with Directors/KMP	None
Shareholding in the company	None
Remuneration proposed to be paid	None
Expertise in specific functional area & brief resume	Ms Vandana is an Indian Revenue Service Officer from the 2010 batch. She has completed M.Sc. in Biotechnology from IIT Roorkee in 2007. She has worked extensively in Indirect Tax Administration dealing with GST, Customs, Central Excise and Service Tax related matters from 2010-2024. She was posted at various locations including Pune, Mumbai and New Delhi. Presently, Ms Vandana is posted as Director in Department of Chemicals and Petrochemicals since April, 2024. She is looking after BIS standards, Quality Control Orders, Foreign Trade Policy and issues of the Petrochemicals and Plastic Industries. She has also participated in the intersessional open-ended expert groups established by the Intergovernmental Negotiating Committee to develop an international legally binding instrument on plastic pollution.
List of directorships in other Listed Companies	None
Membership of the committee of other listed companies	Nil
Details of Listed entities from which Director has resigned in the past three years	Nil
Terms of appointment	Ministry of Chemicals & Fertilizers, Government of India vide Office Order No. P-51011/6/2011-32 dated 10.06.2025 appointed Ms Vandana, Director, DCPC as Government Nominee Director on the Board of Hindustan Organic Chemicals Limited (HOCL) w.e.f 10.06.2025 for a period of three (3) years or until further orders, whichever is earlier in place of Shri Kanish Kant Srivastava. The terms and conditions of the appointment is decided by the Ministry.
Number of Board Meetings attended during 2024-25	NA

DIRECTORS REPORT

The Board of Directors presents herewith the 64th Annual Report of your Company along with the Audited Statement of Accounts for the financial year 2024-25.

1. FINANCIAL RESULTS

The financial results for the year ended 31.03.2025 with the comparative figures of company's operations for the previous year is as under:

(Rs. in Lakhs)

Particulars	2024-25	2023-24
Revenue from operations	53,586.76	70,389.00
Other Income	2,275.11	1,669.10
Total	**55,861.87**	**72,058.10**
Expenditure	66,650.12	77,589.80
Profit/ (loss) before exceptional item & Tax	**(10,788.25)**	**(5,531.70)**
Less: Exceptional items	50,275.38	-
Profit /(Loss) before Tax	**39,487.13**	**(5,531.70)**
Less: Tax expenses	333.00	-
Profit/(Loss) after Tax	**39,154.13**	**(5,531.70)**
Other Comprehensive Income for the year, net of tax	**(378.44)**	**5,919.70**
Total Comprehensive Income for the year	**38,775.69**	**388.00**

2. MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT OF INDIA

Company has been exempted from submitting Memorandum of Understanding (MOU) with the Ministry of Chemicals & Fertilizers, Government of India, for the financial year 2024-25.

3. 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 31.03.2025 is provided in the Annual Report.

4. DIVIDEND

During the current year, HOCL has earned profit mainly due to writing off of Government of India dues amounting to Rs. 1,351.37/- crore. Accordingly, the profit achieved is not from the revenue generated through the business. Hence, the Board of Directors do not recommend any Dividend for the year under review.

5. CHANGE IN NATURE OF BUSINESS IF ANY

There was no change in the nature of business of the Company during the FY 2024-25.

6. SHARES

There was no change in the equity share capital of the company during the year. The Authorized Share Capital of the company is Rs.370 crores and the paid-up equity capital of the company is Rs.67.27 crores. The company's equity shares are listed in BSE (Scrip ID: 500449). During the period under review, the company has not: (i) bought back any of its securities (ii) issued any sweat equity shares (iii) issued any bonus shares (iv) provided any stock option scheme to employees. The Government of India dues including the Preference Shares were waived off on 21.03.2025. Accordingly, company is in the process of reducing preference shares from the total paid–up capital.

7. FINANCIAL HIGHLIGHTS

During the year 2024-25, the company has achieved a Gross Income of Rs.558.61/- crore against Rs.720.58/- crore during the previous year registering a decline of 22.47%.

8. RESERVES

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

9. NUMBER OF MEETINGS OF BOARD

During the year the Nine (9) Board Meetings were held on the following dates:

Sl No.	Board Meeting no.	Date of Board meeting
1.	411	23.04.2024
2.	412	22.05.2024
3.	413	13.06.2024
4.	414	09.08.2024
5.	415	15.10.2024
6.	416	08.11.2024
7.	417	18.12.2024
8.	418	29.01.2025
9.	419	12.02.2025

The details of the meetings attended by each Directors are given in the Corporate Governance Report provided as **Annexure I** to this Report.

10. EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 of the Companies Act 2013, read with Section 92 (3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return as at March 31, 2025 is available in the website of the company at www.hoclindia.com/annual-return

11. 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 (Vol.II) 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.

12. 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 2024-2025 which were in conflict with the interest of the Company. Suitable disclosures as required under IND AS-24 have been made in Note No.36 of the Notes to the Standalone 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.

13. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The details in this regard forms part as **Annexure IV** to the Board's Report.

14. CORPORATE GOVERNANCE AS PER SEBI REGULATIONS

Due to non-availability of One Women Director for the whole financial year 2024-25 and requisite Independent Directors from 23.12.2024, 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 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.

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

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 31.03.2024 is “Excellent”. The requisite certificate from the practicing company secretaries confirming with the conditions of DPE Corporate Governance guidelines is attached to the report on Corporate Governance.

16. BOARD EVALUATION:

The provisions of Section 134 (3)(p) of Companies Act, 2013 are exempted for Government Companies as the performance evaluation of the Directors are carried out by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology.

17. KEY MANAGERIAL PERSONNEL:

The following are Key Managerial Personnel of the Company during the year under review:

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

b) Shri Yogendra Prasad Shukla - CFO & Director (Finance) [DIN: 09674122]

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

18. DETAILS OF DIRECTORS OR KMP’S WHO WERE APPOINTED, CEASED OR HAVE RESIGNED DURING THE YEAR:

a) Dr Bharat J Kanabar and Shri Pratyush Mandal, have ceased as Independent Directors of the company due to completion of their tenure on 23.12.2024.

b) Shri Kanish Kant Srivastava has ceased as Government Nominee Director w.e.f 30.03.2025.

c) Shri Subodh Kumar was appointed as Non-Official Independent Director for a period of three years w.e.f 21.05.2025.

d) Shri Sajeev B has ceased as Chairman & Managing Director due to superannuation on 31.05.2025.

e) Shri Vinay Kumar Sharma was appointed as Non-Official Independent Director for a period of one year w.e.f 05.06.2025.

f) Ms Vandana was appointed as Government Nominee Director for a period of three years w.e.f 10.06.2025.

19. 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.

20. COMPOSITION OF AUDIT COMMITTEE AND NON-ACCEPTANCE OF ANY RECOMMENDATIONS OF AUDIT COMMITTEE.

During the FY 2024-25, all the recommendations of the Audit Committee were accepted by Board of Directors. Details of Composition, meetings of Audit Committee/Sub-Committee are provided in Corporate Governance Report which forms part of this Report.

21. COMMITTEES OF THE BOARD

The Company’s Board has the following Committees:

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholder Relationship Committee

iv. Corporate Social Responsibility Committee (CSR)

22. SECRETARIAL STANDARDS

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India [ICSI].

23. DIRECTOR’S RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards (IND AS), the provisions of Companies Act, 2013 and guidelines issued by SEBI. The IND AS are prescribed under Section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments, rules issued thereafter. Your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013 –

(a) That in the preparation of the annual accounts for the year ended 31st March, 2025; the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) 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, 2025 and the profit or loss of the Company for that period.

(c) 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.

(d) That the annual accounts for the year ended 31st March, 2025 had been prepared on a going concern basis.

(e) 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

(f) 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.

24. INDEPENDENT DIRECTORS DECLARATION

The Company has received necessary declaration from each of the Independent Directors that he meets the criteria of independence laid down under section 149 (6) of the Companies Act, 2013 and listing regulations.

25. DISCLOSURE ON REAPPOINTMENT OF INDEPENDENT DIRECTORS

No reappointment of Independent Directors was made during the year under review.

26. 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.

27. 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 is also exempt for 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 Director 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.

28. AUDITORS

a) Statutory Auditors

M/s. Balan & Co, Chartered Accountants, Kochi was appointed as Statutory Auditors of your Company for FY 2024-2025 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. B.B.S Associates as Cost Auditors of your Company for FY 2024-25. In the 63rd AGM held on 25th September, 2024 the members have ratified the remuneration payable to the Cost Auditors. Company has made & maintained Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013.

c) Internal Auditors

M/s. Suneel Maggo and Associates, A-60, 2nd Floor S-9, Sector-2, NOIDA, U P, 201301 were appointed by the Board of Directors as Internal Auditor of your Company for Kochi unit and Mumbai office for FY 2024-25. They have submitted quarterly reports for FY 2024-25. The are no pending major observations from Internal Auditors.

d) CAG Auditors

Supplementary Audit of financial statements (Standalone & Consolidated) is conducted by Principal Director of Audit (Shipping), Mumbai. The Comptroller & Auditor General of India (CAG) has conducted the supplementary audit of the financial statements of HOCL for the year ended 31.03.2025 and issued 'Nil' comment statements for both standalone & consolidated financials. The report of CAG under Section 143(6)(b) of the Companies Act, 2013 forms part of the annual report.

e) Secretarial Auditors

The Board of Directors had appointed M/s. J K Das & Associates., Practising Company Secretaries to conduct Secretarial Audit for the FY 2024-25. The Secretarial Audit Report in accordance with Section 204 of Companies Act, 2013 for the Financial Year ended 31st March, 2025 is annexed to this Report. The observations in the Secretarial Audit report and the management response thereof are given below:

Observation	Management Response
The Company shall have at least one women director for the financial year 2024-25 as required under section 149(1) of Companies Act, 2013.	HOCL is a CPSE under the administrative control of the Ministry of Chemicals & Fertilizers, Dept. of Chemicals and Petro Chemicals (DCPC), Government of India. Hence, 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. During the financial year 2024-25, there was vacancy of one Women Director in HOCL. Company has frequently requested DCPC to appoint a woman director. Consequent to this, vide order dated 10.06.2025 Ms Vanadana was appointed a Government Nominee Director in HOCL Board.
Composition of the Board and Committees of the Board viz. Audit Committee and Nomination and Remuneration Committee were not in terms of Section 149(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Section 177(2) of the Companies Act, 2013, due to non-appointment of requisite number Independent Director on the Board.	HOCL is a CPSE under the administrative control of the Ministry of Chemicals & Fertilizers, Dept. of Chemicals and Petro Chemicals (DCPC), Government of India. Hence, 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. Due to non-availability of requisite Independent Directors on Board, w.e.f 23.12.2024, composition of all Board committees were not proper. However, subsequent to the appointment of Independent Directors, w.e.f 19.06.2025 all the committees were properly re-constituted.

Meeting of independent director not hold during the financial year under review.	Company has held one meeting in the calendar year 2024.
There is no equal opportunity policy for Disabled Persons as required under Disability Law. According to Section 21 of The Rights of Person with Disabilities Act, 2016 along with The Rights of Persons with Disables Rules, 2017 (together the "Disability Law"), Every establishment shall notify equal opportunity policy detailing measures proposed to be taken by it in pursuance of the provisions of this Law. This policy must be published for PwDs preferably on the establishment's website or at conspicuous places in their premises.	In accordance with the provisions of the Rights of Persons with Disables Rules, 2017 Company had already notified in its premises the relevant details including the facility available to the persons with disabilities.

29. Details of vigilance cases for the Financial Year 2024-25

Opening balance as on 01.04.2024	Vigilance cases received during 01.04.2024 to 31.03.2025	Disposed off	Balance
NIL	2	1	1

30. STATUS OF PENDING CAG PARAS AND MANAGEMENT REPLIES: Nil

31. SAFETY, HEALTH AND ENVIRONMENT

HOCL is certified for IMS (Integrated Management System) which is comprising of Quality Management System (ISO-9001), Environment Management System (ISO-14001) and Occupational Health and Safety Management System (ISO 45001). Company is also certified for Energy Management System (ISO-50001).

1. SAFETY

The company has achieved 1232239 safe man hours for the year 2024 with no lost time accidents. Since last reportable incident our organisation has achieved 5 million safe man hours worked without any lost time accident reported. The Company has implemented several new measures to improve the safety culture in addition to the normal systems and procedures.

- During the April 2024 shutdown, the majority of pipelines, critical valves, equipment spares and structures were replaced to ensure both process efficiency and employee safety. The sulfuric acid unloading hose was adjusted to prevent spillage following tanker unloading
- Motor stopping delay relays were integrated for numerous pumps to prevent tripping during power dips, resulting in production savings. This improvement also enhances safety by minimizing operator exposure to chemicals during start up and shutdown operations.
- Four LPG online leak detection sensors was installed around LPG spheres and bullets and these were integrated into the Remote Sensing Enabled Online Chemical Emergency Response System (ROCERS), monitored by F&B, Kerala to handle emergency situation and guiding public.

The company has its own online work permit system integrating 6 separate work permits viz, Hot work, Cold work, Confined space entry, Work at height, Excavation and Radiography. HOCL has developed benchmark in Accident /incident investigation through a 29-point accident investigation checklist. The company has implemented Near Miss reporting system whereby employees can report any unsafe acts/conditions and corrective actions shall accordingly to prevent accidents. The best HSE suggestions received in the year has been implemented after evaluations through which employees could get the health benefits and additional health check-ups could be introduced and gained considerable safety improvements. The best suggestions received in the year has been implemented after evaluations.

Refresher training sessions on Fire and safety were imparted to the employees. Additional safety training for truck drivers were given for creating a safety culture in driving.

Various competitions were organized for creating more awareness on safety among employees, observed National Safety day, National fire service week, Road safety week, Electrical Safety Week etc.

An online HSE compliance system has been established. Corrective action is taken by the top management after review and analysis.

In order to promote young minds on safety Plant visits/Internships were permitted to students pursuing the B.Tech/Diploma/M.Sc . In addition, visits permitted to participants of Supervisory training course as per Sec 41C(b) of Factories Act 1948.

M/s. Kaju Thakur (C/o. Mr.Jose- Civil Contractor) working in HOCL bagged "Best Safety Guest Worker" from the Department of Factories and Boilers, Government of Kerala; **Category I** (Very Large Factories); **Sub Category VI** . Since the inception of the Best Safety Guest Worker Awards, it was for the First time HOCL was the recipient of this award.

HOCL won Abhinandan Pathra from M/s. National Safety Council- Kerala Chapter on achieving commendation in Medium Industries (Chemicals) during the year 2024. Our employees have participated in the State level competitions conducted by M/s. National Safety Council, Kerala Chapter held in connection with National Safety day and won prizes.

In 2024, the company successfully conducted one of the largest Annual Shutdown activities, during which a comprehensive range of maintenance tasks were scheduled. Over 687 contract employees were engaged to perform various critical tasks during this period. To ensure the safety of all workers, awareness sessions were conducted focusing on the hazards associated with the chemicals used within the plant and the required Personal Protective Equipment (PPE). Additionally, Toolbox Talks were held by the HOCL supervisor before the commencement of each task, emphasizing the importance of safety and the proper use of PPEs specific to the jobs being carried out.

To further ensure safety standards were upheld, surprise inspections were conducted by the Fire and Safety Department. Throughout this extensive shutdown, more than 5075 permits were issued for various jobs, reflecting the scale and complexity of the operations. Remarkably, despite the high number of contract workers and the large-scale activities, there were no reportable accidents or incidents during this period, showcasing the effective safety measures and proactive management of the shutdown process.

Introduced Compressed Air Foam System (CAFS) an advanced fire suppression system that combines water, foam concentrate, and compressed air to create a highly effective firefighting foam. The foam is deployed to smother fires, offering superior coverage compared to water alone. CAFS has the advantage of using less water. Its non-conductive foam makes it safe for use on electrical fires.

Considering the nature of the chemicals and their storage, mock drills are conducted periodically to raise employee awareness.

2. HEALTH

In the areas of Health, Hygiene and Environment, the company has undertaken periodic medical examination as well as statutory requirements of fitness check-up were carried out during the year 2024 for our employees. Audiometry tests were carried out for those who are exposed with higher noise levels and Benzene handlers. Auto toxicity tests were carried out for the Benzene handlers apart from other statutory regular check-ups. Urine Phenol Test was added for Benzene Handlers.

- Free Dental checkup, eye checkup, Blood Tests, Body Mass Index Measurement, Ideal Body Weight Evaluation etc were conducted for employees.
- Periodic Awareness Sessions for the benefit of employees on Fatty Liver, Kidney etc. were conducted.
- PSA test were conducted for all male employees above 40 years of age. Also PAP Smear, Transvaginal USG, USG Breast, Mammogram, USG Abdomen – were conducted for female staff.
- For canteen employees – BC, LFT, RFT, FLP, URE, FBS, Uric Acid, HbA1C, Stool RE etc. were conducted.
- Physical examination including Pulse, BP, Blood Sugar, ECG were conducted for Housekeeping staff.
- Organized 120 days Health Challenge (Weight loss) for the employees having higher BMI.
- In order to motivate employees about the importance of health, Cycle Rally, Walkathon, Mass run etc. were organized.
- Vitamin D levels were checked and supplementations were given to employees.
- Awareness session on TB was conducted as part of National TB Elimination programme, High risk employees were identified and they were screened for TB, HIV, Malaria.
- Occupational Health Centre was renovated.

3. ENVIRONMENT

In alignment with our commitment to environmental protection and sustainability, HOCL has undertaken a series of proactive initiatives to minimize its ecological footprint and promote environmental awareness. We are proud to report that the level of pollutants emitted from our factory and the surrounding areas remains well below the permissible limits prescribed by regulatory authorities. As part of our environmental stewardship, we have conducted various awareness sessions, competitions, and cleanliness drives under the *Swachh Bharat* initiative. Plant premises have been beautified with the active participation of all employees, reinforcing a sense of ownership and responsibility toward the environment.

Our commitment extended beyond the plant as we organized cleanliness activities in nearby schools and public roads. These efforts aim to instil environmental values in the community and enhance the surroundings.

World Environment Day 2024 was commemorated through the planting of saplings and organizing a range of competitions centered around the theme *“Land Restoration, Desertification and Drought Resilience.”* The event saw enthusiastic participation from employees across all departments.

Demonstrating our commitment to plastic waste management, HOCL has registered under the Extended Producer Responsibility (EPR) scheme with the Central Pollution Control Board (CPCB) as a brand owner, ensuring accountability in recycling and responsible disposal.

To ensure regulatory compliance, we have implemented a 24x7 online Effluent Monitoring and Stack Monitoring System, in adherence to CPCB and Kerala State Pollution Control Board guidelines. Regular safety inspections and “Safety Walks” by the Safety Committee, coupled with daily patrols by the Fire & Safety crew, serve as key mechanisms for continual environmental and safety improvements. Additionally, compliance with internal and external audits under the ISO 14001 (Environmental Management System) as part of our Integrated Management System (IMS) reflects our rigorous adherence to environmental standards.

Feedback from near-miss reports and HSE suggestions are systematically addressed, underscoring HOCL’s unwavering commitment to environmental protection and continual improvement.

32. RESERVATION AND OTHER WELFARE MEASURES FOR SCHEDULED CASTES/SCHEDULED TRIBES/ OTHER BACKWARD CLASSES AND PERSONS WITH BENCHMARK 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, OBC, PwBD and Women in employment position as on 31.03.2025

Category	Total	SC	ST	OBC	PwBD	WOMEN
A	94	10	6	21	2	12
B	26	4	2	6	-	-
C	52	10	1	10	1	2
D	10	1	-	-	-	-
Total	**182**	**25**	**9**	**37**	**3**	**14**

33. 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. Our Executive Director & UIC attended Regional Joint Conference on Official Language conducted by Dept of Official Language (OL) at Mysore on 04th January 2025 and received the First prize for best performance in OL from Hon. Minster of State for Home Affairs and Hon. Governor of Bihar.

Our officers attended fourth All India Rajbhasha conference organized by Dept of OL, Ministry of Home Affairs at Bharat Mandapam, New Delhi, on 14 & 15 September 2024. Hindi Fortnight organized from 14thto 29th September 2024 in Our Unit. During Hindi Fortnight celebrations, various competitions were organized and large number of employees participated. Competitions were also conducted for the students of GGHSS, Thripunitura and for children’s of employees during this celebrations.

HOCL bagged Regional OL Award - First Prize in PSU category in Region “C” for best performance in OL implementation from Dept of OL, Ministry of Home Affairs for the year 2023-24. HOCL also bagged First prize for the best implementation of OL policy from Town official language Implementation Committee (TOLIC) for the year 2023-24 and consolation prize for its e-magazine “Pehachan”.

For popularising Official Language Hindi, an outreach programme named Rajbhasha Chetna Karykram was continued this year also for BA/MA Hindi students of various Colleges and Universities of Calicut and Palakkad districts of Kerala during the month of August and September 2024. Seminar on OL were organised in five colleges during this programme. Around 500 students participated in this OL awareness programme/Seminar. In addition, a full day OL Orientation Programme was also conducted for the MA students of Regional Centre of SSUS, ,Tirur on 06.02.2025.

An Official language Management programme was organised exclusively for HOD's of the company on 13.06.2024. Besides a Technical Workshop was conducted exclusively for the Members of Official language implementation Committee (OLIC) of the company on 26.03.2025. Our officers and employees attended various OL seminars organized by Powergrid Corporation, Directorate of Coco and Cashew, FACT, HPCL, Cochin Shipyard at Kochi in association with TOLIC(PSU), Kochi.

The inauguration of Joint Hindi Fortnight celebrations 2024 of TOLIC (PSU), Kochi was organised in our company on 05.02.2025. Shri. Yogendra Prasad Shukla, Director (Finance) inaugurated the programme. Mr. M J Jagadeesh, Executive Director & UIC presided over the function. Three competitions viz. Calligraphy, Translation, Noting and Drafting and Technical Terminology competitions were conducted in our office on 05.02.2025. Our office has actively participated in various programmes conducted by TOLIC (PSU), Kochi during the period under report.

To make awareness about the importance of Hindi among students, World Hindi Day was celebrated on 10th January 2025 at Sri Sankara College, Kalady, Ernakulam along with classes on Rajbhasha Hindi and organised Quiz competition during the programme. An interactive session on OL and Career was also conducted at Dept of Hindi, MA College, Kothamangalam, Ernakulam on 09.01.2025. On the occasion of International Mother Language Day on 21 February 2025, competitions were conducted for employees.

Two issues of e-magazine "Pehachan" published and uploaded in the website of Rajbhasha Vibhag by the company during the period under report. 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.

Practical computer training was imparted to the officers and employees of the company on 21.09.2024 and from 11th to 13th March 2025. Incentive Scheme for doing original work in Hindi was already implemented in our Unit. 15 employees participated in this programme and received their cash incentives. Various promotional schemes including for better implementation of Official Language have been adopted by our organization. Our officer attended five days Translation refresher course conducted by CTB, New Delhi. To familiarize the Hindi words and its equivalent English words are being circulated daily among all ministerial employees in the name of Aaj Ka Shabd.

4 meetings of OLIC were conducted during the year and Our ED &UIC attended the two TOLIC Meetings held at Ernakulam. OL inspection by the DCPC, Ministry of Chemical & Fertilizer was carried out and OL inspections of all Sections/Depts at Kochi unit were conducted during the year. In connection with various Day celebrations organised in our Unit, competitions were also organised in Hindi to promote the use of Hindi.

34. 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/CPIO and Appellate Authority.

The number of RTI applications received and disposed off during the year 2024-25 is given below:

Total number of RTI applications received during the year 2024-25	42
Applications rejected during the year 2024-25, if any	0
Information submitted during the year 2024-25	43*
Pending to reply as on 31.03.2025	0

* *Reply to RTI application pending during previous year submitted during this year.*

35. MICRO, SMALL & MEDIUM ENTERPRISES (MSME)

In line with the Government's directive to procure items from MSMEs, the company has implemented necessary procedures in all tenders to ensure MSMEs' eligibility for participation. We have removed restrictive clauses and modified tender conditions to facilitate greater involvement of MSMEs, particularly SC/ST MSMEs, in the procurement process. Our purchase policy complies with these directives. HOCL regularly updates procurement data on the MSME Sambandh and Samadhan portals and is registered on the TREDs platform. Additionally, we actively participatedin the vendor development program conducted by the MSME Development & Facilitation Office in Thrissur, Kerala, aimed at enhancing procurement through the GeM portal and MSMEs. However, 95% of HOCL's purchases by value are petroleum products (such as LPG, Benzene, Furnace Oil, and Hydrogen), supplied by M/S BPCL via pipeline transfer, which are not manufactured by MSMEs and are not available on the GeM portal. To further support MSMEs, we have launched a campaign promoting the ZED (Zero Defect Zero Effect) and Lean certifications, which are designed to improve product quality competitiveness, and provide access to government benefits. We have sent detailed information to over 80 MSME vendors and emphasized the benefits of these certifications during site visits. To encourage adoption, we have included information regarding ZED and Lean certifications in our tender documents and will provide information on our website and social media platforms. We are also committed to offer continuous support to vendors throughout the certification process

36. 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 organization
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.

37. DETAILS OF CSR ACTIVITIES 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.

HOCL has incurred continues losses during the financial years 2021-22, 2022-23, 2023-24. Accordingly, provisions of CSR were not applicable to HOCL during the FY 2023-24 & 2024-25. About financial year 2024-25 there was profit after tax primarily due to waiver of Government of India dues. As is typical with such waivers, the impact is reflected in the Profit and Loss Account for FY 2024-25 as a one-time exceptional item, resulting in a reported profit for the year. However, during financial year 2024-25 there was no actual operational profit. Accordingly, HOCL is not required to carry out any CSR activities during the year under review. However, Company has recognized its social obligations and done the following activities:

i. HOCL has provided a Sanitary Napkin Incinerator to Government Vocational Higher Secondary School, Ambalamugal for helping the students to manage waste efficiently and also to serve as an educational tool to teach about the responsible waste disposal and environmental conservation.

ii. HOCL has provided 15 Nos. of Rain coats to nearby Police Station.

iii. HOCL has provided two Personal Computers to Kuzhikkad Government High School on the occasion of beginning of the new academic year 2024-25 and one Personal Computer to Kakkad Grameena Vayanasala to assist the digitalization of the resources of the Vayanasala.

<u>**Other activities during the year under review.**</u>

- Based on the theme "**Viksit Bharat Ka Mantra, Bharat ho Nashe se Swatantra**" on 12th August and all the employees on duty took the pledge from their respective work places and have participated in the e-pledge also.
- Under the aegis of "Har Ghar Tiranga" to further honour our National Flag and invoke the feeling of patriotism in the hearts of the citizen and promote awareness about the National Flag, distributed the Indian National Flag to our employees and other stakeholders and requested to hoist the same at their houses during the Independence week.
- Celebrated the 78th Independence Day with various programmes. HOCL has organized a mass run on Independence Day with the Slogan "SAY NO TO DRUGS".
- Constitution Day was observed in our organization to commemorate the adoption of the 'Constitution of India'. 'Preamble' of the Constitution was read out by our Chairman and Managing Director and all employees were joined in the reading of the Preamble.
- World Environment Day 2024 celebrations at HOCL were formally inaugurated by CMD, saplings were planted at various places inside our premises on the occasion and conducted various competitions like plant a sapling and take a selfie contest, slogan writing and painting contest etc.
- International Yoga Day was celebrated with an awareness session followed by a practical Yoga session for employees and family on the eve of Yoga Day at HOCL Community Hall.
- Yoga training session was arranged for HOCL employees and the students of Govt. High School, Ambalamedu on 21.06.2024 at our Training Centre and wide publicity was given through banners, social media etc. T-Shirts with Logo were distributed to participants.
- International Women's Day 2025 was celebrated by WIPS (Forum of Women In Public Sector), HOCL with various cultural programmes
- Vigilance Awareness Week was observed with Integrity Pledge, interactive session on Ethics and Governance, CDA Rules & Vigilance Matters etc. and conducted various competitions like, Essay writing, Elocution competition on "Culture of Integrity for Nation's Prosperity", Quiz etc.
- The birth Anniversary of Sardar Vallabhbai Patel, the architect of the national integration of independent India is observed as "The Rashtriya Ekta Diwas" started with a pledge to foster and reinforce our dedication to preserve and strengthen the unity, integrity and security of the nation.
- Conducted an awareness session on POSH Act for our newly recruited personnel by Dr.Raseena Padmam, Retd. Professor & former Director of School of Behavioural Science, M G University, Kottayam.
- **Swachhata Diwas celebrations**: HOCL has celebrated swachhta Diwas in a befitting manner on the auspicious day of the birth anniversary of our father of the Nation. Mr. H Kam Suanthang, Joint secretary of DCPC was the chief guest for the swachhata Diwas celebrations at HOCL.
- HOCL celebrated the **Swachhta Pakhwada** from 01.09.2024 to 15.09.2024 by administration of Swachhata Pledge. Conducted various competitions, cleanliness drives, webinars, awareness classes etc. on the same. As part of **Swachhata Ki Bhagidari** we were conducted various competitions visz., Painting, Essay and Quiz for the school Children of Govt. High School, Ambalamedu, Ernakulam.

38. INDUSTRIAL RELATIONS:

Your company continued to maintain the overall Industrial Relation situation to be peaceful and cordial during the year 2024-25. There was no strike or lockout during the year. All employees continued to contribute their best to the company during the year.

39. MANPOWER STATUS:

The manpower strength of the Company as on 31st March, 2025 was 182 consisting of 120 Officers and 62 non-officer's category.

40. 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.

41. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS

There are no qualifications, reservations of adverse remarks made by the statutory auditors in their report.

42. 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

43. 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.

Audit Committee/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.

44. 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 2024-25

- Replacement of conventional lights with LED lights: Electrical energy saving Rs.6.57 lakhs/year
- Replacement of Old AC with New 5star rating ACs: Electrical energy saving Rs.0.63 lakhs/year
- Replacement of conventional fan with Energy Efficient BLDC fans: Electrical energy saving Rs.0.66 lakhs/year
- Replacement of conventional motor with energy efficient IE3 motor: Electrical energy savings Rs.1.35 lakhs/year

B. Technology Absorption

The specific consumption of raw materials and chemicals has been reduced by optimising their usage through an in-house technology.

i. The efforts made towards technology absorption: Nil

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

- MOC of the DNET section pipe lines changed from CS to PTFE in order to avoid the plant down time due to leakage resulting from corrosion.
- A Proposal put forwarded for the recovery of ACP from TAR
- New Air compressor purchase is in progress with a payback period of 1.7 years. And an expected savings of RS -18765780 /- per year as compared to the existing compressor

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; NA

(b) the year of import; NA

(c) whether the technology been fully absorbed; NA

(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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL

45. 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
- Limited availability of anti-dumping support for the main products Phenol and Acetone.
- High interest cost.

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.
- Restriction in taking up new ventures

46. 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 (HFL), subsidiary company 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.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. HFL is under the process of Delisting and closure.

47. DEPOSITS:

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

48. 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

49. 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.

In connection with observance of Sexual Harassment of Women at workplace Prevention week 2023, various programmes were conducted viz., Pledge, a Street Play on POSH Act was carried out by our women employees, Women's Walkathon Competition, an Awareness session on POSH Act etc.

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

No. of complaints received: Nil

No. of complaints disposed of: Nil

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

50. VIGILANCE MECHANISM:

Hindustan Organic Chemicals Limited, being a Government Company, a Vigilance Department is already existing in pursuance of CVC Guidelines headed by Chief Vigilance Officer (CVO), HOCL. The 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.

51. INTEGRITY PACT

Adoption of Integrity Pact already implemented in HOCL through two (2) no(s) of Independent External Monitor(s)to maintain, foster most ethical and corruption free business environment.

The Integrity Pact Policy adopted by the Company is applicable in respect of all tenders with estimated value above Rs.50 lakhs (excluding export). Your Company has also conducted structured meetings of the Independent External Monitor with Chairman & Managing Director and other Executives. Integrity Pact is being updated as per CVC circulars. Integrity Pact Policy is available on the web site of the Company.

52. 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 have 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.

53. GENERAL

No disclosure or reporting is required in respect of the following matters as there were no transactions on these matters 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.
- 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.

54. AWARDS & RECOGNITION

- HOCL received Abhinandan Patra among medium industries from M/s.National Safety Council, Kerala Chapter. This prestigious award recognizes our organization's outstanding commitment to workplace safety and health, setting exemplary standards within the industry. The dedication to implementing best practices and proactive risk management strategies has not only ensured the well-being of our employees but has also contributed significantly to fostering a culture of safety across the sector.
- HOCL has received the Best Guest Safety Worker Award among Category I from the Department of Factories and Boilers, Govt of Kerala during the year 2024.
- HOCL received Regional Rajbhasha Puraskar for the year 2023-24, the First prize for the best implementation of the Official Language Policy,
- HOCL bagged the First prize from the Town Official Language Implementation Committee (PSU), Kochi for best implementation of Official Language policy in the company for the year 2023-24.
- HOCL bagged Consolation prize for its house Journal 'Pehchaan' under the 'Best Home Magazine Award' for the year 2023-24 from the Town Official Language Implementation Committee (PSU), Kochi.

55. ACKNOWLEDGEMENT

The Board of Directors are extremely thankful to all officials of Department of Chemicals & Petro-chemicals, Ministry of Chemicals & Fertilizers, Government of India for the continued support extended to HOCL. The Directors thank the Company's employees, customers, vendors, investors and other stake holders for their continuous support. The Directors also express their grateful appreciation for the support and co-operation from officials of Governments of Maharashtra, Government of Kerala, and other Government departments and agencies, Banks, financial institutions, local bodies and all Auditors of the company. The Board places on record its gratitude to the members of the Company for their support and confidence in the management. The Directors appreciate and value the contribution made by each member of the Hindustan Organic Chemicals Limited family.

For and on behalf of the Board of Directors of Hindustan Organic Chemicals Limited

Sd/-

Yogendra Prasad Shukla
Chairman and Managing Director
DIN: 09674122

Date: 13.08.2025
Place: Ernakulam, Kerala

Annexure I

REPORT ON CORPORATE GOVERNANCE AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE FY 2024-25

“**Vision**: To Produce and market basic chemicals efficiently and economically in anenvironment 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 company’s philosophy on code of governance:

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 productcommitments.

2. Board of directors:

a. Composition and category of directors:

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 shallbe neither less than three nor more than fifteen. The Directors shall not require to hold any qualification shares.

As on 31.03.2025 the Board of HOCL consisted of three (3) Directors with two (2) Executive Director (i.e. Chairman & Managing Director and Director (Finance), one (1) Government Nominee Director. All the Directors are acknowledged as leading professionals in their respective fields. Functional Directors are appointed for a period of five years or till their date of superannuation or further orders from the administrative ministry, whichever is the earliest. Government Nominee Directors are generally appointed for a period of three years or till further orders from administrative ministry, whichever is earlier. Independent Directors are appointed for a period of three years or until further orders.

HOCL is a Govt. of India Undertaking (a Central Public Sector Undertaking i.e CPSU) under the administrative control of Department of Chemicals & Petrochemicals (DCPC), Ministry of Chemicals & Fertilizers, Government of India. Accordingly, as per Company’s Articles of Association, the power to appoint all the Directors on the Board of HOCL vest with the Govt. of India.

As on 31.03.2025, there is a requirement of three (3) Independent Directors, a Woman Director and one Government Nominee Director in HOCL. Company is awaiting Govt. Orders regarding for appointment of Directors in all these categories thereof.

Composition of the Board

The composition of the Board as on 31st March, 2025 is as follows:

Sl No.	Name of Director	Director Identification Number (DIN)	Designation (Category)
1	Shri Sajeev B	09344438	Chairman & Managing Director
2	Shri Yogendra Prasad Shukla	09674122	Director (Finance)
3	Shri Manoj Sethi	00301439	Govt. Nominee Director

As mentioned above, there is a vacancy of three (3) Independent Directors, a Woman Director and one Government Nominee Director in HOCL Board. Accordingly, the matter regarding vacancy of Independent Directors in the HOCL Board had been frequently informed to Board and Company had been requesting the DCPC/ Administrative to appoint requisite number of Iindependent Directors including Woman Director in HOCL Board.

Changes in the Board of Directors/KMP during the year 2024-25:

Appointments: No Director or KMP were appointed or re-appointed during the year 2024-25.

Cessation: The two Independent Directors viz; Dr Bharat J Kanabar & Shri Pratyush Mandal have completed their tenure on 23.12.2024. Shri Kanishk Kant Srivastava, Government Nominee Non-Executive Director has completed his tenure on 29.03.2025. Accordingly, three Directors have ceased from their respective position during the year 2024-25.

b. Attendance of each director at the meeting of the board of directors andthe last Annual General Meeting:

Directors	No. of Board meetings attended	Attendance at the last AGM
Mr. Sajeev B.	9	Yes
Mr. Kanisk Kant Srivastava*	7	Yes
Dr. Bharat J. Kanabar**	7	Yes
Mr. Pratyush Mandal**	7	Yes
Mr. Yogendra Prasad Shukla	9	Yes
Mr. Manoj Sethi	8	Yes

* *Ceased as Govt. Nominee Director w.e.f 29.03.2025.*

* *Ceased as Independent Director w.e.f 23.12.2024.*

c. Number of other Board of Directors or Committees in which a Director is a Member or Chairperson during the year 2024-25:

Title (Mr./ Mrs.)	Name of the Director Category (Chairperson/ Executive/NonExecutive/ independent/Nominee)	No of Directorship in listed entities including this listed entity	Number of memberships in Audit/Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1)(B) of SEBI LODRR
Mr.	Sajeev B. Chairman & Managing Director	2	1
Mr.	Yogendra Prasad Shukla Director (Finance)	2	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
Mr.	Manoj Sethi Govt. Nominee Director	2	0

Name of the Director (As on 31.03.2024)	Names of the Listed Entities where the person is a Director and the category of Directorship other than this listed entity
Mr. Sajeev B.	Hindustan Fluorocarbons Limited-Managing Director (Additional Charge)
Mr. Yogendra Prasad Shukla	Hindustan Fluorocarbons Limited- HOCL Nominee Director
Mr. Kanishk Kant Srivastava*	None
Dr. Bharat J. Kanabar**	Hindustan Fluorocarbons Limited-Independent Director
Mr. Pratyush Mandal**	None
Mr. Manoj Sethi	Fertilizers And Chemicals Travancore Ltd. (FACT) – Govt. Nominee Director

* *Ceased as Govt. Nominee Director w.e.f 29.03.2025.*

* *Ceased as Independent Director w.e.f 23.12.2024.*

d. Number of meetings of the board of directors held during the Year 2024-25 and the dates on which Board Meetings were held.

Sl No.	Board Meeting no.	Date of Board meeting	Filled Strength	Directors attended the meeting
1.	411	23.04.2024	6	6
2.	412	22.05.2024	6	5
3.	413	13.06.2024	6	6
4.	414	09.08.2024	6	6
5.	415	15.10.2024	6	5
6.	416	08.11.2024	6	6
7.	417	18.12.2024	6	6
8.	418	29.01.2025	4	4
9.	419	12.02.2025	4	3

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

f. Number of shares and convertible instruments held by non-executivedirectors; - Nil

g. Web link where details of familiarization programmes imparted to independent directors is disclosed. –

https://www.hoclindia.com/uploads/userfiles/Familiarization%20of%20Independent%20Directors.pdf

h. Chart or matrix setting out skills/expertise/competence of the Board of Directors:

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

i. Board of Directors confirm that based on the declaration received, the Independent Director fulfill the conditions specified in these regulations and are independent of the management.

j. Detailed reasons for the resignation of an Independent 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;

The Audit Committee comprises three (3) Members viz. Dr. Bharat J. Kanabar as Chairperson, Shri Pratyush Mandal and Shri Kanish Kant Srivastava as Members of the Audit Committee till 23.12.2024.

(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. The terms of reference of Audit committee are in line with the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance for Central Public Sector Enterprises.

(c) Meetings and attendance **:-** During the year 2024-25 the Audit Committee of the Company met 3 times on the following dates:

21st May, 2024, 08th August, 2024, 07th November, 2024

Members	No. of Audit Committee Meetings attended
Dr. Bharat J. Kanabar	3
Shri Pratyush Mandal	3
Shri Kanishk Kant Srivastava	2

4. Nomination and Remuneration Committee:

(a) Brief description of terms of reference;

The terms of reference of Nomination and Remuneration committee are in line with the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance for Central Public Sector Enterprises.

(b) Composition, name of members and chairperson;

Sl No.	Name	Designation
1.	Dr Bharat J Kanabar	Chairperson
2.	Shri Pratyush Mandal	Member
3.	Shri Kanishk Kant Srivastava	Member

(d) Meeting and attendance during the year;

During the year 2024-25 the Committee has not met.

(e) Performance evaluation criteria for independent directors – Not Applicable. HOCL being a Govt. PSU, all the Board of Directors are appointed by the administrative ministry i.e Department of Chemicals and Petro-chemicals, Government of India. The performance evaluation of all the Directors including Independent Directors are done by the administrative ministry and HOCL is not required to conduct annual performance evaluation of Independent Directors.

5. Stakeholders Relationship Committee:

(a) Name of non-executive director heading the committee – Shri Pratyush Mandal (till 23.12.2024)

(b) Name and designation of the compliance officer – Shri Subramonian H, Company Secretary. Email Id: cs@hoclindia.com Tel No. 0484 -2727342

(c) Number of shareholder's complaints received during the financial year – Four (4)

(d) Number of complaints not solved to the satisfaction of shareholders – Nil

(e) Number of pending complaints – Nil

5 A. Risk Management Committee: HOCL is not among the 1000 listed companies based on Market Capitalization. Hence, the provisions of risk management committee is not applicable.

5 B. Senior Management:

Particulars of Senior Management as on 31.03.2025 including changes therein since the closure of the previous financial year is given below

Sl No.	Name	Designation	Changes if any, since closure of last FY
1.	Shri M J Jagadeesh	ED & Unit-in-charge	NA
2.	Smt D Sindhu	Chief General Manager (F&S/QC/TSS)	NA
3.	Shri P H Zubair	Chief General Manager (Marketing/FPS/ BD)	NA
4.	Shri B Balachandran	Chief General Manager (Materials/MSS/HR)	NA
5.	Shri R Rajesh	Chief General Manager (Prod./Proj./CLRP)	NA
6.	Shri T K Raju	Chief General Manager (Engineering/MR/FM)	NA

6. Remuneration of Directors:

(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity; -- Only sitting fee is paid to non-executive directors. Necessary Disclosure relating to payment of Sitting Fees is made in the Annual Report.

(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; -- Only sitting 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 requiredunder 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.;

Functional Directors are appointed by the administrative ministry, Government of India. Their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. Details of remuneration paid to the Directors for the year ended 31-03-2025 are as follows:

Sl No.	Name of the Directors	Salary including other benefits (Rs. In Lakhs)	Sitting Fees Paid to Independent Directors (Rs. In Lakhs)	Total Amount (Rs. in Lakhs)
1.	Shri Sajeev B., CMD	43.88	N.A	43.88
2.	Shri Yogendra Prasad Shukla, Director (Finance)	35.26	N.A	35.26
3.	Shri Manoj Sethi, JS&FA – Govt. Nominee Director (w.e.f 22.11.2023)	N.A	N.A	Nil
4.	Shri Kanishk Kant Srivastava – Govt. Nominee Director	N.A	N.A	Nil
5.	Dr. Bharat J. Kanabar – Independent Director	N.A	1.00	1.00
6.	Shri Pratyush Mandal – Independent Director	N.A	1.00	1.00
7.	Shri Pratyush Mandal – Independent Director	N.A	1.30	1.30

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/committeemeetings.

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

The Executive Directors (Functional 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. Their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. 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

7. General Body Meetings:

a) Location and time, where last three Annual General Meetings held & details of Special Resolutions passed;

Particulars	FY 2021-2022	FY 2022-2023	FY 2023-2024
Date	29-09-2022	26-09-2023	25-09-2024
Time	2.00 p.m	3.30 pm	03:30 PM
Venue	Through Video Conferencing ("VC")/ Other Audio Visual means ("OAVM")	Through Video Conferencing ("VC")/ Other Audio Visual means ("OAVM")	Through Video Conferencing ("VC")/ Other Audio Visual means ("OAVM")
Details of Special Resolution	Yes	Nil	Nil

b) Whether any special resolution passed last year /during the year through postal ballot – None during the year.

c) Person who conducted the Postal Ballot Exercise – Not Applicable.

d) Whether any special resolution is proposed to be conducted through postal ballot – As on date company do not propose to pass any special resolution through postal ballot.

e) Procedure for postal ballot – Not Applicable, since company has not done Postal Ballot during the year.

8. Means of communication:

(a) Quarterly results;

The quarterly unaudited financial results of the Company are announced within the stipulated time frame. Thereafter, the same is also submitted to the Stock Exchanges through BSE Portal within prescribed time. The financial results are also uploaded in the website of HOCL.

(b) Newspapers wherein Results are normally published;

The financial results are published in one Malayalam newspaper and one English National Daily newspaper.

(c) Any website, where displayed;

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

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

(e) Presentations made to institutional investors or to the analysts. – NA

9. General shareholder information:

(a) 64th Annual General Meeting (AGM) of the Company – 26.09.2025 at 03:30 PM.

(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]. Company has paid Annual Listing fees to stock exchange up to the financial year 2024-25.

(e) In case the securities are suspended from trading, the directors reportshall explain the reason thereof; N.A

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

M/s. Big Share Services Pvt. Ltd. Office No.S-6, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093

(g) Share transfer system;

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

(h) Distribution of shareholding as on Date: 31.03.2025

Shareholding of Nominal		No. of Shareholders	Percentage of Total	Share Amount	Percentage of Total
Rs.	Rs.			Rs.	
1	5000	56461	90.27	64500630	9.60
5001	10000	3028	4.84	25483900	3.79
10001	20000	1499	2.40	23285980	3.46
20001	30000	495	0.79	12881720	1.91
30001	40000	232	0.37	8410400	1.25
40001	50000	261	0.42	12641180	1.88
50001	100000	301	0.48	22736700	3.38
100001 & above		272	0.43	501790490	74.70
TOTAL		**62549**	**100.00**	**671731000**	**100**

During the financial year 2024-25, equity shares of HOCL is traded in Bombay Stock Exchange (BSE). Based on market capitalization as on 31.03.2025, HOCL is among top 2000 listed companies.

(l) Dematerialization of shares and liquidity:

The equity shares of HOCL 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). As on 30th March 2025, 97.15% of the share capital of the Company is in dematerialized form (i.e NSDL – 18.17% and CDSL – 78.98%). Out of total 62549 shareholders, 47581 shareholders are holding shares in Demat mode and remaining 14968 are in physical form.

(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: HOCL has only one plant located in Kochi.

Sr. No.	Location	Main Product
1.	Ambalamugal, Kochi, Kerala	Phenol Complex

(p) Address for correspondence: -

i. **Registered & Corporate Office**: Ambalamugal PO, Ernakulam District, Kerala- 682 302

ii. R&T Agents address :

M/s. Big Share 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- No credit rating is done by the company.

10. Other Disclosures:

a) During the year 2024-25 company has not entered into any materially significant related party transactions that may have potential conflict of interest with company at large.

b) During the year 2024-25, the BSE Limited has imposed fine/ penalty for non-compliance of Regulations 17(1) of SEBI (LODR) Regulations 2015 relating to non-availability of adequate number of Independent Directors including Woman Director, delay in submission of related party transaction report and impact of audit qualification. Company has submitted waiver application to BSE to completely waive off the fine. The Board of Directors of HOCL are appointed by the administrative ministry i.e Ministry of Chemicals & Fertilizers, Department of Chemicals & Petr-chemicals, Government of India. Accordingly, power to appoint Directors are beyond the control of the Company. Company has requested the Stock exchange to waive off the fine. The matter is regularly placed before the Board meeting which noted the same and advised to request the administrative ministry for filling the vacant post of Independent Directors. Once the administrative ministry appoints the Independent Director, HOCL shall comply with the SEBI (LODR) Regulations 2015 relating with composition of the Board.

c) Vigil Mechanism - Whistle blower policy:

The Company has instituted procedures for the receipt, retention and dealing with complaints. HOCL has put in place a fraud prevention policy. As a part of compliancewith 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. Company has formulated whistle blower policy/vigil mechanism and the same is available in the website of company at https://www.hoclindia.com/uploads/userfiles/HOCL%20Whistle%20Blower%20Policy.pdf . No person has been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements;- Company has complied with all the mandatory requirements except requirement of requisite Independent Directors and Woman Director on the Board as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Web link where policy for determining 'material' subsidiaries is disclosed: https://www.hoclindia.com/uploads/userfiles/HOCL%20Policy%20for%20determining%20Material%20Subsidiaries.pdf

f) Web link where policy on dealing with related party transaction: https://www.hoclindia.com/uploads/userfiles/Related%20Party%20Transaction%20Policy%2012_02_2025.pdf

g) Company neither has commodity price risk nor is involved in commodity hedging activities.

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

i) 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 ofCorporate Affairs or any such statutory authority forms part of the Annual report.

j) All the recommendations made by the sub-committees of the Board have been accepted by the Board of Directors.

k) The details of statutory audit fee and expenses as per the financial statements for the year 2024-25 is given below.

Particulars	Amount (Rs. In lakhs)
Statutory Audit Fee	4.60

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

a. No. of complaints filed during FY: Nil

b. No. of complaints disposed of during FY: Nil

c. No. of complaints pending as on end of the FY: Nil

m) Disclosure related to loan to subsidiary company:

Name of Subsidiary company	Amount of Loan Rs. In lakhs (As on 31.03.2025)
Hindustan Fluorocarbons Limited	4272.13

n) HOCL has one (1) subsidiary namely; Hindustan Fluorocarbons Limited [HFL]. HFL was incorporated on 14th July, 1983. The registered office of HFL is situated in Hyderabad, Telangana state. As the decision of Cabinet Committee on Economic Affairs (CCEA), Govt. of India, HFL is under the process of closure. Comptroller and Auditor General of India vide letter dated 21.09.2024 had appointed M/s. A V Ratnam & Co. as the statutory auditors of HFL for the financial year 2024-25.

11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed. -

As on 31.03.2025, there is requirement of three Independent Directors, a woman Director and a Govt. Nominee Director in HOCL. Accordingly, in pursuance to Schedule V of the SEBI (LODR) Regulations 2015, we report non-compliance to Regulation 17(1), 17 (2A), 18, 19 & 20 of SEBI (LODR) Regulations, 2015 from 23.12.2024 onwards.

Being a PSU, appointment of adequate number of Directors including Independent Directors on the Board of the Company is to be done by the administrative ministry. Company has requested the administrative ministry to appoint one (1) woman Director and requisite Independent Directors and Company is awaiting necessary Govt. Orders in this regard.

12. 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.

Following are the disclosure 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, all Directors are appointed by Administrative Ministry, Government of India. Accordingly, Ministry has appointed executive director as 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. The half yearly financial performance is placed on the website of HOCL and the same is also submitted to BSE for the information of public at large. Further, the results are also published in newspapers.

C. Modified opinion(s) in audit report

Statutory Auditors have given Unmodified Opinion for FY 2024-25.

D. Separate posts of chairperson and Managing Director or the Chief Executive Officer

In view of the fact that, the power to appoint all the Director on 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 Chairman & Managing Director.

E. Reporting of Internal Auditor

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

13. Disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

Except those Non-Compliances as observed in the Corporate Governance certificate and in Secretarial Audit Report, the Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulations 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. Disclosure with respect to demat suspense account/ unclaimed suspense account

Not Applicable for the FY 2024-25

15. Disclosure of certain types of agreements binding listed entities

Not Applicable for the FY 2024-25

16. Secretarial Audit Report:

The Board has appointed M/s. J K Das & Associates, Practising Company Secretary to conduct Secretarial Audit for the FY 2024-2025. The Secretarial Audit Report for the Financial Year ended March 31, 2025 is annexed to Director Report and complied with Section 204 of Companies Act and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The reply to observation by the Secretarial Auditor forms part of the Directors Report.

17. 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.

The quarterly self-evaluation reports are being submitted within stipulated time frame in the online portal of Department of Public Enterprises [DPE].

18. Separate Meeting of Independent Directors:

During the calendar year one separate meeting of Independent Directors was held.

19. CSR & Sustainability Development Committee:

CSR & Sustainability Development Committee is not applicable for the HOCL for the FY 2024-25. However, Board has constituted CSR committee comprising three (3) Directors as members namely; Shri Pratyush Mandal, Independent Director as Chairman, Dr. Bharat J. Kanabar, Independent Director as Member, and Shri Sajeev B., CMD as another member along with the Company Secretary acting as the Secretary of the Committee. The terms of reference of the said CSR Committee included among others, is as per Section 135 of the Companies Act, 2013 and Rules 2014 thereunder, along with Schedule VII, etc.

20. CEO/CFO certification for Financial Year ending on 31st March, 2025.

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

A. We have reviewed, audited financial statements/financial results and the cash flow statement for the year ended 31st March, 2025 pertaining to Hindustan Organic Chemicals Limited and that to the best of our knowledge and belief:

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

(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. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year ended 31st March, 2025 which are fraudulent, illegal or violative of the listed entity's code of conduct.

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

D. We have indicated to the auditors and the Audit committee

(1) that there are no significant changes in internal control over financial reporting during the year 2024-25;

(2) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) That no 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: Kochi, Kerala **Date: 31.03.2025**	**Yogendra Prasad Shukla** **Director (Finance) & Chief Financial Officer**	**Sajeev B.** **Chairman and Managing Director**

21. 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.

22. Disclosure of Accounting Treatment:

Financial statements have been prepared in accordance with prescribed Accounting Standards. No alternative treatment has been carried our in preparing the financial statements.

23. Management Discussion & Analysis Report:

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

For Hindustan Organic Chemicals Limited

Sd/-
Subramonian H
Company Secretary & Compliance Officer
ACS: 28380

Date : 13.08.2025
Place: Ernakulam, Kerala

Annexure II

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries or associate companies/Joint Ventures

Part "A": Subsidiaries

Rs. In Lakhs

1. Sl. No.:	1
2. Name of Subsidiary	Hindustan Fluorocarbons Ltd.
3. Date since when the subsidiary was acquired	14.07.1983
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	Not Applicable
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Not Applicable
6. Share Capital:	1,961.46
7. Reserves & Surplus (Other Equity)	(10,188.60)
8. Total Assets:	6,413.07
9. Total Liabilities:	14,640.21
10. Investment:	NIL
11. Turnover	0
12. Profit before tax:	42.47
13. Provision for tax:	NIL
14. Profit after tax:	42.47
15. Proposed Dividend:	Nil
16. % of shareholdings:	56.43
Name of subsidiary which are yet to commence operation	Name of subsidiary which are yet to commence operation
Name of subsidiaries which have been liquidated or sold or ceased as subsidiary during the year	Name of subsidiaries which have been liquidated or sold or ceased as subsidiary during the year

Part "B": Associates & Joint Ventures: Not Applicable

For and on behalf of the Board of Directors

Sajeev B **Chairman and Managing Director** **DIN: 09344438**	**Yogendra Prasad Shukla** **Director (Finance)** **DIN: 09674122**	**Subramonian H** **Company Secretary** **ACS: 28380**

Date: 16.05.2025
Place: Ernakulam

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, 2025 which were not on arm's length basis.

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

   There were no related party transactions during the year under review. However, in accordance with Ind AS 24, the disclosure relating to transactions with Government and other Government controlled entities have been reported in Note. No.36 of accounts.

For and on behalf of the Board of Directors
of Hindustan Organic Chemicals Limited

Sd/-
Yogendra Prasad Shukla
Chairman and Managing Director
DIN: 09674122

Date: 13.08.2025
Place: Ernakulam, Kerala

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.

HOCL Kochi Unit is having Integrated Management System Certification comprising ISO 9001:2015 (Quality Management system), ISO 14001:2015 (Environment Management System), ISO 45001:2018 (Occupational Health and Saftey Management system) and ISO 50001:2018. All the products of HOCL are certified by BIS.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Over the past decade, the Government of India has introduced a series of transformative policies aimed at accelerating economic growth, enhancing competitiveness, and integrating key sectors into Global Value Chains (GVCs). Reforms such as the implementation of the Goods and Services Tax (GST), initiatives like “Make in India” and “Aatmanirbhar Bharat” have significantly contributed to improving the business environment, bolstering manufacturing, and fostering industrial growth.

Among the other sectors, the chemicals industry stands as a pillar of India’s industrial and economic landscape. With a market size of approximately $220 billion in 2023, the sector is poised to grow exponentially, reaching around $400 to 450 billion by 2030 and $850 to 1,000 billion by 2040. India is currently the world’s sixth-largest and Asia’s third largest producer of chemicals, supplying essential raw materials to industries such as pharmaceuticals, textiles, automotive, and agriculture. The sector’s dynamic growth trajectory underscores its potential to play a key role in India’s aspiration of achieving a $5-trillion economy.

2. KEY OPPORTUNITIES

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. The operating loss has been reduced due to improved working capital position and reduced interest expenditure, after the initiation of the restructuring process. New Air Compressor was commissioned and utilizing the Air for Phenol Plant, Hydrogen Peroxide which gives an annual saving of Rs.1.5 Cr. Change of the fuel from furnace oil to LNG in Boilers and Heaters will save an amount of Rs.14 Cr. per year. Further, manufacture of Acetophenone will bring additional income of Rs. 2.00 Cr. (approx.) to the Unit.

3. 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 up to 6 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.

Company’s products such as Phenol, Acetone and Hydrogen Peroxide which satisfies the requirements of key customers who procure multiple products. Your Company’s products cater to wide range of end- use sectors such as dyes & pigments, agrochemicals, pharmaceuticals companies. This assists the organization in obtaining new clients and addressing huge spectrum of their demands.

One of the key challenge faced by HOCL is the logistics. As majority of the phenol Customers are in North India and in South HOCL is able to sell only less than 1,000 MT of Phenol per month. In order to match our price and to mitigate the competition, HOCL is forced to sell at discount in the North, West and Eastern region. A possible way forward can be using the railway coaches in collaboration with BPCL for transporting Phenol to norther regions. This can reduce the cost of transportation.

The technology used by the company for the production of Cumene is very old technology compared to the competitors in the market. HOCL is using SPA1 (Solid Phosphoric Acid) as the catalyst for conversion of Benzene & LPG to Cumene. This generates more by-product (Heavy End of Cumene) when compared with the lead competitor who uses Zerolite catalyst where lesser quantity of the by-product is generated. Adoption of Zerolite Catalyst for production is a possible solution which require Rs. 200 Cr (approx.) investment with two years for commissioning and resulting an estimated profit of Rs.13 Cr per year. The life of one load Zerolite Catalyst is six (6) years whereas life of one load current SPA1 catalyst if two (2) years only resulting a saving of 60 days production in six years period.

It is expected that few more Phenol Plants are coming up in various locations in India with higher production capacity. Our lead competitor is also planning to increase production capacity of more than 3 lakh MT per annum. Since the domestic demand is likely to be met by upcoming plants, HOCL should target overseas market in future.

3. SEGMENTWISE PERFORMANCE

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

Product Segment	Year ended 31/03/2025			Year ended 31/03/2024		
	Target MT	Actual MT	Percentage Achieved	Target MT	Actual MT	Percentage Achieved
Chemicals	75090	66815	88.98	75090	87710	116

4. PRODUCT WISE PERFORMANCE (Main Products)

Sr. No.	Name of Product	F.Y. 2024-25		F.Y. 2023-24
		Installed Capacity	Actual	Actual
1	Phenol	40000	34874	47518
2	Acetone	24640	21790	29613
3	Hydrogen Peroxide	10450	10151	10579
	TOTAL	**75090**	66815	**87710**

5. OUTLOOK FOR THE NEXT YEAR

- 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.
- Your Company will continue to be vigilant and will capitalize on the opportunities that arise as a result of swift transformation in the industry landscape.

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 requirements to revamp/replacement/modernization of the old plants.

7. INTERNAL CONTROL SYSTEMS & THE ADEQUACY

Internal controls are supported by Internal Audit and Management Reviews. With the objective of improving the systems and removing bottlenecks, systems review is carried out and policies and procedure manuals are amended on need based manner. HOCL Kochi unit is having ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certification. Your Company has Corporate Governance structure that govern its operations and the management team follows sound financial policies as well as processes and systems.

8. REVIEW OF FINANCIAL & OPERATIONAL PERFORMANCE:

As per accounts of FY 2024-25, your Company has earned a net profit of Rs.391.54 Cr. (after tax) as against net loss incurred during the previous FY 2023-24 of Rs.55.32 Cr. due to waiver of Govt. of India loan.

Phenol plant and Hydrogen Peroxide plant at Kochi achieved 87% and 97% capacity utilization during year ended 31st March 2025 as against 119% and 101% during the corresponding previous year ended 31st March 2024 mainly due to shut down during the year for replacement of catalyst and major repair works.

9. INFORMATION TECHNOLOGY

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. The core business functions are performed using Tally Prime ERP system. The integration of different modules of the ERP system resulted in better functioning, timely and smooth completion of our business process and transactions. Management ensures continual effort in the ever-changing technological environment, for improving and meeting with requirement like data security, information availability, transparency and accuracy. The IT infrastructure of the company is audited by CERT-In empaneled audit authority to ensure the compliance with IT policies & standards. 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. OTHER INFORMATIONS:

The details regarding Human Resources, Industry relations, CSR activities, Environment protection, technology absorption, energy conservation etc. are provided in the Directors Report.

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 Directors
of Hindustan Organic Chemicals Limited

Sd/-
Yogendra Prasad Shukla
Chairman and Managing Director
DIN: 09674122

Date: 13.08.2025
Place: Ernakulam, Kerala

COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE AS PER SEBI LODRR

To,
The Members
Hindustan Organic Chemicals Limited,
Ambalamugal PO
Kunnathunad, Ernakulam
Kerala, India, 682302

1. We have examined the compliance of the conditions of Corporate Governance by **Hindustan Organic Chemicals Limited (CIN: L99999KL1960GOI082753)** for the financial year ended March 31, 2025, for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, (the **"Listing Regulations"**). We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of certification.

2. The Compliance of conditions of Corporate Governance is the responsibility of the 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.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness and 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 have followed, provided a reasonable basis for our opinion.

4. Our examination was limited and examining the procedures and implementation process adopted by the company for ensuring compliances of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

Opinion

5. Based on our examination of relevant records made available to us and according to the information and explanations provided by the management we certify that the Company has complied with all the requirements of Corporate Governance under SEBI (Listing obligations and Disclosure Requirements) Regulation 2015, for the financial year ended on 31st March 2025 save and except the following:

   I. The Board of Directors of the Company was not comprised with optimum combination of functional, nominee and independent directors as the position of Independent Directors were vacant w.e.f 23.12.2024 and position of Woman Director on the Board of the company was vacant during the entire period under review.

   II. The company is not in proper compliances with Regulation 18(1)(a)(b)(c) of the SEBI LODRR, as with effect from 23.12.2024, the Audit Committee of the Company is not functional due to completion of tenure of two independent directors. Accordingly, w.e.f 23.12.2024, the audit committee did not comprise minimum three directors and two-third of the members as independent directors. . Further,the Audit committee does not have at least one member having accounting or related financial management expertise.

   III. In accordance with Regulation 18(2)(a) of SEBI LODRR, Audit Committee of the Company did not meet four times during the last 12 months of FY 2024-25, as with effect from 23.12.2024, the Audit Committee of the Company is not functional due to completion of tenure of two independent directors.

   IV. The company is not in proper compliances with Regulation 19(1),(2) as with effect from 23.12.2024, Nomination and Remuneration committee did not comprise of at least three directors, requisite number of independent directors and there was no chairperson to the committee w.e.f 23.12.2024 as both the independent directors have completed their tenure on 23.12.2024.

   V. The company is not in proper compliances with Regulation 20(2),(2A) as with effect from 23.12.2024, Stakeholders Relationship committee did not comprise of at least three directors with one being independent director and there was no chairperson to the committee w.e.f 23.12.2024 as both the independent directors have completed their tenure on 23.12.2024.

6. The Company, being a public sector undertaking, the authority of appointment of all Directors including Independent Directors on the Board is with the concerned Administrative Ministry i.e Ministry of Chemicals & Fertilizers, Department of Chemicals & Petro-chemicals, Government of India. The Company has sent several letters to the Administrative Ministry requesting appointment of requisite independent directors and a Woman Director on its Board and directions about such appointments are awaited.

7. This certificate is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which management has conducted the affairs of the company.

For P. Dhanya & Associates

CS Dhanya T P
FCS No. 10883, CP No. 15006
UDIN: F010883G000096485

Date:14-04-2025
Place: Kochi

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: L99999KL1960GOI082753) for the financial year ended March 31, 2025, 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 the 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 1.1.(i)- The Board of Directors of the Company was not comprised with optimum combination of functional nominee and independent directors as the position of Independent Directors were vacant w.e.f 23.12.2024 and position of Woman Director on the Board of the company was vacant during the entire period under review;
2. Clause 1.1.(ii)- Due to the tenure completion of two independent directors w.e.f 23.12.2024 and Govt. nominee director w.e.f 29.03.2025 the number of functional directors has exceeded 50% of actual strength w.e.f 30.03.2025;
3. Clause 1.2.(ii)- The Board of Directors of the Company did not comprise of optimum number of independent directors during the substantial period under review and position of requisite independent directors were completely vacant w.e.f 23.12.2024.;
4. Clause 1.7.(i)- The Company did not have any risk management plan approved by its Board of Directors, since Regulation 21 as per SEBI LODR Regulations, 2015, was not applicable to the Company;
5. Clause 1.7.(ii)- Since Regulation 21 of SEBI LODRR was not applicable to the company, the Board of Directors of the Company was not required to periodically review any risk management plan;
6. Clause 2.1(ii)- With effect from 23.12.2024, the Audit Committee of the Company is not functional due to completion of tenure of two independent directors. Accordingly, the audit committee did not comprise minimum three directors w.e.f 23.12.2024;
7. Clause 2.1(iii)- With effect from 23.12.2024, the Audit Committee of the Company is not functional due to completion of tenure of two independent directors including chairman of audit committee;
8. Clause 2.1.(iv)- Audit Committee of the Company did not comprise of financially literate members. Also, none of the members of the committee has an expertise in accounting and financial management;
9. Clause 2.4 (i)- Audit Committee of the Company did not meet four times during the last 12 months of FY 2024-25, as with effect from 23.12.2024, the Audit Committee of the Company is not functional due to completion of tenure of two independent directors
10. Clause 3.1 (ii)- With effect from 23.12.2024, Remuneration committee did not comprise of requisite number of independent directors, as both the independent directors have completed their tenure on 23.12.2024.
11. Clause 3.1 (iii)- With effect from 23.12.2024, Remuneration committee has no chairperson.
12. Clause 4.1 (i)- With effect from 23.12.2024, the subsidiary company of HOCL did not have at least one independent director of holding company as both the independent directors of holding company have completed their tenure on 23.12.2024.

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 requisite number of independent directors including One (1) Woman Director on its Board. However, such appointment is still awaited. Further, the audit committee members have the ability to read and understand basic financial procedures and statements.

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 P. Dhanya & Associates

CS Dhanya T P
FCS No. 10883, CP No. 15006
UDIN: F010883G000096474

Date:14-04-2025
Place: Kochi

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 Member of
Hindustan Organic Chemicals Limited
Ambalamugal PO, Ernakulam, Ambalamugal,
Ernakulam, Kunnathunad, Kerala - 682302

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Organic Chemicals Limited (CIN: L99999KL1960GOI082753) (hereinafter referred to as 'the Company) and having registered Office at Ambalamugal PO, Ernakulam, Ambalamugal, Ernakulam, Kunnathunad, Kerala - 682302, 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 Clause 10(i) of the Securities and 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 of the Company as stated below for the Financial Year ended March 31, 2025 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:

Sl no	Name of the Director	DIN	Designation	Date of appointment	Status of DIN
1.	SAJEEV BHASKARAN	09344438	Managing Director	06/09/2021	Approved
2.	YOGENDRA PRASAD SHUKLA	09674122	Director	04/07/2022	Approved
3.	MANOJ SETHI	00301439	Nominee Director	22/11/2023	Approved

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

Date: 04th June, 2025
Place: Tripunithura
UDIN: F012792G000542706

For **MOHANS & Associates**
Company Secretaries

MALATHY NARAYANANKUTTY
Partner
FCS No : 12792 CP No. : 23062

Form No.-MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2025
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
M/s. Hindustan Organic Chemicals Limited
(CIN: L99999KL1960GOI082753)
Ambalamugal PO, Ernakulam, Ambalamugal,
Ernakulam, Kunnathunad,
Kerala, India, 682302

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Hindustan Organic Chemicals Limited (CIN: L99999KL1960GOI082753) (hereinafter called the Company). Secretarial Audit was conducted in accordance to the CSAS-4-Auditing Standard on Secretarial Audit issued by the Institute of Company Secretaries of India (the ICSI) that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon

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

Based on my verification of HINDUSTAN ORGANIC CHEMICALS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarification given to me and the representation made by the management, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the HINDUSTAN ORGANIC CHEMICALS LIMITED for the financial year ended on 31st March, 2025, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015,
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (up to 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;

(iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulation, 1999- Not Applicable as the Company has not issued any Share/Options during the period under review;

(v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable as the Company has not issued any debt securities during the period under review;

(vi) 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;

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

(vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(up to 10th September 2018) and The Securities 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:

(1) Petroleum Act, 1934 and Rules, 2002;

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

(3) The Hazardous Waste (Management, Handling and Tran's boundary Movement) Rules, 2008;

(4) Inflammable Substance Act, 1952;

(5) Dangerous Machines (Regulation) Act 1983

(6) Guidelines on Corporate Governance for central Public Sector Enterprises, 2010;

(7) The Factories Act, 1948 and Kerala Factories Rules 1957;

(8) Industrial Dispute Act, 1947

(9) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013

(10) The Indian Boiler Act 1923

(11) GAS Cylinder Rules 1981

(12) The static and mobile pressure vessels rule 1981

(13) The Indian Electricity Rules 1962

(14) The water Act 1974

(15) The Air Act 1981

(16) The environment protection Act 1986

(17) The noise pollution & regulation & control rule 2000

(18) Payment of wages Act 1936

(19) Minimum of wages Act 1936

(20) Payment of Bonus Act

(21) Payment of Gratuity Act 1972

(22) Industrial Dispute Act 1947

(23) Employees Provident Fund & Miscellaneous Provision Act 1952

(24) Energy Conservation Act 2001

(25) Central Excise Act 1944

(26) Indian Companies Act 1956

(27) Income tax Act 1981

(28) Indian Custom Act 1962

(29) Indian Negotiable Instrument Act 1881

(30) Arms Act 1959

(31) Indian Explosive Act 1884

(32) Apprentices Act 1961

(33) Maternity Benefit Act 1961

(34) Central Sales tax Act 1956

(35) Kerala Value added tax 2005

(36) Industrial Employment Act 1946

(37) Employee State insurance Act 1948

(38) Indian Stamp Act 1899

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 Company has usually filed the forms and returns with Ministry of Corporate Affairs/ Register of Company under Companies Act 2013 or other authorities under other applicable laws within the prescribed time.

We further report that, the Board of Directors of the Company was not duly constituted as the Company does not have requisite number of Independent Directors on its Board. It was observed that during the period under review from 01-04-2024 to 31-03-2025 Company has a vacancy of one (1) Woman Director on its Board. Further, with effect from 23-12-2024 to 31-03-2025, Company has no Independent Directors on its Board. In view of the absence of requisite Independent Directors, all the Board's committees i.e Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee are not properly constituted during this period. The Company, being a 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 i.e. Ministry of Chemicals & Fertilizers. Requests have also been made by the Company to the Administrative Ministry during the period under review; however, the Ministry is yet to appoint the requisite Independent Directors and a Woman Director. Other changes in the composition of the Board of Directors with respect to the appointment of directors, which took place during the period under review for complying with the requirement having six (6) directors, as the Company is within the top 2000 Market Capital Companies, were carried out in compliance with the provisions of the Act and rules made thereunder only till 23-12-2024. The requirement of minimum six (6) Directors on the Board is not fulfilled w.e.f 23-12-2024 till 31-03-2025.

We further report that the Company, with effect from 29.11.2023, has maintained Structured Digital Database software (hereinafter referred to as "SDD" or the Database) as required under Regulation 3(5) & 3(6) of PIT Regulations, 2015 to record Unpublished Price Sensitive Information (UPSI).

We further report that, the compliance by the Company of applicable financial laws such as Direct and Indirect Tax Laws and maintenance of financial record 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, the company has complied with all the committee meeting compliances and all the committee meeting were duly held during the year as required under the law.

We further report that, the company has filed various disclosures as applicable with Bombay Stock Exchange (BSE).

During the Audit period, the company complied with the provisions of the act, rules, regulations, guidelines, etc. mentioned above subject to the observations as detailed in the annexure that follows.

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

We further report that as informed, the company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that as per explanations and management representations obtained and relied upon by me, during the audit period there is no such specific events/actions having major bearing on the Company's affairs had taken place.

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 event date which is annexed as Annexure hereto and forms part to this report.

For J.K. Das & Associates,
Company Secretaries

CS J.K. Das
Partner
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268G000100229
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 14/04/2025

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,

The Members
M/s. Hindustan Organic Chemicals Limited

Our Secretarial Audit Report for the Financial Year ended 31st March, 2024 is to be read along with this letter.

Management's Responsibility:

The responsibilities of the management of the Company are as under:

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, standard 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 Representation about the compliance of aforesaid Laws, Rules, Regulations, Standards, Guidelines and happening of events etc.

5. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company or examined any books, information or statements other than Books and Papers.

6. We have not examined any other specific laws except as mentioned above

Disclaimer:

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

For J.K. Das & Associates,
Company Secretaries

CS J.K. Das
Partner
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268G000100229
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 14/04/2025

Annexure B

Observation of Secretarial Auditor FY 2024-25

Sl. No.	OBSERVATIONS
1	The Company shall have at least one women director for the financial year 2024-25 as required under section 149(1) of Companies Act, 2013.
2	Composition of the Board and Committees of the Board viz. Audit Committee and Nomination and Remuneration Committee were not in terms of Section 149(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Section 177(2) of the Companies Act, 2013, due to non-appointment of requisite number Independent Director on the Board.
3	Meeting of independent director not hold during the financial year under review.
4	There is no equal opportunity policy for Disabled Persons as required under Disability Law. According to Section 21 of The Rights of Person with Disabilities Act, 2016 along with The Rights of Persons with Disables Rules, 2017 (together the “Disability Law”), Every establishment shall notify equal opportunity policy detailing measures proposed to be taken by it in pursuance of the provisions of this Law. This policy must be published for PwDs preferably on the establishment’s website or at conspicuous places in their premises.

For J.K. Das & Associates,
Company Secretaries

CS J.K. Das
Partner
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268G000100229
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 14/04/2025

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. 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 (CIN: L99999KL1960GOI082753) (*"the Company"*) which comprises of the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31st March 2025 the Cash Flow Statement, the Statement of Changes in Equity for the year ended and notes to the Standalone Financial Statements including material 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. Attention is drawn to note no. 30(a) and 35(vii)(viii) of the accompanying standalone financial statements regarding the waiver of principal of loan and preference shares, interest and penal interest amounting to Rs.1,35,136.71 lakhs due to Government of India as on 30.09.2024.

5. Attention is drawn to note no. 47 of the accompanying standalone financial statements regarding the registration of satisfaction of charge with the Registrar of Companies (ROC). The company is in correspondence with the Ministry regarding certain formalities in this regard.

6. Attention is drawn to note no. 32(b) of the accompanying standalone financial statements. The company has advanced loan amounting to Rs. 453.01 lakhs to its subsidiary at an interest rate ranging from 10.25 to 14.50 %. As the subsidiary has failed to pay interest, the company has stopped charging interest on the loan from the year 2023-24.

7. Attention is drawn to note no. 41 of the accompanying standalone financial statements regarding composition of the Board of Directors which is not in compliance with the provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015.

8. Attention is drawn to note no. 56 of the accompanying standalone financial statements. The standalone financial statements approved by the Board of Directors have not been reviewed by the Audit Committee, as required under section 177 of the Companies Act, 2013 and clause A (5) of the Part C of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are informed that the Audit Committee is not functional due to the absence of the independent directors of the company.

9. Attention is drawn to note no. 42 of the accompanying standalone financial statements detailing the status of implementation to the Government approved restructuring plan.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

10. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2025. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our audit?
Exceptional Item and Other Equity– Waiver of GOI Loan, Interest, Preference share capital, interest thereon (Refer note no.17 of the standalone financial statements) • The waiver of loan, preference shares granted by the Govt. Of India and interest thereon is considered key area during our audit. • The company had an outstanding loan of Rs. 43,586.46 lakhs from GOI and redeemable preference shares of Rs. 27,000.00 lakhs along with the outstanding interest thereon of Rs 47,359.79 lakhs and Rs. 7,222.50 lakhs respectively as at 30 Sep 2024, which have been waived off by Govt. Of India.	Our audit procedures including and not limited to the following • We have examined digitally signed Govt of India Order No. 1600/9/2024-IFD dated 21.03.2025 from the ministry for waiver of the liability and interest accrued • Examined the letter send by the Company Secretary to the BSE disclosing the waiver of liability
Recognition, Measurement, and Depreciation of PPE • The company, being an asset-based entity, the recognition, measurement and depreciation of the PPE is very significant. • The company was shut down for over 2 months during the current financial year involving overhauling of certain machineries and plants. • The audit was mainly focused on the compliance of the provisions of the Ind AS 16 – Property, Plant and Equipment's and the other aspects of asset accounting.	Our audit procedures included and were not limited to the following: • Evaluating management's processes and controls over the identification, capitalization, classification, and subsequent measurement of PPE. We assessed the company's policies for determining the initial cost, subsequent measurement, and depreciation of PPE, including the application of appropriate depreciation methods and useful lives. • We also tested a sample of PPE additions and disposals to verify the accuracy and completeness of their recognition and measurement. • We assessed the consistency of depreciation policies and their compliance with applicable accounting standards and the accuracy of the calculation of depreciation. • We verified the compliance with the provisions of Ind AS 16 for adopting the Revaluation model and its impact on the asset disclosures

Valuation of Inventory See Note 6 to the Standalone Financial Statements • The verification and valuation of semi- finished, good for captive consumption and finished goods is a meticulous manual undertaking involving various reports, parameters, estimations and judgements. • Indirect production costs are estimated and integrated into inventory costs, involving judgment and estimation. • The inventory levels of major raw materials, finished goods, semi-finished goods are monitored through meters installed in the tanks. • The meter readings are recorded on daily basis. • Inventories are valued at lower of cost and net realizable value except by-products. • In addition, management exercises judgment in identifying and evaluating obsolete inventories and slow-moving stock items, while also estimating the appropriateness of necessary provisions.	Our audit procedures included and were not limited to the following: • Obtaining an understanding of the system controls and designs for production and inventory monitoring. • Reviewing data from software used by the company such as Distributed Control System for plant operations, independent PLC for the safety of the Plant, Tank Level Monitoring System "LMS" for the detailed statistics about stock of raw materials, finished products, and intermediate products along with various alarms, warnings and history of the tank operations etc. • Testing the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory. • Testing and cross verifying on sample basis the accuracy of inventory levels in inventory valuation with BOMs issued and meter reading generated from inventory tanks by the respective departments. • Testing on a sample basis the accuracy of cost for inventory by verifying the actual purchase cost. • Testing the net realizable value by comparing actual cost with most recent selling price. • Being a party to the physical verification of monitoring meters installed for raw materials, finished products and semi-finished products at the end of the financial year. Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory.
Evaluation of Provisions, disclosures and analysis with respect Contingencies, including litigations and tax Refer Note 2(d) and note 35 to the financial statements. • The Company has various disputes/litigations related to shut-down of its operations, school and land held by the company at Rasayani. • The Company also has various disputes/litigations related to direct and indirect taxes in various states and at various levels of appellate authorities. • The evaluation of the Company's position and determination of possible outcome of these disputes and provisions and related disclosures, if any, required to be made in the books involves significant management judgment.	Our audit procedures included and were not limited to the following: • Assessing the management's processes and tested the internal controls implemented for the identification, recognition and measurement of legal and tax positions and its assessment of the potential impact on the Company. • We received a statement of all ongoing disputes/litigations along with the necessary documentation and from the company's in-house legal team who is an advocate. • We evaluated management's assessments including advice/ opinion obtained from external consultants/legal advisors with respect to prospects of success of appeals and tax proceedings. • We involved our internal experts to challenge the management's position on the select litigations and to consider legal precedence and other rulings in evaluating management's position on these tax positions.

Information Other than the Financial Statements and Auditor's Report thereon:

11. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors' report thereon. The said other information is expected to be made available to us after the date of this audit report.

    Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

    In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information when made available to us and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibility of Management and Those Charged with Governance for Standalone Financial Statements:

12. The Company's Board of Directors are 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

    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.

    Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of 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.

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 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

14. 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.
15. 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.
16. 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

17. As required by the Companies (Auditor's Report) Order, 2020 (*"The Order"*) issued by the Central Government of India in terms of Section 143(11) of the Act, we give a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable attached as Annexure 1.
18. 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 2" a statement on the matters referred in those directions.
19. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.;

    d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts), Rules 2014;

    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) The report on internal financial control as required under clause (i) of sub section 3 of section 143 of the Act is attached as Annexure 3;

    g) Being a Government company, the provisions of section 197 of the Act with respect to the matters to be included in the Auditors Report is not applicable vide notification no. G.S.R. 463(E) dated June 5, 2015 and as amended by notification no. G.S.R. 582(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs.

    h) With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of 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 company has disclosed the impact of pending litigations on its financial position in its financial statement.

        (ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        (iii) The company has made provisions, as required under any law or accounting standard, for material foreseeable losses, if any, on the long-term contracts including derivative contracts;

        (iv) There were no amounts which were required to be transferred to Investor Education and Protection Fund by the company.

        (v) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other 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 by or on behalf of the company ("Ultimate Beneficiaries") or
        - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any 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 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 such audit procedures 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 (v)(a) and (v)(b) contain any material mis-statement.

(vi) The company has not declared or paid dividend during the year.

(vii) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail was not enabled at the database level to log direct data changes, if any. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZO9628

Place: Ernakulam
Date: 16.05.2025

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN ORGANIC CHEMICALS LIMITED:

i. In respect of the Company's Property Plant and Equipment and Intangible Assets:

(a) (A) The Company maintains proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(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 a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) We were not provided with the title deeds of immovable properties held by the Company at Rasayani- Maharashtra (closed unit) for our verification.

With respect to land in Maharashtra, we are informed that, 22.717 acres of land owned by the Company at Rasayani, Maharashtra, has been encroached. Further, 10.576 acres of land at Rasayani, Maharashtra and 0.91 acres of land at Panvel, Maharashtra, has been acquired for public road and hence could not be considered as the assets owned by the Company. Further, 32.547 acres of land at Rasayani, Maharashtra, is under the disputed possession of various other entities. The Company has not considered the above extent of lands while considering the carrying value of land disclosed in the Standalone Financial statements.

2.046 acres of land are outside the boundary walls of Ernakulam factory land and were not included in the re-survey and land tax is paid for land inside the boundary wall though the title deeds are not in the name of the company. Details are as follows:

Description of property	Extend of land (in acres)	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held –indicate range, where appropriate
Freehold Land	2.046	Not Available	Unascertained	No	Not ascertainable

(d) 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 revalued its land during the year by a registered valuer. However, there is no change in the value of the property as per the valuation report.

(e) 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 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.

ii. (a) The inventory, except inward goods-in-transit, has been physically verified by the internal auditors and management during the year. For goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and the procedures and coverage followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from banks in the form of overdraft facilities secured against fixed deposits of the company. According to the terms of the working capital limit, the Company is not required to submit any quarterly returns or statements to the bank regarding this facility. Therefore, we are unable to comment on the reconciliation of quarterly returns or statements with the Company's books of accounts.

iii. a) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company

b) According to the information and explanations provided to us and based on the audit procedures carried on by us:

1. The Company has provided loans to its subsidiary, secured against the immovable properties of the said subsidiary, during the earlier years which is "overdue" for more than 3 years, and the balance outstanding as at the balance sheet date is Rs. 3,197.08 lakhs, out of which Rs. 2,744.07 lakhs was non-interest-bearing.

   Further, we draw attention to note no. 10 and 11 to the accompanying standalone financial statements regarding the waiver of the interest chargeable on loans amounting to Rs. 453.01 lakhs advanced to its subsidiary. The Company has during the year waived interest amounting to Rs. 63.62 lakhs receivable on the above-mentioned loan.

2. The Rasayani unit of the company provided an unsecured advance of Rs. 65 lakhs to M/s. Smith Stanitstreet Pharmaceuticals Ltd during the financial year 1991-92. However, this advance has remained outstanding for more than three years, and no interest rate or repayment terms have been specified. The Company has made a 100% provision for doubtful debts for the above- mentioned advance amounting to Rs. 65 lakhs.

3. The Company has invested of Rs. 1,106 lakhs in its subsidiary during previous years, however the business of the subsidiary has been discontinued completely.

   According to the information and explanations given to us, in our opinion, the repayments or returns from the above loans, advances and investments were not proper and hence the recoverability or realizability of the same depends on the realizability of the assets secured, if any.

c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, in respect of the loans and advances given to its subsidiary as specified in clause (iii)(b)(1) of this report, the Company has established repayment schedules for both principal and interest for loan with outstanding balance of Rs.453.01 lakhs. However, for the advance specified in clause (iii)(b)(2) of this report, there is no stipulated schedule for the repayment of principal and interest. The repayment of the above is not regular.

d) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, in respect of the loans and advances as specified in clause (iii) (b)(1) of this report, the total amount overdue for more than 90 days is Rs. 3,197.08 lakhs. The Company has indicated that these amounts will be recovered upon the full realization of the assets secured against the loans. In respect of the advances specified in clause (iii)(b)(2) mentioned above, the total amount overdue for more than 90 days is Rs. 65 lakhs. Despite this, the Company has not initiated any actions to recover the amount.

e) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, during the year, the Company has not renewed or extended or granted fresh loans to settle the overdue of the existing loans given to any of the parties. Hence the provisions of the clause 3(iii)(e) of the order, is not applicable to the Company.

f) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, in respect of the advance specified in clause (iii)(b)(2) mentioned above, amounting to Rs. 65 lakhs, the Company has not specified any terms or period of repayment.

Aggregate amount outstanding	Rs. 65 Lakhs
Percentage to the total loans	2.03%
Of the above, aggregate amount of loans granted to promoters and related parties	Nil

The Company has made a 100% provision for doubtful recovery for the above-mentioned advance amounting to Rs. 65 lakhs.

iv. According to the information and explanations provided to us, and based on our examination of the Company's records, in our opinion the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, and guarantees and securities provided made by it during the year. However, attention is drawn to note no 10 and 11 to the accompanying standalone financial statement, regarding interest free loans given to its subsidiary company amounting to Rs. 2,744.07 lakhs and advances to another company amounting to Rs.65 lakhs for which no interest has been charged. We are informed that, these loans/advances are given before enactment of Section 186(7) and hence is not violative of the Act. Further, for the interest-bearing loan amounting to Rs. 453.01 advanced to it subsidiary during the FYs 2005-06, 2006-07, 2012-13, we are informed that the company has waived off the interest on the interest-bearing loans with effect from 01.04.2023, as per the recommendation of Inter-Ministerial Committee Meeting dated 20.12.2023 and that the Companies Act, 2013 does not restrict the company to make any change in the interest rates on the existing loans appeared in the books of the company and there is no explicit provision/clause in the said section that restricts waiver of loan/interest thereon . Hence, the company waived off the interest on the interest-bearing loan considering the operations of subsidiary have already been closed as per CCEA approval dated 29th Jan 2020.

v. According to the information and explanations given to us in our opinion and, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2025 except in case of deposits given below that are outstanding for a period exceeding 365 days and might be classified as 'deposits' by virtue of Rule 2(xii) of the Companies (Acceptance of Deposits) Rules, 2014.

Nature of Deposit	Note No. in Financial Statements	Amount (Rs. in lakhs)
Advances from customers	20(i)	4.62

We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, read with Companies (Cost Records & Audit) Rules, 2014, as amended and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

vii. a. According to the information and explanations provided to us, and based on our examination of the Company's records, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations provided to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it, were outstanding, as on the last day of the financial year, for a period of more than six months from the date they became payable.

b. According to the information and explanations provided to us, and based on our examination of the Company's records, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other statutory dues that have not been deposited on account of any dispute, are as follows:

Sl. No.	Name of the Statute	Nature of Dues	Period to which the amount related	Amount of dispute (Rs. In Lakhs)	Forum where the dispute 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	Penalty Dues	2010-11	21.50	The Commissioner of Income Tax
4	Goods and Services Tax, 2017	Excess Credit Claimed	2017-18	41.97	The Joint Commissioner

viii. According to the information and explanations provided to us, and based on our examination of the Company's records, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (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 defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(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 willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable.

(c) According to the information and explanations provided to us, and based on our examination of the Company's records, during the year the Company obtained only one term loan of Rs. 299 lakhs from the Kerala State Energy Conservation Fund, managed by the Energy Management Centre ("EMC"), specifically for the purpose of retrofitting inefficient compressors with energy- efficient ones. The term loan was received on 20 March 2024; it has not yet been utilized. Based on the information and explanation provided to us, the installation of compressor is not completed and hence is not ready for its intended use. Consequently, the payment was not made to the supplier and the loan amount is temporarily invested in a fixed deposit.

(d) According to the information and explanations given to us and on an overall examination of the company records, funds which have been raised on short term basis by the company has not been utilized for long term purposes.

(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 2025. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(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). Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(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.

xi. (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 provided to us, and based on our examination of the Company's records, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed during the year 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 provided to us, and based on our examination of the Company's records, we report that the Company has not received any whistle blower complaints during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

xiii. Attention is drawn to note no. 41 of the Standalone Financial Statements describing the casual vacancies of the independent directors since 23.12.2024. Based on the information and explanation provided to us, in our opinion all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in Note 36 to the standalone financial statements as required by the applicable accounting standards.

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

(b) We have considered, the internal auditor's reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. 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 provisions of Section 192 of the Act are not applicable to the Company. Hence clause xv of the Order is not applicable.

xvi. (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) of the Order is not applicable.

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

(c) 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.

(d) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(d) of the Order are not applicable.

xvii. The Company has incurred cash losses in the current year amounting to Rs. 10,907.18 lakhs. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 5,470.18 lakhs.

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

xix. On the basis of financial ratios, ageing and expected dates of realization 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.

xx. Based on examination of the books and records of the Company and according to the information and explanations provided 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 **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZO9628

Place: Ernakulam
Date: 16.05.2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

Supplementary report u/s. 143(5) of the Companies Act, 2013 in "Annexure 2" referred to in our Independent Auditor's Report to the members of HINDUSTAN ORGANIC CHEMICALS LIMITED ('the Company') for the year ended 31st March 2025.

A. Directions

S l. No	C&AG Direction	Statement of Statutory Auditor
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 the accounts along with the financial implications, if any, may be stated.	Based on the explanations provided and our verification, we've identified the following systems used for processing the Company's accounting transactions: a) Tally ERP Prime, an accounting ERP software, is utilized for maintaining accounting transactions. b) The fixed assets register is managed using an MS Office Excel utility. c) Payroll management is handled by a separate HRM software system. d) Unit trial balance consolidation is conducted through an MS Office Excel utility. Based on our verification, we haven't encountered any accounting transactions being processed outside the aforementioned systems. We recommend establishing proper integration between these systems and the primary accounting software to mitigate potential risks of data loss or corruption during data migration and transfer.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government Company, then this direction is also applicable for statutory auditor of lender Company).	Yes, the Govt. of India vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025 has waived-off the long outstanding dues as at 30 Sep 2024 to the Govt. of India consisting of loan of Rs. 43,586.46 lakhs and redeemable preference shares of Rs. 27,000 lakhs along with the outstanding interest thereon of Rs 47,359.79 lakhs and Rs. 7,222.50 lakhs respectively. Further, penal interest of Rs. 9,967.96 lakhs on the outstanding loan from GOI disclosed under contingent liability has also been waived off Interest waived off and the principal of loan and preference shares from Govt. of India has been correctly disclosed under "exceptional item" in statement of profit and loss and under "other equity" in balance sheet respectively, further the penal interest has been rightly removed from the list of contingent liability.
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	Not applicable since the Company has not received any funds during the year from Central/State Government or its agencies for specific schemes.

B. Sub Directions

S l. No	C&AG Direction	Statement of Statutory Auditor
1	State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachment	1. According to the information and explanations given by the management 22.71 acres of land at the Rasayani Unit, Maharashtra, of the Company has been identified as 'under encroachment'. With respect to this, the following steps taken by the management to remove the encroachment, a) The Company is constantly communicating with the Senior Government officials of Govt. of Maharashtra for taking prompt steps for removing encroachment by the farmers at the land at Rasayani Unit. b) The Company is also coordinating with the Ministry of Chemicals and Petrochemicals, Government of India, for the speedy resolution in the above case. c) The above recommendations include various proposals including settlement arrangements with the encroachers d) The Company has also filed suits in some instances. 2. According to the information and explanations given 32.574 acres of land at Rasayani Unit, Maharashtra, are under the possession of various entities such as MIDC, MSEB, HIL, MES etc. With respect to this, the following steps taken by the management to remove the encroachment, a) The Company is constantly following up with the concerned officials for the recovery or registration of the said land possessed by such entities b) In case of the land leased out to MES, the Company has issued the notice of termination of lease to the party. However, the property is still under the possession of the lessee -MES. The matter is pending before Arbitration authority and the proceedings are under progress c) 10.576 acres of land at the Rasayani Unit and 0.91 acres of land at Panvel Maharashtra has been acquired by Governmental authorities and public road has been constructed. Hence, the Company does not have possession as well as ownership with respect to the said land. 3. According to the information and explanations given, 2.046 acres of land are outside the boundary walls of Ernakulam factory land and were not included in the re- survey and land tax is paid for land inside the boundary wall.
2	Whether there is any effective system for follow up of accumulated trade receivables especially which are more than three years old?	The Company has trade receivables amounting to Rs. 972.11 lakhs, which is more than three years old. The Company has assessed and provided a sum of Rs. 972.11 lakhs as provision for bad and doubtful assets. Based on the information provided to us, the management is following up with the above debtors for the recovery and has initiated legal proceedings against some of such cases.
3	Whether there was an adequate system for watching actual consumption against norms in case of raw materials, Intermediaries and utilities?	Based on the information given to us, the Company prepares monthly statements comparing the actual consumption of raw material, intermediaries and utilities against the established norms as MIS Report.

For **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZO9628

Place: Ernakulam
Date: 16.05.2025

ANNEXURE 3 TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 19(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN ORGANIC CHEMICALS LIMITED

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 M/s. HINDUSTAN ORGANIC CHEMICALS LIMITED (the company) as of 31st March, 2025 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 company's management 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. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of 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 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) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Notes 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of 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 control systems over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairy reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding the prevention or timely deduction 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 of 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 the 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, 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, 2025, based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZO9628

Place: Ernakulam
Date: 16.05.2025

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 2025

The preparation of financial statements of Hindustan Organic Chemicals Limited for the year ended 31 March 2025 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 16.05.2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Hindustan Organic Chemicals Limited for the year ended 31 March 2025 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(Vijay N. Kothari)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai
Date: 17 July 2025

Standalone Balance Sheet as on 31st March 2025

Rs. in Lakhs

Particulars	Note No	As at 31.03.2025	As at 31.03.2024
Assets			
Non Current Assets			
a) Property, Plant and Equipment	3a	22,568.76	22,370.24
b) Capital Work-in-Progress	3b	384.69	-
c) Investment Property	3c	82.25	84.41
d) Right-of-Use Asset	15a	81.11	106.73
e) Other Intangible Assets	3d	16.32	13.63
f) Financial Assets			
(i) Investments	4a	1,389.71	1,800.04
(ii) Other Financial Assets	4b	304.20	302.41
g) Other Non-Current Assets	5	276.89	377.98
Total (Non current Assets)		**25,103.93**	**25,055.44**
Current Assets			
a) Inventories	6	5,595.35	6,896.92
b) Financial Assets:			
(i) Trade Receivables	7	2,007.16	1,866.15
(ii) Cash and Cash Equivalents	8	18.91	73.01
(iii) Bank balances other than (ii) above	9	22,541.94	22,569.07
(iv) Loans	10	3,209.09	3,211.92
(v) Other Financial Assets	11	1,695.91	1,649.91
c) Other Current Assets	12	978.02	1,064.28
d) Assets held for sale	3e	94,550.32	94,550.32
Total (Current Assets)		**1,30,596.70**	**1,31,881.58**
Total Assets		**1,55,700.63**	**1,56,937.02**
Equity and Liabilities			
Equity			
a) Equity Share capital	13	6,726.96	6,726.96
b) Other Equity	14	1,03,754.19	(5,607.96)
Total Equity		**1,10,481.15**	**1,119.00**
Liabilities			
Non-Current Liabilities:			
a) Financial Liabilities:			
(i) Borrowings	17a	191.30	243.98
(ii) Lease Liabilities	15a	66.52	90.46
b) Provisions	15b	994.51	936.90
c) Deferred Tax liabilities (Net)	16	17,576.52	17,695.52
Total (Non-Current Liabilities)		**18,828.85**	**18,966.86**
Current liabilities:			
a) Financial Liabilities			
(i) Borrowings	17b	11,193.10	73,887.92
(ii) Lease Liabilities	15a	23.94	21.05
(iii) Trade payables:			
Total outstanding dues to micro and small enterprises	18	42.99	15.15
Total outstanding dues to Creditors other than micro and small enterprises	18	4,782.62	6,837.65
(iv) Other Financial Liabilities	19	364.28	51,990.08
b) Other Current Liabilities	20	7,899.81	2,821.99
c) Provisions	21	2,083.89	1,277.32
Total (Current Liabilities)		**26,390.63**	**1,36,851.16**
Total Liabilities		**45,219.48**	**1,55,818.02**
Total Equity and Liabilities		**1,55,700.63**	**1,56,937.02**
Material accounting policy information (to be used instead of Accounting Policies)	2		
Notes to the Standalone Financial Statements	1&3-58		

As per our report of even date attached

For and on behalf of the Board of Directors

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZ09628

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Sd/-
Subramonian H.
Company Secretary

Place: Ernakulam, Kerala
Date: 16.05.2025

Place: Ernakulam, Kerala
Date: 16.05.2025

Standalone Statement of Profit and Loss for the period ended 31st March 2025

Rs. in Lakhs

Particulars	Note No.	For period ended 31st March 2025	For period ended 31st March 2024
INCOME:			
Revenue from Operations	22	53,586.76	70,389.00
Other Income	23	2,275.11	1,669.10
Total Income		**55,861.87**	**72,058.10**
EXPENSES:			
Cost of materials consumed	24	42,695.49	50,304.68
Changes in Inventories of Finished Goods and work-in- progress	25	(779.59)	(518.05)
Employee benefits expenses	26	4,744.91	4,474.35
Finance costs	27	4,285.95	6,957.35
Depreciation and amortization expenses	28	164.18	143.78
Other expenses	29	15,539.18	16,227.69
Total Expenses		**66,650.12**	**77,589.80**
Profit / (Loss) before exceptional items and tax		(10,788.25)	(5,531.70)
Less: Exceptional items	30	50,275.38	-
Profit / (Loss) before tax		39,487.13	(5,531.70)
(1) Current tax		333.00	-
(2) Deferred tax		-	-
Less: Tax expenses		333.00	-
Profit / (Loss) after tax		39,154.13	(5,531.70)
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Revaluation of Property, plant & equipment	3a	-	6,000.61
Income tax (expense)/benefit of the above		-	(776.00)
b) Net fair value gain/loss on investment in equity instruments through OCI	4a	(410.33)	809.59
Income tax (expense)/benefit of the above		119.00	(236.00)
c) Remeasurement in defined benefit plan (Gratuity)	31	(87.11)	121.50
Other Comprehensive Income for the year, net of tax		**(378.44)**	**5,919.70**
Total Comprehensive Income for the year		**38,775.69**	**388.00**
Earnings per equity share (in Rupees)			
Basic (Face value of Rs. 10 each)		58.29	(8.23)
Diluted (Face value of Rs. 10 each)		58.29	(8.23)
Material accounting policy information (to be used instead of Accounting Policies)	2		
Notes to the Standalone Financial Statements	1&3-58		

As per our report of even date attached

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZ09628

Place: Ernakulam, Kerala
Date: 16.05.2025

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Sd/-
Subramonian H.
Company Secretary

Place: Ernakulam, Kerala
Date: 16.05.2025

Statement of Changes in Equity for the year ended 31st March, 2025

A. EQUITY SHARE CAPITAL

i) FOR THE CURRENT REPORTING PERIOD

Rs. in Lakhs

Particulars	Balance as at	Changes in Equity Share Capital due to prior period errors	Restated balance as at	Changes in equity share capital during the current year	Balance as at
	01.04.2024	2024-25	01.04.2024	2024-25	31.03.2025
Equity shares of Rs.10 each	6726.96	-	6726.96	-	6726.96

ii) FOR THE PREVIOUS REPORTING PERIOD

Rs. in Lakhs

Particulars	Balance as at	Changes in Equity Share Capital due to prior period errors	Restated balance as at	Changes in equity share capital during the current year	Balance as at
	01.04.2023	2023-24	01.04.2023	2023-24	31.03.2024
Equity shares of Rs.10 each	6726.96	-	6726.96	-	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 Equity	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)		
Current Reporting Period 2024-25														**2024-25**
Balance as at 01.04.2024	**-**	**-**	**-**	**4,838.57**	**-**	**(1,07,999.21)**	**-**	**489.04**	**-**	**96,297.28**	**-**	**766.36**	**-**	**(5,607.96)**
Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01.04.2024	**-**	**-**	**-**	**4,838.57**	**-**	**(1,07,999.21)**	**-**	**489.04**	**-**	**96,297.28**	**-**	**766.36**	**-**	**(5,607.96)**
Profit/(Loss) for the year	-	-	-	-	-	39,154.13	-	-	-	-	-	-	-	39,154.13
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	(291.33)	-	-	-	(87.11)	-	(378.44)
Total Comprehensive Income for the current year	**-**	**-**	**-**	**-**	**-**	**39,154.13**	**-**	**(291.33)**	**-**	**-**	**-**	**(87.11)**	**-**	**38,775.69**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to other equity (Note No. 14c)	-	-		-	70,586.46		-	-	-	-	-	-	-	70,586.46
Balance as at 31.03.2025	**-**	**-**	**-**	**4,838.57**	**70,586.46**	**(68,845.08)**	**-**	**197.71**	**-**	**96,297.28**	**-**	**679.25**	**-**	**1,03,754.19**
Previous Reporting period 2023-24														**2023-24**
Balance as at 01.04.2023	**-**	**-**	**-**	**4,838.57**	**-**	**(1,07,136.93)**	**-**	**(84.55)**	**-**	**95,742.09**	**-**	**644.86**	**-**	**(5,995.96)**
Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01.04.2023	**-**	**-**	**-**	**4,838.57**	**-**	**(1,07,136.93)**	**-**	**(84.55)**	**-**	**95,742.09**	**-**	**644.86**	**-**	**(5,995.96)**
Profit/(Loss) for the year	-	-	-	-	-	(5,531.70)	-	-	-	-	-	-	-	(5,531.70)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	573.59	-	5,224.61	-	121.50	-	5,919.70
Total Comprehensive Income for the current year	**-**	**-**	**-**	**-**	**-**	**(5,531.70)**	**-**	**573.59**	**-**	**5,224.61**	**-**	**121.50**	**-**	**388.00**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	4,669.42	-	-	-	(4,669.42)	-	-	-	-
Balance as at 31.03.2024	**-**	**-**	**-**	**4,838.57**	**-**	**(1,07,999.21)**	**-**	**489.04**	**-**	**96,297.28**	**-**	**766.36**	**-**	**(5,607.96)**

As per our report of even date attached

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZ09628

Place: Ernakulam, Kerala
Date: 16.05.2025

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Sd/-
Subramonian H.
Company Secretary

Place: Ernakulam, Kerala
Date: 16.05.2025

Standalone Cash flow Statement for the year ended on 31st March 2025

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	39,487.13	(5,531.70)
Adjustments for :	-	-
Depreciation/Loss on impairment of Property, Plant and Equipment	164.18	143.78
Profit(-) / Loss on sale of Property, Plant and Equipment	0.24	-
Interest Income	(1,695.80)	(1,199.70)
Waiver of GOI Interest	(54,582.29)	-
Interest & Finance Charges	4,285.95	6,957.35
Income from Investment Property	(76.64)	(59.35)
Changes in defined Employee benefit plan-other comprehensive income	(87.11)	121.50
Operating Cash Flows before Working Capital changes (A)	**(12,504.34)**	**431.88**
Adjustments for		
(Increase)/Decrease in Inventories	1,301.57	(1,935.97)
(Increase)/Decrease in Trade & Other Receivables	55.14	(6,810.00)
Increase/(Decrease) in Trade Payables & Other Liabilities	3,701.41	1,744.00
Waiver of GOI Loan	70,586.46	-
Cash Used in Operations (Working Capital Changes) (B)	**75,644.58**	**(7,001.97)**
Net cash from/(used) in Financing activities (A+B)	**63,140.24**	**(6,570.09)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and Equipment	(722.55)	(109.58)
Sale of Assets held for sale	-	4,669.42
Interest Income	1,669.19	983.13
Income from Investment Property	76.64	59.35
Net Cash from Investing activities	**1,023.28**	**5,602.32**
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Secured Loans	(62,747.50)	1,875.44
Increase/(Decrease) in Unsecured Loans	-	-
Interest Paid	(1,441.32)	(1,274.90)
Payment of Lease Liabilities	(28.80)	(24.21)
Net cash from/(used) in Financing activities	**(64,217.62)**	**576.33**
Net Increase /(Decrease) in Cash and Cash Equivalents	(54.10)	(391.44)
Cash & Cash equivalents at the beginning of the period	73.01	464.45
Cash & Cash equivalents at the end of the period	**18.91**	**73.01**
Cash & Cash equivalents as per above comprise of following		
a) Balances with banks (of the nature of cash and cash equivalents):		
Current Accounts	18.34	50.96
Saving Account	-	1.58
Deposits with original maturity of less than three months	-	20.00
b) Cash in hand	0.57	0.47
Total	**18.91**	**73.01**

Note : Previous year figures are regrouped/rearranged wherever necessary

As per our report of even date attached

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZ09628

Place: Ernakulam, Kerala
Date: 16.05.2025

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Sd/-
Subramonian H.
Company Secretary

Place: Ernakulam, Kerala
Date: 16.05.2025

Notes to the Standalone Financial statements for the period ended 31st March, 2025

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 Post bag No. 18, Ambalamugal P.O, Ernakulam District, Kerala - 682 302, India. The Company is principally engaged in the business of manufacturing bulk industrial chemicals and chemical intermediates.

2. Material accounting policy information (to be used instead of 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.

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.

2.2 Summary of accounting policies and estimates

a) Revenue recognition

The Company earns revenue primarily from manufacturing chemical product.

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 products 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 is 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.

b) Useful lives of Property, Plant and Equipment.

The Company reviews the useful life of the Property, plant & equipment and Intangible asset as at the end of each reporting period and these reassessments may result in change in depreciation expenditure in future period. (Refer No.3a)

c) 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.

d) 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 profit and 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.

e) 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.

f) 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.

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 statement of profit and loss is 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.

g) 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. Remeasurements 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.

a. 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 remeasurement are recognised in other comprehensive income.

b. 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.

Remeasurement 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.

h) 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

i) 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 it carrying amount, an impairment loss is recognised.

j) 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.

k) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

l) 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.

m) 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 are 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.

n) 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.

o) 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'.

p) 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.

q) Share-Based Payments:

Measurement and disclosure of the employee share based payment plans are 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.

r) Errors and Omissions of earlier period:

Errors and omissions in individual items of Income and Expenditure relating to earlier periods, exceeding Rs.1 Lakh is accounted in the respective period, if possible, or adjusted against opening retained earnings.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

NOTE 3 a) - Property, Plant and equipment ("PPE")

Accounting policy:

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 cost attributable to bring the asset to its working condition for its intended use. Such cost includes the cost of replacing parts 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 Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards 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, when incurred. In respect of additions to / deletions from the Property, Plant and Equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Property, Plant and Equipment.

The Company adopts an annual revaluation policy to accurately reflect the fluctuating fair value of its land. The fair value of the land under PPE has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The said land has been revalued by Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 31.03.2025 and has a fair value of Rs. 19,441.99 lakhs as of 31 March 2025.

Property, Plant & Equipment are physically verified once in three year. 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 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, as per Schedule II of the Companies Act 2013, which is as under:

1) Buildings : 3/5/30/60 years
2) Plant & equipment: 10/12/15/20 years
3) Furniture & fixtures: 10 years
4) Vehicles: 8/10 years
5) Office equipment: 3/5/6/8 years
6) Intangible assets: 5 years

Items of Property, Plant and Equipment that have been retired from active use, and are held for disposal, are valued at lower of their carrying amount or net realisable value.

Rs. In Lakhs

Description	Land and Land Development*	Land Revaluation	Buildings	Plant and Equipment	Furniture & Fittings	Vehicles	Office Equipment	Library Books	Total
Gross Carrying Amount									
Balance as at April 1, 2024	578.25	19,441.99	1,313.36	25,080.90	120.19	119.41	713.70	13.47	47,381.27
Additions	-	-	52.75	182.88	72.72	0.06	19.45	-	327.86
Disposals	-	-	-	(4.08)	-	-	-	-	(4.08)
Balance as at March 31, 2025	**578.25**	**19,441.99**	**1,366.11**	**25,259.70**	**192.91**	**119.47**	**733.15**	**13.47**	**47,705.05**
Accumulated Depreciation									
Balance as at April 1, 2024	-	-	937.93	23,199.99	105.20	110.21	644.27	13.43	25,011.03
Disposals	-	-	-	(3.84)	-	-	-	-	(3.84)
Depreciation for the year	-	-	29.13	78.79	4.88	0.88	15.42	-	129.09
Balance as at March 31, 2025	**-**	**-**	**967.06**	**23,274.94**	**110.08**	**111.09**	**659.69**	**13.43**	**25,136.28**
Net Carrying Amount as at March 31, 2025	**578.25**	**19,441.99**	**399.05**	**1,984.76**	**82.83**	**8.38**	**73.46**	**0.04**	**22,568.76**
Net Carrying Amount as at March 31, 2024	**578.25**	**19,441.99**	**375.43**	**1,880.91**	**14.99**	**9.20**	**69.43**	**0.04**	**22,370.24**

*2.046 acres of land are outside the boundary walls of the Ernakulam factory and were not included in the re-survey. Land tax is paid for the land inside the boundary wall. HOCL has a clear title deed for 112.73 acres of land.

3 b) Capital Work-in-Progress

Accounting policy:

The cost of property, plant, and equipment not ready for their intended use as of the balance sheet date is disclosed as capital work-in-progress. Such properties are classified into the appropriate categories of PPE when completed and ready for their intended use. Depreciation on such assets begins when the assets are ready for their intended use.

Rs. In Lakhs

Description	Buildings	Plant and Equipment	Furniture, Fixtures & Equipments	Amount
Balance as at April 1, 2024				
Additions:				
< 1 year	72.48	284.16	28.05	384.69
1-2 Year				
2-3 Year				
Less: Capitalise during the year				
Balance as at March 31, 2025	72.48	284.16	28.05	**384.69**

3 c) Investment Properties

Accounting policy:

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 borrowing cost, wherever applicable. 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 off 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.

Rs. In Lakhs

Description	Investment property Land*	Investment Property Building	Total
Gross Carrying Amount			
Balance as at April 1, 2024	16.71	136.89	153.60
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2025	**16.71**	**136.89**	**153.60**
Accumulated Depreciation			
Balance as at April 1, 2024	-	69.19	69.19
Disposals	-	-	-
Depreciation for the year	-	2.16	2.16
Balance as at March 31, 2025	**-**	**71.35**	**71.35**
Net Carrying Amount as at March 31, 2025	**16.71**	**65.54**	**82.25**
Net Carrying Amount as at March 31, 2024	**16.71**	**67.70**	**84.41**

1. 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.
2. Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which, 55 flats covering 46594 Sq. ft. has been earmarked as investment property for letting out.

*The fair value of investment property has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The land at Kochi has been revalued by professionally qualified independent Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 31.03.2025.

Rs. In Lakhs

Fair value of investment property (Land)	2024-25	2023-24
Investment property-Sterling Gas Ltd	174.89	174.89
Investment property-Township	445.62	445.62
Total	**620.51**	**620.51**

Amounts recognised in profit or loss for investment properties

Rental income including contingent rent	32.81	26.67
Direct operating expenses from property that generated Rental Income	9.00	14.53
Direct operating expenses from property that did not generate rental income	7.50	-
Income from investment properties before depreciation	**16.31**	**12.14**
Depreciation	2.16	2.17
Income from investment properties	**14.15**	**9.97**

3 d) Other Intangible Assets

Accounting policy:

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 intangible assets, 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 and loss when the asset is derecognised. Research costs are expensed as and 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.

Rs. In Lakhs

Description	Computer software	Total
Gross Carrying Amount		
Balance as at April 1, 2024	445.80	445.80
Additions	10.00	10.00
Deletions	0.00	0.00
Balance as at March 31, 2025	**455.80**	**455.80**
Accumulated Depreciation		0.00
Balance as at April 1, 2024	432.17	432.17
Deletions	0.00	0.00
Depreciation for the year	7.31	7.31
Balance as at March 31, 2025	**439.48**	**439.48**
Net Carrying Amount as at March 31, 2025	**16.32**	**16.32**
Net Carrying Amount as at March 31, 2024	**13.63**	**13.63**

During the year there is no change in the management estimates of the useful life for various class of Property, Plant and Equipment and Intangible Assets.

3 e) Assets held for sale

Accounting policy:

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 and they are revalued at every three to five years depending on observation of external and internal indicators of impairment.

Rs in Lakhs

Description	NET CARRYING AMOUNT	
	As at 31.03.2025	As at 31.03.2024
Land	94,425.42	94,425.42
Buildings	65.15	65.15
Plant and Equipment	58.81	58.81
Furniture, Fixtures and Equipment	0.94	0.94
Total	**94,550.32**	**94,550.32**

Note: The Company is in the process of implementing 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 unencumbered land (Direct sale of 152 acres of land to BPCL) in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

a) Originally, the Rasayani unit of the Company was in possession of land measuring 1,012.355 acres (as per revenue records). Out of this land, 251 acres were sold to BPCL, and 20 acres were sold to ISRO during the year 2017-18. Additionally, 38.687 acres were sold to BPCL in the year 2018-19. In the year 2019-20, 85.27 acres of land were sold to BPCL, and 0.386 acre was sold to IOCL (Petrol pump area). Out of the remaining 22.717 acres have been identified as encroached, 32.547 acres are in the possession of MIDC, MSEB, HIL, MES, etc., and 10.576 acres of public road are considered of Nil value. The encroachment was determined based on a survey carried out by the company through M/s. The Geo Tek, as per their report dated April 24, 2019. The Company sold 33.353 acres for an amount of Rs. 4,669.42 Lakhs to BPCL in 2023-24. The remaining 517.819 acres of land is considered as Assets held for sale.

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 Panel 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. Collector of Raigad in the report on the issue of NOC has recommended charging of 40% as unearned income. The said proposal of Govt of Maharashtra has been approved by HOCL Board in its meeting held on 09.11.2022. The company is in the process of obtaining necessary approval from Administrative Ministry.

4. Financial Assets

4 a Investments

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Non Current Asset		
Investments designated at fair value through OCI		
(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
Add: Fair Value Gain in value of investment (Market value as on 31.03.2025 Rs.12.52, Rs. 16.23 as per share as on 31-03-2024)(Face value Rs.10 per share)	278.71	689.04
Sub-total (a)	**1,384.71**	**1,795.04**
b. Investment in Unquoted Equity Shares of Kerala Enviro Infrastructure Ltd		
(50000 Unquoted Equity Shares @ Rs.10/-)	5.00	5.00
Less:- Provision for impairment in value of investment	-	-
Sub-total (b)	**5.00**	**5.00**
Total (a+b)	**1,389.71**	**1,800.04**
Aggregate amount of quoted investments (Fair Value)	1,384.71	1,795.04
Aggregate amount of quoted investments (Cost)	1,106.00	1,106.00
Aggregate amount of unquoted investments	5.00	5.00
Aggregate value of impairment of investment	278.71	689.04
Total	**1,389.71**	**1,800.04**

4b Other Financial Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
(Considered good - Unsecured)		
Carried at amortized cost		
Deposits:		
i) KSEB	253.41	239.49
ii) EMD & Rent	47.49	58.86
iii) Telephone Deposit	1.68	1.68
iv) Accrued Income on Employee Advances	1.62	2.38
Total	**304.20**	**302.41**

5. Other Non-Current Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Other Deposits with authorities and high court	276.89	276.88
ii) Net Defined Benefit Asset with Gratuity Fund Trust (Refer Note No.31)		
Fair Value Of Plan Assets	-	1,651.82
Defined Benefit Obligation	-	(1,550.72)
Net Defined Benefit Asset	**-**	**101.10**
Total	**276.89**	**377.98**

6. Inventories

Accounting policy:

(i) Stores and spares, packing materials and raw materials are valued at lower of cost and 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 and 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.

Allowances 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%.

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
a. Raw materials	550.56	1,918.97
b. Raw material in Transit	-	25.96
Sub Total	550.56	1,944.93
c. Work in progress	1,028.93	1,010.56
d. Finished goods	2,185.18	1,423.96
e. Stores, Spare Parts and Packing Material	2,143.74	2,798.41
f. Stores in Transit	18.79	-
Less: Allowances for obsolescence of stores and spares. *	(331.85)	(280.94)
Total	**5,595.35**	**6,896.92**

* During the year, the Company has provided provision for the obsolescence of stores and spare parts amounting to Rs. 50.86 Lakhs.

7. Trade Receivables

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	2,007.16	1,866.15
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables- credit impaired	972.11	1,471.55
Less: Allowance for doubtful trade receivable	(972.11)	(1,471.55)
Less: Bills Receivables discounted	-	-
Total	**2,007.16**	**1,866.15**

Allowance for doubtful trade receivable is made, 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. Trade receivables between two to three years showing significant credit risk have been provided for allowance.

The disclosure of movement as required under Indian Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets

Rs. in Lakhs

Allowance for doubtful Trade receivables	As at 31.03.2025	As at 31.03.2024
Provision at the beginning of the year	1,471.55	1,474.52
Provisions made during the year	1.41	-
Released during the year *	500.85	2.97
Provision at the end of the year	**972.11**	**1,471.55**

* During the year the Company has collected/written off Trade Receivables to the tune of Rs.500.85 Lakhs (previous year Rs.2.97 Lakhs) for which allowance has already been created.

Trade Receivables ageing schedule

Rs. in Lakhs

Particulars	Not due (less than 60 days)	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
Current Year 2024-25							
(i) Undisputed Trade receivables - considered good	2,007.16						2,007.16
(ii) Undisputed Trade Receivables - which have significant increase in credit risk							0.00
(iii) Undisputed Trade Receivables - credit impaired						1.41	1.41
(iv) Disputed Trade Receivables- considered good							0.00
(v) Disputed Trade Receivables - which have significant increase in credit risk						970.70	970.70
(vi) Disputed Trade Receivables - credit impaired							0.00
Total	2,007.16	0.00	0.00	0 00	0.00	972.11	2,979.27
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	972.11	972.11
Net Amount	**2,007.16**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2,007.16**

Rs. in Lakhs

Particulars	Not due (less than 60 days)	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
Previous Year 2023-24							
(i) Undisputed Trade receivables - considered good	1,853.34						1,853.34
(ii) Undisputed Trade Receivables - which have significant increase in credit risk							0.00
(iii) Undisputed Trade Receivables - credit impaired						513.67	513.67
(iv) Disputed Trade Receivables- considered good							0.00
(v) Disputed Trade Receivables - which have significant increase in credit risk						970.69	970.69
(vi) Disputed Trade Receivables - credit impaired							0.00
Total	1,853.34	0.00	0.00	0.00	0.00	1,484.36	3,337.70
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	1,471.55	1,471.55
Net Amount	**1,853.34**	**0.00**	**0.00**	**0.00**	**0.00**	**12.81**	**1,866.15**

8. Cash and cash equivalents

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	18.34	50.96
Saving Account	-	1.58
Deposits with original maturity of less than three months	-	20.00
Cash on Hand	0.57	0.47
Cash and cash equivalents as per the statement of Cashflow	**18.91**	**73.01**

Bank overdrafts have been availed against fixed deposits, and the outstanding overdraft balance as on 31st March 2025 amounts to Rs. 11,139.61 lakhs.

9. Other Bank Balances

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Fixed Deposit against BG/LC	5,892.45	6,092.43
Deposit with original maturity of more than three months but less than twelve months	16,649.49	16,476.64
Total	**22,541.94**	**22,569.07**

10. Loans (Current asset)

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
A) Current Loans and Advances to Subsidiary Company (Secured, Considered good)		
M/s. Hindustan Fluorocarbons Ltd.	3,197.08	3,197.08
(B) Loans to employees		
Loans Receivables unsecured, considered good	16.50	14.84
Less: Provision for Doubtful repayment	(4.49)	-
	12.01	14.84
(C) Advance to suppliers		
Unsecured, Considered doubtful	65.00	65.00
Less: Allowance for doubtful advance to suppliers	65.00	65.00
	-	-
Total (A+B+C)	**3,209.09**	**3,211.92**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company

* Refer Note No. 32(b)

11. Other Financial Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
A) Interest receivable (Unsecured, Considered good)		
(i) Accrued Interest on Deposits (a)	601.47	574.86
(ii) Accrued Interest on Advance	106.08	106.08
Less: Provision for Doubtful repayment	106.08	106.08
Net amount (A)	-	-
B) Receivables from Subsidiary Company - Refer Note No. 32(b)		
Unsecured, considered good		
i) Interest on loan	1,075.05	1,075.05
ii) Short term advance	19.39	-
Total (b)	1,094.44	1,075.05
Total (a+b)	**1,695.91**	**1,649.91**

The subsidiary company has failed to pay interest, subsequently the Board of Directors approved the waiver of interest for the interest-bearing loans given to the Subsidiary Company, Hindustan Fluorocarbons Ltd (HFL), w.e.f. 01.04.2023 vide resolution No.404/4 dt.31.01.2023. Hence interest has not been provided from 01.04.2023 onwards.

12. Other Current Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Deposits with the Collectorate of Central Excise and Customs	1.89	7.37
Less : Allowances for doubtful advance	1.89	2.90
Sub-total (a)	**-**	**4.47**
ii) Statutory receivables - Duties & Taxes, Prepaid Taxes	712.30	643.54
Less : Allowances for doubtful advance	-	4.29
Sub-total (b)	**712.30**	**639.25**
iii) Advances to Suppliers	**83.35**	**207.91**
Less : Allowances for doubtful advance	1.83	4.31
Sub-total (c)	**81.52**	**203.60**
iv) Prepaid Expense	154.10	191.27
v) Other Advances Recoverable	30.33	25.69
vi) Recoverable from Employees	60.41	60.41
Sub-total	**244.84**	**277.37**
Less : Allowances for doubtful advance	60.64	60.41
Sub-total (d)	**184.20**	**216.96**
Total (a+b+c+d)	**978.02**	**1,064.28**

13. Equity Share Capital

Rs. in Lakhs

Description	As at 31.03.2025		As at 31.03.2024	
	Nos.	Rs.	Nos.	Rs.
Authorised Share Capital				
Equity Shares of Rs. 10 each				
Opening Balance	10,00,00,000.00	10,000.00	10,00,00,000.00	10,000.00
Increase/(decrease) during the year	-	-	-	-
Closing Balance	**10,00,00,000.00**	**10,000.00**	**10,00,00,000.00**	**10,000.00**
Preference Shares of Rs. 10 each				
Opening Balance	27,00,00,000.00	27,000.00	27,00,00,000.00	27,000.00
Increase/(decrease) during the year	-	-	-	-
Closing Balance	**27,00,00,000.00**	**27,000.00**	**27,00,00,000.00**	**27,000.00**
Total authorised capital	**37,00,00,000.00**	**37,000.00**	**37,00,00,000.00**	**37,000.00**
Issued equity capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening Balance	6,71,73,100.00	6,717.31	6,71,73,100.00	6,717.31
Add: Paid-up amount on shares forfeited	-	9.65	-	9.65
Increase/(decrease) during the year	-	-	-	-
Total - Equity share capital	**6,71,73,100.00**	**6,726.96**	**6,71,73,100.00**	**6,726.96**

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.

*Procedure of Redemption of Authorised share capital in accordance with permission of the Companies Act,2013 is under Process.

Details of shareholders holding more than 5% shares in the company and Shareholding of Promoters

Name of the shareholder	As at 31.03.2025		As at 31.03.2024		% 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)	3,94,81,500	58.78%	3,94,81,500	58.78%	Nil

During the year 2010-11, the Company forfeited 1,93,000 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”.

14. Other Equity

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
a) Securities Premium *		
Opening Balance	4,838.57	4,838.57
Increase/(decrease) during the year	-	-
Closing Balance (a)	**4,838.57**	**4,838.57**
b) Retained Earnings		
Opening Balance	(1,07,999.21)	(1,07,136.93)
Restated balance at the beginning of the period	(1,07,999.21)	(1,07,136.93)
Add: Profit / (Loss) for the year	39,154.13	(5,531.70)
Add: Gain/Loss recognised through OCI (sale of land)	-	4,669.42
Closing Balance (b)	**(68,845.08)**	**(1,07,999.21)**
c) Other Equity		
Opening Balance	-	-
Add: Waiver of GoI loan and Preference shares**	70,586.46	-
Closing Balance (c)	**70,586.46**	**-**
d) Other comprehensive income		
i) Revaluation of Property, plant & Equipment		
Opening Balance	96,297.28	95,742.09
Add: Revaluation during the year (Note No.3a)	-	6,000.61
Add/(Less): Income tax (expense)/benefit of the above	-	(1,747.00)
Less: Gain/Loss recognised through OCI (sale of land)	-	(4,669.42)
Add : Income tax (expense)/ benefit of the above	-	971.00
Closing Balance	**96,297.28**	**96,297.28**
ii) Equity Instrument through Other Comprehensive Income		
Opening balance	489.04	(84.55)
Add/Less: Net fair value gain/ loss on investment in equity instruments through OCI	(410.33)	809.59
Less: Income tax (expense)/ benefit of the above	119.00	(236.00)
Closing balance	**197.71**	**489.04**
iii) Changes in Employees defined benefits plan		
Opening Balance	766.36	644.86
Add/Less: Revaluation during the year	-	-
Add/Less: Remeasurement of defined benefit plan	(87.11)	121.50
Closing balance	**679.25**	**766.36**
Total (d)	**97,174.24**	**97,552.68**
Total Other Equity	**1,03,754.19**	**(5,607.96)**

* 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.

** The Government of India (GOI) has waived off a long outstanding loan of Rs. 43,586.46 lakhs and Redeemable Preference Shares of Rs. 27,000 lakhs, totalling Rs. 70,586.46 lakhs, as of 30th September 2024, vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025. As the Government is the majority shareholder, the principal amount waived is transferred to other equity in accordance with provision of Ind AS.

15a. Lease

Accounting policy:

The Company assesses whether a contract contains a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset throughout the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to HOCL's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use-assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The 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.

Following are the changes in the carrying value of Right-of-Use Assets:

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Category of ROU asset : Building		
Balance at the beginning	106.73	-
Additions	-	128.08
Disposals	-	-
Depreciation	25.62	21.35
Balance at the end of the year	**81.11**	**106.73**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss

The following is the break-up of current and non-current lease liabilities as at March 31, 2025

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Current liability	23.94	21.05
Non-current liability	66.52	90.46
Total	**90.46**	**111.51**

The movement in lease liabilities during the year ended March 31, 2025 as follows :

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Balance at the beginning	111.51	-
Additions	-	127.87
Finance cost accrued during the period	7.75	7.64
Deletions	-	-
Payment of lease liabilities	(28.80)	(24.00)
Translation Difference	-	-
Balance at the end of the year	90.46	111.51

15 b. Provisions (Long term liability)

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Employee's Benefits - Leave encashment (Refer Note No.31)	970.75	913.77
iii) Other provision	23.76	23.13
Total	**994.51**	**936.90**

16. Deferred Tax liabilities

Accounting policy:

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 other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Fair Value of Land	17,495.52	17,495.52
Fair Value of Investment in HFL	81.00	200.00
Net Deferred tax liability [Note No.39]	**17,576.52**	**17,695.52**

The deferred tax asset has not been recognised as there is no virtual certainty about the future adequate taxable profitability of the company. Also refer Note No.39.

17. Borrowings

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
17 a) Non Current Financial Liabilities-Borrowings		
Term Loan		
EMC Loan (Secured)*	191.30	243.98
Total Non Current (a)	**191.30**	**243.98**
17 b) Current Financial Liabilities-Borrowings		
From Bank		
Bank Overdraft***	11,139.61	1,589.11
From Other Loans		
Loan from GOI **	-	45,256.46
Overdue 8% Non-cumulative Redeemable Preference Shares-GOI**	-	27,000.00
Current maturity on EMC LOAN (Secured)*	53.49	42.35
Total Current (b)	**11,193.10**	**73,887.92**
Total Borrowings (a+b)	**11,384.40**	**74,131.90**
Aggregate Secured loans	11,384.40	1,875.44
Aggregate Unsecured loans	-	45,256.46

Note

*Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate (EIR) method.

The company has obtained a term loan from Energy Management Centre (EMC) amounting to Rs 299 lakhs on 20th March,2024, repayable in 60 equal instalments over a period of 5 years, carrying an effective interest rate of 5.59%. The loan is measured at amortised cost using the effective interest rate (EIR) method. The upfront processing fees and other transaction costs of Rs 12.67 lakhs have been deducted from the loan proceeds and are being amortised over the tenure of the loan using the EIR method.

The term loan was obtained for the purpose of replacement of compressor with energy- efficient ones. The installation of energy efficient compressor is not completed, it is not ready for its intended use. Consequently, the payment was not made to the supplier and the loan amount is temporarily invested in a fixed deposit

Details of Borrowings as at 31.03.2025 of Term Loan:

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Net Carrying Amount at the beginning of the year	286.33	-
Principal Loan Amount	-	299.00
Interest charged for the Financial Year	13.27	-
Less: Processing Fees Paid	-	12.67
Less: Amount paid during the Financial Year	54.81	-
Net Carrying Amount	**244.79**	**286.33**

**The long outstanding loan of Rs. 43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs along with the outstanding interest thereon of Rs 47,359.79 lakhs and Rs. 7,222.5 lakhs respectively as at 30 Sep 2024 have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025.

***The Company has been sanctioned working capital facility from Bank on the basis of security of Fixed Deposits with Bank and is not required to submit any quarterly return or statements with the bank in respect of this facility.

On April 1, 2025, a transfer of Rs. 45.00 lakhs was made from PNB account to SBI account and was duly recorded in the SBI account on the same date. However, due to a technical issue at PNB, the transaction is reflected in the PNB account statement dated March 31, 2025. A clarification letter regarding this matter has been obtained from PNB.

18. Trade payables

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Current - Trade Payables		
i) Outstanding dues of micro and small enterprises	42.99	15.15
ii) Outstanding dues of other than micro and small enterprises	4,782.62	6,837.65
	4,825.61	**6,852.80**

Amount due to Micro, Small and Medium enterprises:

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
a) i) Principal amount remaining unpaid as at the end of each accounting year	42.99	15.15
ii) Amount of Interest paid by the buyer in terms of MSME Act 2006	-	-
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 succeeding years	-	-

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

Rs.in Lakhs

Particulars	Not due (Less than 30 days)	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Current Year 2024-25						
i) MSME	42.99	0.00	0.00	0.00	0.00	42.99
ii) Others	4,733.64	48.98	0.00	0.00	0.00	4,782.62
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	0.00	0.00
TOTAL	**4776.63**	**48.98**	**0.00**	**0.00**	**0.00**	**4,825.61**
Previous Year 2023-24						
i) MSME	15.15	0.00	0.00	0.00	0.00	15.15
ii) Others	6,820.65	12.00	0.00	0.00	0.00	6,832.65
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
TOTAL	**6,835.80**	**12.00**	**0.00**	**0.00**	**5.00**	**6,852.80**

19. Other Current financial liabilities

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Interest Accrued		
Interest on GOI loan*	-	44,860.40
Interest on preference shares*	-	6,885.00
Total Interest	**-**	**51,745.40**
Deposits from Vendors / Customers	364.28	244.68
Total	**364.28**	**51,990.08**

Note:

*The long outstanding loan of Rs. 43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs along with the outstanding interest thereon of Rs 47,359.79 lakhs and Rs. 7,222.5 lakhs respectively as at 30 Sep 2024 have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025.

20. Other Current Liabilities

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Advances from customers	236.02	239.32
ii) Statutory Liabilities	126.39	149.49
iii) Employee related Liabilities	120.77	92.39
iii) Net defined Benefit Asset with Gratuity Fund Trust (Refer Note No.31)		
Defined Benefit Obligation	1,493.08	-
Fair Value Of Plan Assets	(1,459.16)	-
Net Liability	33.92	-
iv) Payroll Recoveries Payable	16.92	15.28
v) Creditors for capital goods	452.54	29.34
vi) Other Liabilities	6,913.25	2,296.17
Total	**7,899.81**	**2,821.99**

21. Short Term Provisions

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Employee Benefits-Leave encashment (Refer Note No.31)	218.40	241.61
ii) Provision for wages	1,047.00	795.00
iii) Discount payable to customers	485.49	240.71
iv) Provision for Income Tax	333.00	-
Total	**2,083.89**	**1,277.32**

22. Revenue from operations

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Revenue from operations - Sales of Products		
Phenol	31,565.64	41,595.36
Acetone	17,080.48	23,362.26
Hydrogen Peroxide	2,233.01	2,493.66
H. E. of Cumene	1,889.95	1,857.70
Cumox Oil	817.68	1,018.72
Cumene	-	61.30
Total Revenue from Operations.	**53,586.76**	**70,389.00**

23. Other income

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Direct income:		
Sale of Scrap	111.73	108.92
Sub-total (a)	**111.73**	**108.92**
Interest income on		
On Call and Term Deposits (Gross)	1,694.58	1,198.60
On Income tax refund	1.22	1.10
On Advances and Deposits with KSEB and others	25.48	16.74
Sub-total (b)	**1,721.28**	**1,216.44**
Other non-operating income		
Estate Rent	51.16	42.61
Exchange rate Diff - Gain	-	7.70
Excess provision written back*	321.05	77.53
Unclaimed credit	44.16	44.92
Miscellaneous Income	25.73	170.98
Sub-total (c)	**442.10**	**343.74**
Total (a+b+c)	**2,275.11**	**1,669.10**

*** Excess Provision written back include the following:**		
1. Reversal of excess provision for doubtful debts*	319.40	2.97
2. Provision no longer required in various cases	1.65	-
3. Excess Provision written back-Stores & Spares	-	74.56
Total	**321.05**	**77.53**

*An amount of Rs. 310.21 lakhs has been received towards old dues from M/s Indian Drugs and Pharmaceuticals. The corresponding provision has been written back.

Note: The Company had leased its school premises to Mahatma Education Society (MES) for a period of 30 years, commencing from 01st June 2006. Subsequently, a dispute arose in relation to the construction of additional buildings on the Company's land by MES. In view of this, the Company issued a lease termination notice to MES on 16th January 2016.The matter is currently sub judice and pending resolution before the competent court. Consequently, the Company, as a matter of policy and in view of the ongoing legal proceedings, is not recognizing or accepting any rent or Tax Deducted at Source (TDS) payments tendered by MES from the date of the termination notice.

24. Cost of raw materials and components consumed

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Stock at the beginning of the year	1,918.97	998.33
Add: Purchases	41,327.08	51,225.32
Less: Stock at the end of the year	550.56	1,918.97
Total Cost of raw materials and components consumed	**42,695.49**	**50,304.68**

25. Changes in Inventories of Finished Goods and WIP

(Increase) / Decrease in inventory **Rs. In Lakhs**

Description	Year ended 31.03.2025	Year ended 31.03.2024
Stock at the beginning of the year		
(i) Stock-in-Process	1,010.56	938.00
(ii) Stock for Captive consumption	227.36	598.21
(iii) Finished Goods	1,157.37	351.81
(iv) By Products	39.23	28.45
Sub-total (a)	**2,434.52**	**1,916.47**
Stock at the end of the year		
(i) Stock-in-Process	1,028.93	1,010.56
(ii) Stock for Captive consumption	344.05	227.36
(iii) Finished Goods	1,798.37	1,157.37
(iv) By Products	42.76	39.23
Sub-total (b)	**3,214.11**	**2,434.52**
Changes in Inventories of finished goods and work in progress (a-b)	**(779.59)**	**(518.05)**

26. Employee benefit expense

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
a) Salary, Wages and allowances *	3,473.22	3,368.21
b) Contribution to Provident and Other funds	328.39	319.36
c) Gratuity payment including premium for Group Gratuity - cum-Life assurance scheme (Refer Note No.31)	47.89	165.88
d) Provision for Leave Encashment	307.93	175.33
e) Contribution to NPS	134.77	27.93
f) Staff welfare expenses		
Medical amenities	117.78	110.60
Canteen and Nutrition amenities	261.31	253.38
Other welfare expenses	73.62	53.66
Total	**4,744.91**	**4,474.35**

*Board recommended to implement salary revision of employees w.e.f. 25.01.2021 and the same was submitted to the Ministry of Chemicals and Fertilizers for approval. Company has provided Rs. 252 lakhs for the year 2023-24 and 2024-25 each.

27. Finance costs

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Interest:		
On Fixed Loans (Govt. Loan)*	2,499.39	4,999.81
On Preference shares	337.50	675.00
Interest on advance from customers	921.68	1,169.49
Interest on Lease Liability	7.75	7.64
Interest - Others	513.72	95.88
Total	**4,280.04**	**6,947.82**
Other Borrowing Cost-Bank charges	5.91	9.53
Total finance costs	**4,285.95**	**6,957.35**

* Refer Note No. 30(a)

28. Depreciation and amortization expense

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Depreciation		
Property, Plant and equipment	129.09	111.53
Investment Properties	2.16	2.17
Right-of-Use Asset	25.62	21.35
Amortization of intangible assets	7.31	8.73
Total	**164.18**	**143.78**

29. Other expenses

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Consumption of Stores and Spares		
i) Catalyst and Chemicals	671.59	637.23
ii) Consumable stores	778.55	317.05
iii) Packing materials	366.99	553.41
Subtotal (a)	**1,817.13**	**1,507.69**
Utilities		
Power	2,302.97	2,806.45
Fuel	8,486.71	9,572.66
Water	365.22	402.21
Subtotal (b)	**11,154.90**	**12,781.32**
Repairs & Maintenance:		
Building	285.60	113.67
Plant and Machinery	589.72	232.24
Other Assets	180.45	156.47
Subtotal (c)	**1,055.77**	**502.38**
Administration Expenses:		
Rent/Lease rent	0.91	7.74
Insurance	324.13	313.72
Rates and taxes	359.09	353.90
Consultancy, Professional and Legal Charges	298.02	312.09
Payment to Auditors:		
Audit Fee	4.60	4.60
Taxation matters	0.90	0.90
Reimb. of Expenses	1.03	0.58
Other services	0.30	0.10
Other expenses:		
Power for Township	18.30	18.82
Water for Township	13.73	10.83
Security Expenses	248.43	240.56
Advertisement Expenses	9.94	7.44
Hire of Vehicles Expenses	52.46	51.24
Disposal of Assets	0.24	-
Other Misc. Exp.	127.76	113.78
Subtotal (d)	**1,459.84**	**1,436.30**
Provisions:		
Provision for Stock Obsolescence	50.91	-
Provision for Unidentified assets	0.63	-
Subtotal (e)	**51.54**	**-**
Total (a+b+c+d+e)	**15,539.18**	**16,227.69**

30 Exceptional Items

Rs. In Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
a) Waiver off interest on GOI loan and Preference Shares		
Interest on GOI loan	47,359.79	-
Interest on Preference Shares	7,222.50	-
Total (a)	**54,582.29**	**-**
b) Legal Cases (Harichandrai)		
Rent	1,324.14	-
Interest amount	2,982.77	-
Total (b)	**4,306.91**	**-**
Total (a-b)	**50,275.38**	**-**

a) The long outstanding loan of Rs.43,586.46 lakhs from the Government of India (GOI) and Redeemable Preference Shares of Rs.27,000 lakhs, along with the accrued interest of Rs. 47,359.79 lakhs and Rs.7,222.5 lakhs respectively, as at 30th September 2024, have been waived off by GOI vide Order No. 1600/9/2024-IFD dated 21st March 2025. Accordingly, the principal amount of Rs. 70,586.46 lakhs has been transferred to the other equity, and the interest and penal interest of preference shares of Rs. 54,582.29 lakhs have been classified as miscellaneous Income. (Ref: Note No. 35 (vii& viii)

b) An additional liability of Rs. 4,306.91 lakhs was provided to comply with the orders of Bombay High Court decision determining the mesne profit as Rs. 5,070 lakhs payable to Harchandrai & Sons. Company had deposited Rs. 250 lakhs to comply the order. HOCL has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the Bombay High Court's order.(Ref: Note No.35 (v))

31 EMPLOYEES BENEFIT PLAN:

A. Provision for leave encashment

The Company has made a provision and levied Rs.1,189.15 Lakhs (previous year Rs.1,155.38 Lakhs) for leave encashment as on 31st March, 2025, 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 Company has considered return on plan assets as Other Comprehensive Income for the period. The balance fund available with LIC is Rs.1,459.16 Lakhs (Previous year Rs.1,651.34 Lakhs) and deposit with ICICI Bank Rs.0.45 Lakhs (Previous year Rs. 0.45 Lakhs)

All dues on account of gratuity of Rasayani unit and Kochi unit employees relieved upto 31.03.2025 have been paid and there are no further dues.

1. Funded Status of the plan

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Present value of funded obligations	1,493.08	1,550.72
Fair value of plan assets	1,459.16	(1,651.82)
Net Liability (Asset)	**33.92**	**(101.10)**

2a. Profit and loss account for current period

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Current Service Cost	57.16	57.00
Past Service cost and loss/gain on curtailments and settlement	-	-
Net Interest cost	(9.27)	106.42
Total included in 'Employee Benefit Expense' (P&L)	**47.89**	**163.42**

2b. Other Comprehensive Income for the current period

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	77.40	(27.04)
Due to change in demographic assumption	-	-
Due to experience adjustments	13.91	25.62
Return on plan assets including amounts included in interest income	(4.20)	122.92
Amounts recognized in Other Comprehensive Income	**87.11**	**121.50**

3. Reconciliation of defined benefit obligation

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Opening Defined Benefit Obligation	1,550.72	1,586.47
Transfer in/(out) obligation	-	-
Current service cost	57.16	57.00
Interest Cost	99.60	107.83
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	77.40	(27.03)
Due to change in demographic assumption	-	-
Due to experience adjustments	13.93	25.62
Past Service Cost	-	-
Loss(gain) on curtailments	-	-
Liabilities Extinguished on settlement	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(305.73)	(199.17)
Closing defined benefit Obligation	**1,493.07**	**1,550.72**

4. Reconciliation of plan Assets

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Opening value of plan assets	1,651.81	1,729.47
Transfer in (out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest Income	108.87	120.35
Return on plan assets excluding amounts included in interest income	4.21	1.16
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of		
Purchase	-	-
Exchange rate differences on foreign plans	-	-
Benefits paid	(305.73)	(199.17)
Closing value of plan assets	**1,459.16**	**1,651.81**

5. Reconciliation of net defined benefit liability

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Net opening provision in books of accounts	(101.09)	(143.00)
Transfer in (out) obligation	-	-
Transfer (in) out plan assets	-	-
Employee benefits Expense	47.89	163.42
Amounts recognized in other comprehensive income	87.12	(2.57)
	33.92	17.85
Benefits paid by the Company	-	-
Benefits settled (Rasayani Unit)	-	-
Contributions to plan assets	-	-
Closing provision in the books of accounts	**33.92**	**17.85**

Reconciliation of Assets Ceiling **Rs. In Lakhs**

Particulars	As at 31.03.2025	As at 31.03.2024
Opening Value of Assets Ceiling	-	-
Interest on Opening Value of Assets Ceiling	-	-
Loss/Gain on Assets due to surplus/ Deficit	-	-
Closing Value of Plan Assets Ceiling	**-**	**-**

6. Composition of the Plan assets

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Government of India Securities	0%	0%
State government securities	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 Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Current liability	33.92	(101.09)
Non - Current liability	-	-
Net Liability	**33.92**	**(101.09)**

8. Principle acturial assumptions

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Discount Rate	6.60%	7.15%
Salary Growth rate	6.00%	5.00%
Withdrawal rates	3% at Younger ages reducing to 1% at older ages	3% at Younger ages reducing to 1% at older ages
Rate of Return on Plan Assets	**6.6% pa**	**7.15% pa**

9. Maturity Profile of Defined Benefit Obligation

As at 31.03.2025

	Cash Flows Rs. In Lakhs	Distribution (%)
Year 1 Cash Flow	226.26	10.20%
Year 2 Cash Flow	264.58	11.90%
Year 3 Cash Flow	159.97	07.20%
Year 4 Cash Flow	261.41	11.80%
Year 5 Cash Flow	205.43	09.20%
Year 6 to Year 10	467.92	21.10%

The future accrual is not considered in arriving at the above cash flows

The expected contribution for the next year is Rs 33.91 Lakhs.

The Average outstanding term of obligations (years) as at valuation date is 5.37 years

10.Sensitivity to key assumptions

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Discount Rate Sensitivity		
Increase by 0.5 %	1,453.84	1,513.28
(% change)	(2.63)%	(2.41)%
Decrease by 0.5%	1,534.39	1,590.04
(% change)	2.77%	2.54%
Salary Growth rate Sensitivity		
Increase by 0.5 %	1,508.39	1,569.65
(% change)	1.03%	1.23%
Decrease by 0.5%	1,476.26	1,530.12
(% change)	(1.13)%	(1.30)%
Withdrawal rate(W R) Sensitivity		
W. R x 110%	1,496.66	1,554.25
(% change)	0.24%	0.23%
W. R x 90%	1,489.72	1,547.09
(% change)	(0.22)%	(0.23)%

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 Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Vested	1,483.30	1,547.77
Non-vested	9.77	2.95
Total	**1,493.07**	**1,550.72**

Appendix B: Age wise distribution of defined benefit obligation

Rs. In Lakhs

Age (In years)	DBO	
	As at 31.03.2025	As at 31.03.2024
Less than 25	-	-
25 to 35	9.98	10.43
35 to 45	211.71	173.99
45 to 55	741.88	709.81
55 and above	529.50	656.48
Accrued gratuity for Left Employees	-	-
Total	**1,493.07**	**1,550.71**

Appendix C: Past service wise distribution of defined benefit obligation

Rs. In Lakhs

Age (In years)	DBO	
	As at 31.03.2025	As at 31.03.2024
0 to 4	9.77	2.96
4 to 10	3.63	2.72
10 to 15	155.27	162.44
15 and above	1,324.40	1,382.60
Accrued gratuity for Left Employees	-	-
Total	**1,493.07**	**1,550.72**

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 31.03.2025**	**As at 31.03.2024**
Discount rate	6.60% p.a	7.30% p.a
Salary Growth rate	6.00%	6.00% p.a
Rate of Return on Plan Assets	6.60%	NA

Demographic Assumptions

Withdrawal rates p.a (Table 10)

Age Band	**As at 31.03.2025**	**As at 31.03.2024**
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 31.03.2025**	**As at 31.03.2024**
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.

32 INVESTMENT

a) The Company holds an investment of Rs. 1,106.00 lakhs in the equity shares of its subsidiary, M/s. Hindustan Fluorocarbons Ltd.(1,10,60,000 equity shares of face value of Rs. 10 each). The Government of India, as per the Cabinet Committee on Economic Affairs (CCEA) decision dated 29th January 2020, has approved the closure of HFL. The market value of HFL's equity shares stood at Rs. 12.52 as on 31st March 2025 as against Rs. 16.23 as on 31 March 2024. The diminution in the value of investment in the equity share of the subsidiary have been recognised in the books of the company.

b) During the year 2007-08, the Modified Draft Rehabilitation Scheme (MDRS) for revival of subsidiary - Hindustan Fluorocarbon Ltd. (HFL) was approved by BIFR for implementation. As part of implementation of MDRS, HOCL had waived interest of Rs.2,260.26 lakhs accumulated on loan given to HFL and converted the unsecured loan amounting to Rs.2,744.07 lakhs as Zero Coupon Loan (ZCL), into secured loan by on HFL creating first charge on immovable property in favour of HOCL. This loan was payable in 7 equal annual instalments commencing from 2010-11, aggregating to Rs.2,744.07 lakhs (Previous year Rs.2,744.07 lakhs) which has become due and payable in full. Further, the Company had given loans to HFL aggregating to Rs. 453.01 lakhs (Previous Year Rs. 453.01 lakhs) at the interest rate of 10.25% to 14.50% which has become payable in full. This loan is also secured by first charge on the HFL immovable property. The interest accrued on the loan till 31.03.2023 amounts to Rs. 1075.05 lakhs. Additionally, an amount of Rs.19.39 lakhs was provided during the year towards delisting expenses.

As per the valuation report by an external registered independent valuer having professional qualification the value of the secured property of 84 acre and 31 gunthas acre of land is Rs.10,196.71 lakhs (Rudram Village 32 acre and 26 gunthas valued at Rs.4,898.81 Lakhs and Edathanoor village 52 acre and 5 gunthas valued at Rs. 5,297.99 Lakhs),as on date 31.03.2025. The company will recover the said receivables from the proceeds of the secured property, hence no provision is required to be made in this regard.

33. EARNING PER SHARE

Earnings per share has been calculated as follows:	**As at 31.03.2025**	**As at 31.03.2024**
Net Profit/(Loss) after Tax (Rs. in lakhs)	39,154.13	(5,531.70)
Weighted average number of equity shares	6,71,73,100.00	6,71,73,100.00
Nominal Value per equity share (Rs.)	10.00	10.00
Basic / Diluted Earning per equity share (Rs.)	58.29	(8.23)

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 Indian Accounting Standard 108 with regard to disclosure of segmental results are therefore considered not applicable to the Company.

35. Contingent Liabilities & Commitments(to the extent not provided for)

Rs. In Lakhs

i) Contingent Liabilities	**As at 31.03.2025**	**As at 31.03.2024**
a) Claims against the Company not Acknowledged as debts:*		
i) Income Tax Claims	91.99	91.99
ii) Excise duty / Service tax	104.63	104.63
iii) Gratuity for School teachers	75.31	75.31
iv) Other claims (Legal cases)		
a) MACT Thrissur	118.00	118.00
b) ESIC	2.17	2.17
c) M/s Shetusha Engineers & Constructions Pvt. Ltd.(SECPL)	113.35	113.35
d) M/s Vakharia Construction Company	39.38	39.38
e) Saikripa food Service Pvt ltd	34.00	-
f) Employees Related claims	83.42	-
g) EPFO Ernakulam	38.44	-
h) Employees from Rasayani	10.00	-
v) Rental claim Harchandrai House	-	6,738.19
vi) JNPT lease rent	3,318.86	3,318.86
vii) Penal interest on Govt. Loans	-	9,398.38
viii) Interest on interest on Govt. Loan	-	68,294.06

ix) Nilima Chemical Corporation	-	16.00
x) GST	41.97	41.97
	4,071.52	**88,352.29**
b) Bank Guarantees issued from Banks	5,892.45	2,137.73
ii) Commitments:		
Estimated amount of Contracts remaining to be executed on capital account and not provided for:		27.85

* In respect of the aforementioned contingent liabilities, the timing and amount of any potential cash outflows are dependent on the outcomes and final resolutions of the respective matters by the competent courts or relevant authorities. The amount of any interest payable, if applicable, cannot be presently determined.

a) Claims against the Company not Acknowledged as debts:

i) Income Tax Claims: Rs.92.00 Lakhs.

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 Lakhs and AY 2011-12 Rs.21.50 Lakhs.

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 Lakhs. 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 Lakhs) (as on 31.03.2025).

iv) Other claims (Legal cases): Rs.272.90 Lakhs (as on 31.03.2025).

a) Case filed by the Company against the award passed by MAC Tribunel, Trichur in relation to Phenol Tanker accident in 1994 (Rs.118 Lakhs)(as on 31.03.2025)

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 lakhs. 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. The case is pending for final hearing (as on 31.03.2025).

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 contingent liabilities (as on 31.03.2025).

e) Saikripa was a contractor engaged by HOCL Limited to provide canteen services at the Rasayani Unit under an agreement from 01.03.2013 to 28.02.2014, which was subsequently extended up to March 2016. Due to the poor financial condition of HOCL Limited, the company was unable to pay the monthly bills raised by Saikripa. As a result, Saikripa was unable to deposit the Provident Fund (PF) contributions of its employees with the PF authorities due to lack of funds. Subsequently, in October 2021, the Regional PF Commissioner-II, R.O. Thane (South), passed an order directing Saikripa to pay Rs.12,12,747/- to the PF authorities towards interest. Saikripa has filed a case against this order before the Central Government Industrial Tribunal (CGIT), Mumbai.The estimated liability in this matter is Rs. 34.00 lakhs, and the case is currently pending before the CGIT, Mumbai.(as on 31.03.2025)

f) The Company has given the mandate for the personal loan of the employees to Canara Bank. Accordingly, Applicant had borrowed the loan from Canara Bank and HOC Limited was deducting EMI and depositing the same in bank. Further, HOC Limited informed the employees certain cut-off date for deduction from their salaries and informed employees to deposit their EMI directly in bank. The Applicant had not paid EMI after cut-off date fixed by HOC Limited. Further, Applicant filed the said case for not depositing the amount deducted by HOC Limited up to cut-off date. The estimated liability as on 31.03.2025 is Rs. 79.00Lakhs(2+33+36+8).

g) Provident Fund Damages Claim: The Employees' Provident Fund Organisation (EPFO) has raised a demand of Rs. 38.44 Lakhs towards damages for delayed remittance of provident fund contributions for the period from 01.04.2013 to 28.02.2018. The Company has contested the demand on the grounds that the said period falls within the time when the Company was under the Board for Industrial and Financial Reconstruction (BIFR), and therefore, such claim is not payable. An appeal has been filed by the Company before the Central Government Industrial Tribunal (CGIT), Ernakulam. Pending final adjudication, the said amount has been disclosed as a contingent liability.

h) A case has been filed before the Central Government Industrial Tribunal (CGIT), Ernakulam, by workmen who were transferred from the Rasayani unit, claiming the benefit of three additional increments granted to employees of the Kochi unit under a separate wage settlement in 2007. The three increments were granted to Kochi employees in recognition of the unit's performance. Following the closure of the Rasayani unit, certain workmen were transferred to Kochi and have subsequently raised an industrial dispute seeking parity in increments. The matter is pending adjudication before the CGIT.The estimated liability as on 31.03.2025 is Rs. 10.00 Lakhs.

v) Rental claim Harchandrai House Rs.6,738.19 Lakh

The Bombay High Court passed orders determing Rs. 5,070 lakhs as mesne profit and interest thereon. Consequently, company deposited Rs. 250 lakhs to comply the orders and an additional liability of Rs.4,316.91 Lakhs was provided to in compliance with the orders of Bombay High Court. HOCL has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the Bombay High Court's order.

vi) JNPT lease rent: Rs.3,318.86 Lakhs (as on 31.03.2025).

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land allotted to the Company for setting up Liquid Tank Farm on lease basis along with assets of the Company 'as is where is basis'. The JNPT raised a demand of Rs.4,124 lakhs towards lease rentals and other charges. The Company has instituted arbitral proceedings and Arbitral Tribunal issued the award in favour of the Company. The assets of the Company valued as per the MoU at Rs.1,638.50 lakhs and same is agreed and paid by M/s.JNPT. 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 and the same is paid by the Company. The disputed amount includes lease rentals Rs.2,974.51 lakhs, water charges 0.65 Lakhs, 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.

vii& viii) Interest at higher rate on Govt. Loans: Rs.9,398.31 Lakhs and Interest on defaulted interest on Govt. Loan Rs.68,294.06 lakhs

The long outstanding loan of Rs. 43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs carry along with the outstanding interest of GOI, interest on preference shares, and penal interest thereon of Rs. 47,359.79 lakhs, Rs. 7,222.5 lakhs, and Rs. 9,967.96 lakhs, respectively, as at 30 Sep 2024, have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025. Since the original interest on loan has been waived off the interest on interest of Rs. 68,294.06 lakhs stand irrelevant and has been cleared from contingent liability.

ix) ix) Nilima Chemical Corporation.

Payment of Rs. 15.00 lakhs was made to to nilima chemicals corporation to comply IO No.WB00908 Dt. 18.01.2025. The case has been been disposed off full and final satisfaction

x) GST Demand Rs. 41.97 Lakhs

A Show cause Notice received from GST audthorities dated 04-09-2023, from the Joint Commissioner of Central Tax & Central Excise I S Press Road. Kochi. on 10 th September, 2023. In the show cause notice it is mentioned that HOCL has availed and utilized Input Tax credit of Rs.61,977,794/-, wrongly for the period July, 2017 to July, 2018, and requested to give written reply within 30 days from the receipt of above show cause notice .At the time of implementation of GST and filing of GSTR-3B for the period July, 2017 to July 2018, GST amount of Credit notes issued to Customers was added to Input tax credit instead of deducting the same from sales amount. In effect there will not be any change in the net GST amount payable. As requested by Joint Commissioner (GST) , We have represented our case to Joint Commissioner (GST) through M/s. Krishna Iyer & Co our GST consultant and submitted CA certificates collected from Customers for Rs.600.01 Lakhs- before 12-12-2023.The final order was passed by JC the demand of Rs.619.77 Lakhs was reduced to Rs.19.76 Lakhs, and issued DRC07 for Rs. 41.97 Lakhs- (GST Rs.19.76Lakhs+ Interest Rs. 20.23 Lakhs+Penalty Rs. 1.97Lakhs). Further we have collected CA Certificates for Rs.11.58lakhs - which is kept with us and will be produced to GST authorities after collecting the certificates for the balance amount. We have filed Appeal against order No. .16/2023-24 GST (JC) Dated-12-12-2023 Of The Joint Commissioner, Central Tax & Central Excise, Kochi Commissionerate on 27-02-2024

xi) 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.5892.45 Lakhs

The Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.250.35 lakhs, BPCL Rs.5,350 Lakhs and Rs.292.10 Lakhs to others. The Company does not expect any outflow in respect of the above.

ii) Estimated amount of Contracts remaining to be executed on capital account and not provided for:

Rs. In Lakhs

Work order issued for the following contracts.	2024-25	2023-24
a) Resurfacing of roads in Township	-	27.85
Total	**-**	**27.85**

36. 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:

Rs. In Lakhs

Sl. No.	Name of the Related Party Relationship	Relationship	Details of Transaction	Amt. of Transaction during 2024-25	Outstanding at the end of the year (31.03.2025)	Amt. of Transaction during 2023-24	Outstanding at the end of the year (31.03.2024)
1	Hindustan Fluorocarbon Ltd. (HFL)	Subsidiary company with 56.43% share holding.	Interest on loan given to HFL	19.38	4,291.52	-	4,272.13
2	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Purchase of Raw materials (LPG, Benzene, FO, & H2)	54,634.83	4,300.22	53,834.61	6,201.50
3	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Finished Goods (H2O2)	-	-	42.84	22.00
4	Indian Oil Corporation Limited	Controlled by Government of India.	Purchase of Raw materials/ Fuel	4,875.94	(4.71)	7,317.37	25.01
5	Mangalore Refinery and Petrochemicals Limited	Subsidiary of ONGC	Purchase of Raw materials (Benzene)	-	-	386.14	-
Trust constituted by the Company							
6	HOCL Group Gratuity Trust		Investment and interest on investment	192.66	1,459.16	121.49	1,651.82

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Rs. In Lakhs

Description	Short-term employee benefits	Post-term employee benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
2024-25						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. Sajeev B, CMD	41.77	5.32	-	-	-	47.09
Shri. Yogendra Prasad Shukla	32.22	4.48	-	-	-	36.70
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Shri Kanishk Kant Srivastava.	-	-	-	-	-	-
Shri Manoj Sethi						
ii) Independent Directors						
Dr. Bharat J. Kanabar (Up to 23.12.2024)	1.10	-	-	-	-	1.10
Shri Pratyush Mandal (Up to 23.12.2024)	1.10	-	-	-	-	1.10
C. Key Managerial Personnel						
Shri. Subramonian H	14.70	2.04	-	-	-	16.74
Total	**90.89**	**11.84**	**-**	**-**	**-**	**102.73**

2023-24						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. Sajeev B, CMD	38.91	4.97	-	-	-	43.88
Shri. Yogendra Prasad Shukla (From 04.07.22)	31.08	4.18	-	-	-	35.26
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Shri Sanjay Rastogi (AS&FA) (Up to 22.11.23)	-	-	-	-	-	-
Shri Kanishk Kant Srivastava.						
Shri Manoj Sethi (From 22.11.2023)	-	-	-	-	-	-
ii) Independent Directors						
Dr. Bharat J. Kanabar	1.30	-	-	-	-	1.30
Shri Pratyush Mandal	1.30	-	-	-	-	1.30
C. Key Managerial Personnel						
Shri. Subramonian H	13.79	1.91	-	-	-	15.70
Total	**86.38**	**11.06**	**-**	**-**	**-**	**97.44**

Note: In the ordinary course of its business, the Company enters into transactions with other Government controlled entities (not included in the list above).

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.

37. Financial Instruments :

Accounting policy:

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(or minus) transaction costs. 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 Fair Value Through Other Comprehensive Income (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 Fair Value Through Profit or Loss (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 amortized 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 tha 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.

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.

A Fair value measurement

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 minimizing 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 - 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.

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

Financial assets and liabilities measured at fair value-recurring fair value measurements :

Rs. In Lakhs

Description	As at 31st March, 2025				As at 31st March, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets :								
Loans	-	-	3,209.09	3,209.09	-	-	3,211.92	3,211.92
Trade Receivables	-	-	2,007.16	2,007.16	-	-	1,866.15	1,866.15
Investments	1,384.71	-	5.00	1,389.71	1,795.04	-	5.00	1,800.04
Cash and cash equivalents	-	-	18.91	18.91	-	-	73.01	73.01
Bank balances other than Cash			22,541.94	22,541.94			22,569.07	22,569.07
Other Financial Assets	-	-	2,000.11	2,000.11	-	-	1,952.32	1,952.32
Total Financial assets	**1,384.71**	**-**	**29,782.21**	**31,166.92**	**1,795.04**	**-**	**29,677.47**	**31,472.51**
Financial Liabilities								-
Borrowings	-	-	11,384.40	11,384.40	-	-	74,131.90	74,131.90
Lease liabilities			90.46	90.46			111.51	111.51
Trade payables	-	-	4,825.61	4,825.61	-	-	6,852.80	6,852.80
Other Financial Liabilities	-	-	364.28	364.28	-	-	51,990.08	51,990.08
Total Financial Liabilities	**-**	**-**	**16,664.75**	**16,664.75**	**-**	**-**	**1,33,086.29**	**1,33,086.29**

Categories of Financial Instruments

A Fair Values hierarchy :

Rs. In Lakhs

Description	As at 31st March, 2025				As at 31st March, 2024			
	FVTPL	FVTOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets :								
Loans	-	-	3,209.09	3,209.09	-	-	3,211.92	3,211.92
Trade Receivables	-	-	2,007.16	2,007.16	-	-	1,866.15	1,866.15
Investments	-	1,389.71	-	1,389.71	-	1,800.04	-	1,800.04
Cash and cash equivalents	-	-	18.91	18.91	-	-	73.01	73.01
Bank balances other than Cash	-	-	22,541.94	22,541.94	-	-	22,569.07	22,569.07
Other Financial Assets	-	-	2,000.11	2,000.11	-	-	1,952.32	1,952.32
Total Financial assets	**-**	**1,389.71**	**29,777.21**	**31,166.92**	**-**	**1,800.04**	**29,672.47**	**31,472.51**
Financial liabilities				-				-
Borrowings	-	-	11,384.40	11,384.40	-	-	74,131.90	74,131.90
Lease liabilities	-	-	90.46	90.46	-	-	111.51	111.51
Trade payables	-	-	4,825.61	4,825.61	-	-	6,852.80	6,852.80
Other current financial liabilities	-	-	364.28	364.28	-	-	51,990.08	51,990.08
Total Financial liabilities			**16,664.75**	**16,664.75**			**1,33,086.29**	**1,33,086.29**

38. 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 company is not exposed to foreign currency exchange rate risk

b) Interest rate risk

The Company's investments are primarily in subsidiary through quoted equity share and unquoted 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, 2025 from the below mention customer.

Name of customer	Amt of revenue (Rs.Lakhs)	% of total revenue
POOJA PETRO CHEMICALS	17,018.08	32%
PONPURECHEMICAL INDIA P LTD	8,193.95	15%
NEEPRA TRADING CO.	7,115.37	13%

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, continuously monitoring forecast and actual cash flow and by matching the maturity profiles of financial assets and liabilities.

39. Deferred Tax

For the Year 2024-25 **Rs. in Lakhs**

Description	Opening Balance 01.04.2024	Recognised in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Reconised in OCI	Closing Balance 31.03.2025
Deferred Tax Liability						
Excess Provision W/back	-	-	-	-	-	-
Provision for impairment W/Back	-	-	-	-	-	-
Revaluation of land in Fair Value	22,522.52	-	-	-	-	22,522.52
Reversal of deferred tax liability on disposal of revalued of PPE	(5,027.00)	-	-	-	-	(5,027.00)
Fair Value of Investment in HFL	200.00	-	-	-	(119.00)	81.00
	17,695.52	**-**	**-**	**-**	**-119.00**	**17,576.52**
Deferred Tax Asset						
Depreciation	-	19.00	(19.00)	-	-	-
Provision for Leave Encashment	-	90.00	(90.00)	-	-	-
Voluntary Retirement Benefits (VRS/ VSS)	-	-	-	-	-	-
Provision for Doubtful Debts	-	-	-	-	-	-
Provision for Doubtful Advances	-	-	-	-	-	-
Provision for Long Term Agreements	-	-	-	-	-	-
Provision for Obsolescence	-	15.00	(15.00)	-	-	-
Provision for Statutory claims	-	-	-	-	-	-
Accumulated Income tax loss to the extent of deferred tax liability	-	-	-	-	-	-
	-	**124.00**	**(124.00)**	**-**	**-**	**-**
Net Deferred tax liability	**17,695.52**	**(124.00)**	**124.00**	**-**	**(119.00)**	**17,576.52**

For the Year 2023-24 **Rs. in Lakhs**

Description	Opening Balance 01.04.2023	Recognsed in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2024
Deferred Tax Liability						
Revaluation of land in Fair Value	20,775.52	-	-	-	1,747.00	22,522.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,056.00)	-	-	-	(971.00)	(5,027.00)
Fair Value of Investment in HFL	(36.00)	-	-	-	236.00	200.00
	16,683.52	**-**	**-**	**-**	**1,012.00**	**17,695.52**
Deferred Tax Asset						
Depreciation	-	25.00	(25.00)	-	-	-
Provision for Leave Encashment	-	51.00	(51.00)	-	-	-
Voluntary Retirement Benefits (VRS/ VSS)	-	-	-	-	-	-
Provision for Doubtful Debts	-	-	-	-	-	-
Provision for Doubtful Advances	-	-	-	-	-	-
Provision for Long Term Agreements	-	-	-	-	-	-
Provision for Stock Obsolescence	-	-	-	-	-	-
Provision for Statutory claims	-	-	-	-	-	-
	-	**76.00**	**(76.00)**	**-**	**-**	**-**
Net Deferred tax liability	**16,683.52**	**(76.00)**	**76.00**	**-**	**1,012.00**	**17,695.52**

40. Additional disclosures

Financial, Liquidity and Other Ratios

Ratios	Components of Numerator	Components of Denominator	For the Year ended 31.03.2025	For the Year ended 31.03.2024	% Variance	Explanation by Management
Current Ratio	Current Assets	Current Liabilities	4.95	0.96	413.51%	The long outstanding GOI loan, preference shares, and the interest accrued thereon have been waived off during the current year. This has improved the ratio.
Debt Equity Ratio	Total debt	Shareholders' Equity	0.10	112.49	-99.91%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	3.70	0.00	159949.31%	
Return on Equity Ratio	Net profit after tax	Shareholders' Equity	70.17%	-598.02%	-111.73%	
Inventory Turnover Ratio	Sales	Average Inventory	18.97	32.36	-41.38%	During the year 2024-25 Plant was shutdown for catalyst change for a period two months
Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	27.67	38.32	-27.79%	Reduction in average collection period from customers, reflecting better recovery efficiency.
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	7.08	9.38	-24.52%	Reduction average bills payable period
Net Capital Turnover Ratio	Net Sales	Average Working Capital	1.08	-29.90	-103.61%	The long outstanding GOI loan, preference shares, and the interest accrued thereon have been waived off during the current year. This has improved the ratio.
Net Profit Ratio	Net profit after tax	Net Sales	73.07%	-7.86%	-1029.75%	The waived-off accrued interest on the GOI loan and preference shares has been treated as income for the current year.
Return on Capital Employed	Profit Before Interest and Taxes (PBIT)	Capital Employed	31.16%	0.99%	3061.82%	The long outstanding GOI loan, preference shares, and the interest accrued thereon have been waived off during the current year. This has improved the ratio
Return on Investment	Dividend	Share Price	-	-	NA	NA

41 The company is in non- compliance of Section 149, 177 & 178 of Companies Act, 2013 and Regulations 17,18,19,20 & 25 of LODRR, 2015 with regard composition of Board of directors due to the absence of requisite number of independent directors, non- executive directors and woman director in the Board of Directors. Accordingly, the Audit Committee, Stakeholders Relationship Committee, Nomination Remuneration Committee of the company were not functional with effect from 23.12.2024. The matter has been regularly taken up with the administrative ministry for necessary appointments.

42 Going concern

The Company is in the process of implementing the restructuring plan, as per GOI order dated 22nd May 2017. Pursuant to this, the Rasayani Unit has been closed and the scrapped plant and equipment have been disposed off. This unit includes assets with a carrying amount of Rs. 94,550.32 lakhs, including 517.819 acres of land. Sale of unencumbered land at Rasayani and at Panvel is in process. Upon the successful completion of the sale, the company's cash flow is expected to improve significantly. The Phenol plant at Kochi continues to operate. The company achieved sales turnover of Rs.53,586.76 lakhs and Rs.70,389.00 lakhs, Net profit/(loss) excluding other comprehensive income of Rs. 39,154.13 and Rs. (5,531.7) lakhs and net worth excluding other comprehensive income of Rs. 13,306.91 lakhs and Rs. (96,433.68) lakhs in the FY 2024-25 and 2023-24 respectively. Further, the long outstanding loan of Rs.43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs along with the outstanding interest of Rs.47,359.79 lakhs and penal interest of Rs.9,967.96 (for the loan) and Rs. 7,222.5 lakhs (for preference shares) as of 30 Sep 2024 have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025. The company has a balance under current assets of cash and cash equivalents and other bank balances of Rs 22,560.85 lakhs (Previous year Rs.22,642.08 lakhs) as at the year end.

43 No scheme of arrangement has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013 during the year 2024-25.

44 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.

45 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.

46 Relationship with Struck off Companies

During the financial year ended 31st March 2025 the company does not have any relationship with struck of companies.

Relationship with Struck off Companies as on 31st March 2024

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
Sharp Chemical Inds. P. ltd.	Sales	Rs. 3.31 Lakh	Debtor
Nice agro Enterprise	Sales	Rs. 0.28 Lakh	Debtor
Balaji Industries	Sales	Rs.0.49 Lakh	Debtor

47 The company has no charge or satisfaction to be registered with the Registrar of Companies except for :

During the period from 2002 to 2004, the Company had availed a Plan Loan amounting to Rs. 1,319 lakhs from the Department of Chemicals and Petrochemicals (DCPC), Government of India. In 2019, the principal portion of the loan was repaid by the Company, while the interest remained outstanding. Hence the charge was not withdrawn. Subsequently, the GOI waived off the outstanding dues of the company, the remaining interest liability, including this Plan Loan vide order dated 21.03.2025. Accordingly, the Company is in the process of obtaining a No Objection Certificate (NOC) from DCPC. Upon receipt of the NOC, the Company will proceed to file for satisfaction of charge with the Registrar of Companies (ROC), in accordance with the applicable statutory requirements.

48 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, which are repayable on demand or without specifying any terms of repayment

49 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

50. There is no intangible assets under development

51. 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.

52. Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

53. The Company has no transaction 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) and no previously unrecorded income and related assets have been recorded in the books of account during the year.

54. The Company is not required mandatorily to carry out any CSR activities on account of losses incurred during the previous years.

55. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

56. The Standalone Financial Statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 16.05.2025. The audit committee is not functional, therefore, the financial statements are not reviewed by the audit committee.

57. The company has not revalued any of its intangible assets during the year

58. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

For Balan & Co.
Chartered Accountants
FRN 340S

Sajeev B.
Chairman and Managing Director
DIN 09344438

M. Venugopal
Partner
Membership No.: 244882
UDIN : 25244882BMKTZ09628

Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Subramonian H.
Company Secretary

Place: Ernakulam
Date: 16.05.2025

Place: Ernakulam, Kerala
Date: 16.05.2025

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. 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** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group"), for the year ended 31st March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material 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, read with our comments below under the para 'Material Uncertainty relating to Going Concern of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the *Code of Ethics* issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Material Uncertainty Related to Going Concern

4. Attention is drawn to note no. 42 of Consolidated Financial Statements describing the decision of the Cabinet Committee on Economic Affairs to close the operations of the Subsidiary 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 subsidiary company and the steps taken by the Company including grant of interest free unsecured loan for settling various liabilities by the GOI, receipt of the same, significant payments being made out of the total estimated liabilities by the year end, plan of action for balance payments, initiation of follow up measures regarding various legal cases filed by/against the subsidiary company and its follow up, adoption of applicable Ind AS 105 in the books of account, there is material uncertainty relating to Going Concern and the subsidiary is no longer a Going Concern Entity.

The Group has reported net profit of Rs. 39,109.49 lakhs (Previous year net loss Rs. 62.87 lakhs) including other comprehensive income. Also, the company has accumulated loss amounting to Rs 4,906.10 lakhs (Previous year Rs.1,14,670.64 lakhs) with a net worth of Rs.6,659.43 (Previous year Rs. (1,03,105.11) lakhs) excluding other comprehensive income. The company has a balance under current assets of cash and cash equivalents and other bank balances of Rs 25,422.33 lakhs (Previous year Rs.25,370.76 lakhs) as at the year end.

Further, the holding company, with the approval of the Government of India, is in the process of divesting and selling its loss-making unit at Rasayani, Mumbai. This unit includes assets with a carrying amount of Rs. 94,550.32 lakhs, including 517.819 acres of land. As represented to us, this process is expected to generate sufficient cash flow for the Holding Company. Additionally, the Kochi unit of the Holding Company is operational, and the Company is currently implementing a restructuring plan approved by the Central Government.

After considering these conditions, the Consolidated Financial Statements have been prepared on a going concern basis. Our conclusion remains unmodified in this regard.

Emphasis of Matter

5. Attention is drawn to note no. 35(vii) and (viii) of the accompanying consolidated financial statements regarding the waiver of principal of loan and preference shares, interest and penal interest amounting to Rs. 1,35,136.71 lakhs due to Government of India as on 30.09.2024.

6. Attention is drawn to note no 48 of the accompanying consolidated financial statements regarding the registration of satisfaction of charge with the Registrar of Companies (ROC). The company is in correspondence with Ministry regarding certain formalities with this regard.

7. Attention is drawn to note no. 17(d) of the accompanying consolidated financial statements. The company has advanced loan amounting to Rs. 453.01 lakhs to its subsidiary at an interest rate range from 10.25 to 14.50 %. As the subsidiary has failed to pay interest the company has stopped charging interest on the loan from the year 2023-24

8. Attention is drawn to note no. 41 of the accompanying consolidated financial statements regarding composition of the Board of Directors which is not in compliance with the provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015.

9. Attention is drawn to note no. 58 of the accompanying consolidated financial statements, regarding the statements approved by the Board of Directors have not been reviewed by the Audit Committee, as required under section 177 of Companies Act, 2013 and clause A (5) of the Part C of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are informed that the Audit Committee is not functional due to the absence of the independent directors of the company.

10. Attention is drawn to note no. 42 of the accompanying consolidated financial statements detailing the status of implementation to the Government approved restructuring plan.

11. Attention is drawn to note no. 42 of the accompanying consolidated financial statements regarding the decision of the Government of India to close the operations of the subsidiary 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 cutoff date being adopted for the purpose which is not determinable.

12. Attention is drawn to note no. 34, under the head legal expenditure an amount of Rs 27.68 lakhs was paid towards filing and other expenditure in addition to the Professional charges paid to advocates and no details were produced for this expenditure. In the absence of adequate information, we are unable to comment on the correctness of the same.

Our Opinion is not modified as in respect of this matters.

Key Audit Matters

13. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2025. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our audit?
Exceptional Item and Other Equity Waiver of GOI Loan, Interest, Preference share capital, interest thereon (Refer note no.32(b) of the consolidated financial statements) • The waiver of loan, preference shares granted by the Govt. Of India and interest thereon is considered key area during our audit. • The holding company had an Outstanding Loan of Rs. 43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000.00 lakhs along with the outstanding interest thereon of Rs 47,359.79 lakhs and Rs. 7,222.50 lakhs respectively as at 30.09.2024 have been waived off by Govt. Of India.	Our audit procedures including and not limited to the following • We have examined digitally signed Government of India Order No. 1600/9/2024-IFD dated 21.03.2025 from the ministry for waiver of the liability and interest accrued. • Examined the letter send by the Company Secretary to the BSE disclosing the waiver of liability.
Recognition, Measurement, and Depreciation of PPE • The company, being an asset-based entity, the recognition, measurement and depreciation of the PPE is very significant. • The company was shut down for over 2 months during the current financial year involving overhauling of certain machineries and plants. • The audit was mainly focused on the compliance of the provisions of the Ind AS 16 – Property, Plant and Equipment's and the other aspects of asset accounting.	Our audit procedures included and were not limited to the following: • Evaluating management's processes and controls over the identification, capitalization, classification, and subsequent measurement of PPE. We assessed the company's policies for determining the initial cost, subsequent measurement, and depreciation of PPE, including the application of appropriate depreciation methods and useful lives. • We also tested a sample of PPE additions and disposals to verify the accuracy and completeness of their recognition and measurement. • We assessed the consistency of depreciation policies and their compliance with applicable accounting standards and the accuracy of the calculation of depreciation. • We verified the compliance with the provisions of Ind AS 16 for adopting the Revaluation model and its impact on the asset disclosures.
Valuation of Inventory See Note 6 to the Consolidated Financial Statements • The verification and valuation of semi- finished, good for captive consumption and finished goods is a meticulous manual undertaking involving various reports, parameters, estimations and judgements. • Indirect production costs are estimated and integrated into inventory costs, involving judgment and estimation. • The inventory levels of major raw materials, finished goods, semi-finished goods are monitored through meters installed in the tanks. • The meter readings are recorded on daily basis. • Inventories are valued at lower of cost and net realizable value except by-products. • In addition, management exercises judgment in identifying and evaluating obsolete inventories and slow-moving stock items, while also estimating the appropriateness of necessary provisions.	Our audit procedures included and were not limited to the following: • Obtaining an understanding of the system controls and designs for production and inventory monitoring. • Reviewing data from software used by the company such as Distributed Control System for plant operations, independent PLC for the safety of the Plant, Tank Level Monitoring System "LMS" for the detailed statistics about stock of raw materials, finished products, and intermediate products along with various alarms, warnings and history of the tank operations etc. • Testing the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory. • Testing and cross verifying on sample basis the accuracy of inventory levels in inventory valuation with BOMs issued and meter reading generated from inventory tanks by the respective departments. • Testing on a sample basis the accuracy of cost for inventory by verifying the actual purchase cost. • Testing the net realizable value by comparing actual cost with most recent selling price. • Being a party to the physical verification of monitoring meters installed for raw materials, finished products and semi-finished products at the end of the financial year. Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory.
Evaluation of Provisions, disclosures and analysis with respect Contingencies, including litigations and tax Refer Note 2(d) and note 35 to the financial statements. • The Company has various disputes/litigations related to shut-down of its operations, school and land held by the company at Rasayani. • The Company also has various disputes/litigations related to direct and indirect taxes in various states and at various levels of appellate authorities. • The evaluation of the Company's position and determination of possible outcome of these disputes and provisions and related disclosures, if any, required to be made in the books involves significant management judgment.	Our audit procedures included and were not limited to the following: • Assessing the management's processes and tested the internal controls implemented for the identification, recognition and measurement of legal and tax positions and its assessment of the potential impact on the Company. • We received a statement of all ongoing disputes/litigations along with the necessary documentation and from the company's in-house legal team who is an advocate. • We evaluated management's assessments including advice/ opinion obtained from external consultants/legal advisors with respect to prospects of success of appeals and tax proceedings. • We involved our internal experts to challenge the management's position on the select litigations and to consider legal precedence and other rulings in evaluating management's position on these tax positions.

Other Matters

14. We have not audited the financial statements of one subsidiary, which report total assets (before consolidation adjustments) of Rs. 6,413.07 lakhs as of 31 March 2025, and total income (before consolidation adjustments) of Rs. 212.45 lakhs for the year ended on that date. These financial statements have been audited by other auditors, and their report has been provided to us by the management. Our opinion on the consolidated financial statements, regarding this subsidiary's amounts and disclosures, as well as our report under sub-section (3) of Section 143 of the Act, concerning this subsidiary, are based solely on the report of the other auditors.

Information Other than the Financial Statements and Auditor's Report thereon:

15. The Group's Management and 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, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the consolidated financial statements, and our auditor's report thereon. The said other information is expected to be made available to us after the date of this audit report

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when made available to us, 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. 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements:

16. The Group'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.

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.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

17. 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.

18. 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 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 with reference to financial statements 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 the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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.

19. We communicate with those charged with governance of the Holding Company and such other companies 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.

20. 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.

21. 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.

Report on Other Legal and Regulatory Requirements

22. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.

23. 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 2" a statement on the matters referred in those directions.

24. As required by sec 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 have been maintained by the Group, including relevant records 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, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts), Rules 2014;

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, the said section is not applicable to the Holding and Subsidiary Company. Hence, 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 with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3".

g) Being Government Companies, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of section 197 of the Act are not applicable to the Group.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

(i) The group has disclosed the impact of pending litigations on its financial position in its financial statements.

(ii) The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) The Group has made provisions, as required under any law or accounting standard, for material foreseeable losses, if any, on the long-term contracts including derivative contracts.

(iv) There were no amounts which were required to be transferred to Investor Education and Protection Fund by the group.

(v) a) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group 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 by or on behalf of the group ("Ultimate Beneficiaries") or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented that, to the best of their knowledge and belief, no funds have been received by the group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("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, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv(a) and iv(b) contain any material misstatement.

(vi) The Group has not declared or paid dividend during the year.

(vii) Based on our examination, which included test checks, the group has used accounting software for maintaining its books of account for the financial year ended 31 March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail was not enabled at the database level to log direct data changes, if any. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZP2828

Place: Ernakulam
Date: 16.05.2025

ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 22 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

As per proviso to Para (2) to the Companies (Auditor's Report) Order, 2020, the clauses (i) to (xx) of the said order are not applicable to the auditor's report on Consolidated Financial Statements of the Group

However, with respect to clause (xxi) of the said order we report that:

(xxi) With respect to the holding company, the auditor, in the CARO report given as Annexure 1 to the Independent Auditor's Report on the Standalone Financial Statements, has given qualifications or adverse remarks in respect of the clauses i(c), iii, vii, xiii, xvii. Further, in respect to the subsidiary company, the auditor, in the CARO report given as Annexure B to the Independent Auditor's Report on the Standalone Financial Statements, has given qualifications or adverse remarks in respect of the clauses vi, ix(a), x(a), xix.

For **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZP2828

Place: Ernakulam
Date: 16.05.2025

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT:

(Referred to in Paragraph 23 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

SL. No	C&AG Directions	Statement of Statutory Auditor	
		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 the accounts along with the financial implications, if any, may be stated.	Based on the explanations provided and our verification, we've identified the following systems used for processing the Company's accounting transactions: a) Tally ERP Prime, an accounting ERP software, is utilized for maintaining accounting transactions. b) The fixed assets register is managed using an MS Office Excel utility. c) Payroll management is handled by a separate HRM software system. d) Unit trial balance consolidation is conducted through an MS Office Excel utility. Based on our verification, we haven't encountered any accounting transactions being processed outside the aforementioned systems. We recommend establishing proper integration between these systems and the primary accounting software to mitigate potential risks of data loss or corruption during data migration and transfer.	As per the information, explanations and records produced for our verification, the Company has a system in place to process all the accounting transaction 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/ loan/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	Yes, the Govt. of India vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025 has waived-off the long outstanding dues as at 30.09.2024 to the Govt. of India consisting of loan of Rs.43,586.46 lakhs and redeemable preference shares of Rs.27,000.00 lakhs along with the outstanding interest thereon of Rs.47,359.79 lakhs and Rs. 7,222.50 lakhs respectively. Further, penal interest of Rs. 9,967.96 lakhs on the outstanding loan from GOI disclosed under contingent liability has also been waived off. Interest waived off and the principal of loan and preference shares from Govt. of India has been correctly disclosed under exceptional item in statement of profit and loss and under "other equity" in balance sheet respectively, further the penal interest has been rightly removed from the list of contingent liability.	During the year under review, there are no instances of any restructuring of existing loan availed by the Company or cases of waiver/ write off of debts/ loans/interest made by a Lender to the Company except interest waiver for loan taken from the HOCL with effect from 01-04- 2023 on account of company's inability to repay the loan.
3.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	Not applicable since the Company has not received any funds from Central/State Government or its agencies for specific schemes.	Refer Note (I) below

B. Sub Directions

SL. No	C&AG Directions	Statement of Statutory Auditor
1.	State the area of land under encroachment and briefly explain the steps taken by the company to remove encroachment	1. According to the information and explanations given by the management 22.71 acres of land at the Rasayani Unit, Maharashtra, of the Company has been identified as 'under encroachment'. With respect to this, the following steps taken by the management to remove the encroachment, a) The Company is constantly communicating with the Senior Government officials of Govt. of Maharashtra for taking prompt steps for removing encroachment by the farmers at the land at Rasayani Unit. b) The Company is also coordinating with the Ministry of Chemicals and Petrochemicals, Government of India, for the speedy resolution in the above case. c) The above recommendations include various proposals including settlement arrangements with the encroachers d) The Company has also filed suits in some instances. 2. According to the information and explanations given 32.547 acres of land at Rasayani Unit, Maharashtra, are under the possession of various entities such as MIDC, MSEB, HIL, MES etc. With respect to this, the following steps taken by the management to remove the encroachment, a) The Company is constantly following up with the concerned officials for the recovery or registration of the said land possessed by such entities. b) In case of the land leased out to MES, the Company has issued the notice of termination of lease to the party. However, the property is still under the possession of the lessee -MES. The matter is pending before Arbitration authority and the proceedings are under progress. c) 10.576 acres of land at the Rasayani Unit and 0.91 acres of land at Panvel, Maharashtra has been acquired by Governmental authorities and public road has been constructed. Hence, the Company does not have possession as well as ownership with respect to the said land. 3. According to the information and explanations given, 2.046 acres of land are outside the boundary walls of Ernakulam factory land and were not included in the re- survey and land tax is paid for land inside the boundary wall.
2.	Whether there is any effective system for follow up of accumulated trade receivables especially which are more than three years old?	The Company has trade receivables amounting to Rs. 972.11 lakhs, which is more than three years old. The Company has assessed and provided a sum of Rs. 972.11 lakhs as provision for bad and doubtful assets. Based on the information provided to us, the management is following up with the above debtors for the recovery and has initiated legal proceedings against some of such cases.
3.	Whether there was an adequate system for watching actual consumption against norms in case of raw materials, Intermediaries and utilities?	Based on the information given to us, the Company prepares monthly statements comparing the actual consumption of raw material, intermediaries and utilities against the established norms as MIS Report.

C. Note (I)

As per the information, explanations and records produced for our verification, as a part of closure direction given by GOI, an amount of Rs.7,720 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.

Following table shows the said Interest Free Loan amount sanctioned, received and spent up to 31 March 2025 for the said purpose against each head of expenditure.

(Amount in lakhs)

Sl. No	Particulars of Fund requirements for closure	Amount Received	Actual amount spent up to 31 March 2025	Amount yet to be spent
1.	Implementation of VRS/VSS	2232.00	1769.00	463.00
2.	Payment of salary/ wages and statutory dues of employees	1840.00	1763.00	47.00
3.	Payment of wage revision arrears (1997 & 2007)	1430.00	1415.00	15.00
4.	Salary/wages and Admin. Exp. of skeletal staff. for closure activities Rs.7.5 Cr. Additional amt. of Rs.2.17 Cr. received on 15.03.2022	967.00	967.00	0.00
5.	Suppliers / Contractors dues	403.00	341.00	62.00
6.	Working capital cash credit (SBI)	515.00	515.00	0.00
7.	Water & Electricity dues	200.00	84.00	116.00
	Total	7587.00	6884.00	703.00

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

For **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZP2828

Place: Ernakulam
Date: 16.05.2025

ANNEXURE "3" TO THE INDEPENDENT AUDITOR'S REPORT:

Referred to in Paragraph 24(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN ORGANIC CHEMICALS LIMITED

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls over financial reporting of HINDUSTAN ORGANIC CHEMICALS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group"), as of 31 March 2025, in conjunction with our audit of consolidated financial statements of the company for the year ended on that date, where as that of subsidiary company has been audited by another independent firm of chartered accountants.

In our opinion, 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, 2025, based on the internal control over the financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls 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. 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 Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of 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 Group's internal financial controls over financial reporting 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) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Notes 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of 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 Group's internal financial control systems over financial reporting.

Meaning of internal financial controls over financial reporting

A Group's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial controls over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of the records that, in reasonable detail, accurately and fairy reflect the transactions and dispositions of the assets of the Group;

(2) Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the group; and

(3) Provide reasonable assurance regarding the prevention or timely deduction of unauthorized acquisition, use, or disposition of the Group'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 of 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 the 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.

For **Balan & Co.**
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 25244882BMKTZP2828

Place: Ernakulam
Date: 16.05.2025

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 2025

The preparation of consolidated financial statements of Hindustan Organic Chemicals Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the 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 are 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 16 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Hindustan Organic Chemicals Limited for the year ended 31 March 2025 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a Supplementary Audit of the financial statements of Hindustan Organic Chemicals Limited and Hindustan Fluorocarbons Limited for the year ended on that date. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under section 143(6)(b) of the Act.

For and on behalf of the

Comptroller & Auditor General of India

(Vijay N. Kothari)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai
Date: 01.08.2025

Consolidated Balance Sheet as at 31st March 2025

Rs. in Lakhs

Particulars	Note No	As at 31.03.2025	As at 31.03.2024
Assets			
Non Current Assets			
a) Property, Plant and Equipment	3a	22,568.76	22,370.24
b) Capital Work-in-Progress	3b	384.69	-
c) Investment Property	3c	82.25	84.41
d) Right-of-Use Asset	15a	81.11	106.73
e) Other Intangible Assets	3d	16.32	13.63
f) Financial Assets			
(i) Investments	4a	5.00	5.00
(ii) Other Financial Assets	4b	304.20	302.41
g) Other Non-current Assets	5	276.89	377.98
Total (Non current Assets)		**23,719.22**	**23,260.40**
Current Assets			
a) Inventories	6	5595.35	6896.92
b) Financial Assets:			
(i) Trade Receivables	7	2136.32	1995.31
(ii) Cash and cash equivalents	8	50.05	133.34
(iii) Bank balances other than (ii) above	9	25372.28	25237.42
(iv) Loans	10	12.01	14.84
(v) Other Financial Assets	11	693.63	753.59
c) Other Current Assets	12	1136.85	1220.87
d) Assets held for sale	3e	97721.76	97721.76
Total (Current Assets)		**1,32,718.25**	**1,33,974.05**
Total Assets		**1,56,437.47**	**1,57,234.45**
Equity and Liabilities			
Equity			
a) Equity Share capital	13	6,726.96	6,726.96
b) Other Equity	14	97,807.04	(11,870.40)
Total Equity		**1,04,534.00**	**(5,143.44)**
Non Controlling interest		**(3,583.71)**	**(3,602.22)**
Liabilities			
Non-Current Liabilities:			
a) Financial Liabilities:			
(i) Borrowings	17a	191.30	243.98
(ii) Lease Liabilities	15a	66.52	90.46
b) Provisions	15b	994.51	936.90
c) Deferred Tax liabilities (Net)	16	17,495.52	17,495.52
Total (Non-Current Liabilities)		**18,747.85**	**18,766.86**
Current liabilities:			
a) Financial Liabilities			
(i) Borrowings	17b	20,360.10	83,054.92
(ii) Lease Liabilities	15a	23.94	21.05
(iii) Trade payables:			
Total outstanding dues to micro and small enterprises	18	42.99	15.15
Total outstanding dues to Creditors other than micro and small enterprises	18	4,782.62	6,843.51
(iv) Other Financial Liabilities	19	1,216.71	52,823.25
b) Other Current Liabilities	20	8,229.08	3,178.05
c) Provisions	21	2,083.89	1,277.32
Total (Current Liabilities)		**36,739.33**	**1,47,213.25**
Total Liabilities		**55,487.18**	**1,65,980.11**
Total Equity and Liabilities		**1,56,437.47**	**1,57,234.45**
Material accounting policy information (to be used instead of Accounting Policies) no separation in original document			

As per our report of even date attached

For and on behalf of the Board of Directors

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZP2828

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Sd/-
Subramonian H.
Company Secretary

Place: Ernakulam, Kerala
Date: 16.05.2025

Place: Ernakulam, Kerala
Date: 16.05.2025

Consolidated Statement of Profit and Loss for the period ended 31st March 2025

Rs. in Lakhs

Particulars	Note No.	For period ended 31st March 2025	For period ended 31st March 2024
INCOME:			
Revenue from operations	**22**	53,586.76	70,389.00
Other Income	**23**	2,275.11	1,669.10
Total Income		**55,861.87**	**72,058.10**
EXPENSES:			
Cost of materials consumed	**24**	42,695.49	50,304.68
Changes in Inventories of Finished Goods and work-in- progress	**25**	(779.59)	(518.05)
Employee benefits expenses	**26**	4,744.91	4,474.35
Finance costs	**27**	4,285.95	6,957.35
Depreciation and amortization expenses	**28**	164.18	143.78
Other expenses	**29**	15,539.18	16,227.69
Total expenses		**66,650.12**	**77,589.80**
Profit / (Loss) from Continuing Operation before Exceptional items and Tax		(10,788.25)	(5,531.70)
Add: Exceptional items	**30**	50,275.38	-
Profit/(Loss) from Continuing Operation before tax		39,487.13	(5,531.70)
(1) Current tax		333.00	-
(2) Deferred tax			
Less Total Tax Exp		333.00	-
Profit/(Loss) from Continuing Operation after tax		39,154.13	(5,531.70)
Discontinued Operations			
Profit/(loss) from discontinued operations before tax	**34**	42.47	122.72
Tax expenses of discontinued operations			
Profit/(loss) from discontinued operations after tax		42.47	122.72
Net Profit/ (Loss) for the year		39,196.60	(5,408.98)
Other Comprehensive Income from Continuing Operation			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Revaluation of Property, plant & equipment	**3a**	-	6,000.61
Income tax (expense)/benefit of the above			(776.00)
b) Net fair value gain/loss on investment in equity instruments through OCI	**4a**		
Income tax (expense)/benefit of the above			
c) Remeasurement in defined benefit plan	**30**	(87.11)	121.50
Other Comprehensive Income for the year, net of tax		(87.11)	5,346.11
Other Comprehensive Income from discontinued Operation			
Total Comprehensive Income from continuing and discontinued operations		(87.11)	5,346.11
Total Comprehensive Income for the year		39,109.49	(62.87)
Profit/(Loss) from Continuing Operation attributable to :			
a) Owners of the Company		39,154.13	(5,531.70)
b) Non controlling interest			
Profit/(Loss) from Discontinued Operation attributable to :			
a) Owners of the Company		23.97	69.25
b) Non controlling interest		18.50	53.47
Net Profit/ (Loss) for the year attributable to :			
a) Owners of the Company		39,178.10	(5,462.45)
b) Non controlling interest		18.50	53.47
Other Comprehensive Income attributable to :			
a) Owners of the Company		(87.11)	5,346.11
b) Non controlling interest			
Total Comprehensive Income attributable to :			
a) Owners of the Company		39,090.99	(116.34)
b) Non controlling interest		18.50	53.47
Earnings per share (Face value of Rs.10 each)			
(a) Basic - Continuing Operation		58.29	(8.23)
(b) Diluted - Continuing Operation		58.29	(8.23)
(c) Basic - Discontinued Operation		0.04	0.18
(d) Diluted - Discontinued Operation		0.04	0.18
(e) Basic - Continuing Operation & Discontinued Operation		58.33	(8.05)
(f) Diluted - Continuing Operation & Discontinued Operation		58.33	(8.05)
Material accounting policy information (to be used instead of Accounting Policies) NOT SEPARATED IN DOCUMENT			

As per our report of even date attached

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZP2828

Place: Ernakulam, Kerala
Date: 16.05.2025

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Place: Ernakulam, Kerala
Date: 16.05.2025

Sd/-
Subramonian H.
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2025

A. EQUITY SHARE CAPITAL

i) FOR THE CURRENT REPORTING PERIOD

Rs. in Lakhs

Particulars	Balance as at	Changes in Equity Share Capital due to prior period errors	Restated balance as at	Changes in equity share capital during the current year	Balance as at
	01.04.2024	**2024-25**	**01.04.2024**	**2024-25**	**31.03.2025**
Equity shares of Rs.10 each	6726.96	-	6726.96	-	6726.96

ii) FOR THE PREVIOUS REPORTING PERIOD

Rs. in Lakhs

Particulars	Balance as at	Changes in Equity Share Capital due to prior period errors	Restated balance as at	Changes in equity share capital during the current year	Balance as at
	01.04.2023	**2023-24**	**01.04.2023**	**2023-24**	**31.03.2024**
Equity shares of Rs.10 each	6726.96	-	6726.96	-	6726.96

B. OTHER EQUITY

Rs. in Lakhs

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 Equity	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)		
Current Reporting Period 2024-25														**2024-25**
Balance as at 01.04.2024	**-**	**-**	**-**	**4,838.57**	**-**	**(1,14,670.64)**	**-**	**-**	**-**	**97,987.78**	**-**	**-26.11**	**-**	**(11,870.40)**
Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at 01.04.2024	**-**	**-**	**-**	**4,838.57**	**-**	**(1,14,670.64)**	**-**	**-**	**-**	**97,987.78**	**-**	**-26.11**	**-**	**(11,870.40)**
Profit/(Loss) for the year	-	-	-	-	-	39,178.10	-	-	-	-	-	-	-	39,178.10
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-		-	-	-	-87.11	-	-87.11
Total Comprehensive Income for the current year	**-**	**-**	**-**	**-**	**-**	**39,178.10**	**-**	**-**	**-**	**-**	**-**	**-87.11**	**-**	**39,090.99**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to other equity (Note No.14c)	-	-	-	-	70,586.46		-	-	-	-	-	-	-	70,586.46
Balance as at 31.03.2025	**-**	**-**	**-**	**4,838.57**	**-**	**(75,492.54)**	**-**	**-**	**-**	**97,987.78**	**-**	**(113.22)**	**-**	**97,807.04**
Previous Reporting period 2023-24														**2022-23**
Balance as at 01.04.2023	**-**	**-**	**-**	**4,838.57**	**-**	**(1,13,877.61)**	**-**	**-**	**-**	**97,432.59**	**-**	**-147.61**	**-**	**(11,754.06)**
Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at 01.04.2023	**-**	**-**	**-**	**4,838.57**	**-**	**(1,13,877.61)**	**-**	**-**	**-**	**97,432.59**	**-**	**-147.61**	**-**	**(11,754.06)**
Profit/(Loss) for the year	-	-	-	-	-	(5,462.45)	-	-	-	-	-	-	-	(5,462.45)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-		-	5,224.61	-	121.50	-	5,346.11
Total Comprehensive Income for the current year	**-**	**-**	**-**	**-**	**-**	**(5,462.45)**	**-**	**-**	**-**	**5,224.61**	**-**	**121.50**	**-**	**(116.34)**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	4,669.42	-	-	-	-4,669.42	-	-	-	-
Balance as at 31.03.2024	**-**	**-**	**-**	**4,838.57**	**-**	**(1,14,670.64)**	**-**	**-**	**-**	**97,987.78**	**-**	**-26.11**	**-**	**(11,870.40)**

As per our report of even date attached

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN:

Place: Ernakulam, Kerala
Date: 16.05.2025

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Place: Ernakulam, Kerala
Date: 16.05.2025

Sd/-
Subramonian H.
Company Secretary

Consolidated Cash flow Statement for the Year ended on 31st March 2025

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	39,487.13	(5,531.70)
Adjustments for :	-	
Depreciation/Loss on impairment of Property, Plant and Equipment	164.18	143.78
Profit(-) / Loss on sale of Property, Plant and Equipment	0.24	-
Interest Income	(1,695.80)	(1,199.70)
Waiver of GOI Interest	(54,582.29)	
Interest & Finance Charges	4,285.95	6,957.35
Income from Investment Property	(76.64)	(59.35)
Changes in defined Employee benefit plan-other comprehensive income	(87.11)	121.50
Operating Cash Flows before Working Capital changes (A)	**(12,504.34)**	**431.88**
Adjustments for		
(Increase)/Decrease in Inventories	1,301.57	(1,935.97)
(Increase)/Decrease in Trade & Other Receivables	55.14	(6,810.00)
Increase/(Decrease) in Trade Payables & Other Liabilities	3,701.41	1,744.00
Waiver of GOI Loan	70,586.46	-
Cash Used in Operations (Working Capital Changes) (B)	**75,644.58**	**(7,001.97)**
Net cash from/(used) in financing activities (A+B)	**63,140.24**	**(6,570.09)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and Equipment	(722.55)	(109.58)
Sale of Assets held for sale	-	4,669.42
Interest Income	1,669.19	983.13
Income from Investment Property	76.64	59.35
Net Cash from Investing activities	**1,023.28**	**5,602.32**
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Secured Loans	(62,747.50)	1,875.44
Increase/(Decrease) in Unsecured Loans	-	-
Interest Paid	(1,441.32)	(1,274.90)
Payment of Lease Liabilities	(28.80)	(24.21)
Net cash from/(used) in financing activities	**(64,217.62)**	**576.33**
Net Increase Decrease in Cash and Cash Equivalents from Continuing Operations	(54.10)	(391.44)
Net Increase Decrease in Cash and Cash Equivalents from Discontinued Operations *	(29.19)	(202.02)
Cash & Cash equivalents at the beginning of the year		
Continuing Operations	73.01	464.45
Discontinued Operations	60.33	262.35
Cash & cash equivalents at the end of the year	**50.05**	**133.34**
Cash & Cash equivalents as per above comprise of following		
Continuing Operations		
a) Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	18.34	50.96
Saving Account	-	1.58
Deposits with original maturity of less than three months	-	20.00
b) Cash on Hand	0.57	0.47
Total Cash & Bank Balances - Continuing Operations	**18.91**	**73.01**
Discontinued Operations		
Current accounts	0.20	0.22
Deposits with original maturity of less than three months	30.94	60.11
Total Cash & Bank Balances - Discontinued Operations	**31.14**	**60.33**
Total Cash & Cash equivalents	**50.05**	**133.34**

*** Net Increase /(Decrease) in Cash and Cash Equivalents from Discontinued Operations**		
Operating Cash Flows before Working Capital changes	(160.65)	(80.04)
Cash Used in Operations (Working Capital Changes)	(158.23)	(156.99)
Net Cash from Investing activities	289.70	35.02
Net cash from/(used) in financing activities	(0.01)	(0.01)
Net Increase Decrease in Cash and Cash Equivalents from Discontinued Operations	**(29.19)**	**(202.02)**

As per our report of even date attached

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZP2828

Place: Ernakulam, Kerala
Date: 16.05.2025

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Sd/-
Subramonian H.
Company Secretary

Place: Ernakulam, Kerala
Date: 16.05.2025

Notes to the Consolidated Financial statements for the period ended 31st March, 2025

1. **Corporate Information**

Hindustan Organic Chemicals Limited (the "Holding 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 Post bag No. 18, Ambalamugal P.O, Ernakulam District, Kerala - 682 302, India. The Holding Company and its Subsidiary (collectively the "Group") is principally engaged in the business of bulk industrial chemicals and chemical intermediates.

2. **Material accounting policy information (to be used instead of Accounting Policies)**

2.1 **Basis of Preparation of Financial Statement**

The Consolidated 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 Consolidated 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 Consolidated Financial Statements are presented in Indian Rupee ('INR') or ('Rs.') which is also the Group's functional currency and all values are rounded to the nearest Lakhs up to two decimals, except when otherwise indicated. Wherever the amount represented Rs. '0'/'- 'construes value less than Rupees a lakh.

Accounting estimates, assumptions and judgements

The preparation of the Consolidated 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 Consolidated 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 Consolidated Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.2 **Summary of accounting policies and estimates**

a) **Revenue recognition**

The Group earns revenue primarily from manufacturing chemical product.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group 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 Group 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 product 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 is 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.

b) **Useful lives of Property, Plant and Equipment.**

The Group reviews the useful life of the Property, plant & equipment, and Intangible asset as at the end of each reporting period and these reassessments may result in change in depreciation expenditure in future period. (Refer Note No.3)

c) **Current versus Non-Current classification**

The Group 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 B112
- 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.

A 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 Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Provisions, contingent liabilities, and contingent assets

Provisions are recognised when the Group 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 Group 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 profit and 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.

e) 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.

f) 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.

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 is recognised outside profit or loss is (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.

g) 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. Remeasurements 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 Holding 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 Holding Company's gratuity scheme is a defined benefit plan. A defined benefit plan is a post-employment benefit plan. The Holding 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 Holding 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.

Gratuity

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

Pension and gratuity obligations

The liability or asset recognised in the Consolidated 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.

Remeasurement 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.

h) 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 Consolidated 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.

i) Impairment of non-financial assets

The Group 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 Group 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 considered. 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 Group 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.

j) Cash and cash equivalents

Cash and cash equivalent in the Consolidated 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 Consolidated Statement of Cash Flow, 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 Group's cash management.

k) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Group are segregated.

l) Cash dividend

The Holding 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.

m) 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 are 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.

n) 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.

o) 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'.

p) 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.

q) 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 Group 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.

r) 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.

2.3 Basis of Consolidation

The Consolidated Financial Statement comprise the financial statements of the Holding Company, and its Subsidiary as at the reporting date.

Subsidiary:

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Consolidated Financial Statement have been prepared on the following basis:

i. The financial statements of the Holding Company and its Subsidiary have been consolidated on a line by- line basis by adding together of like items of assets, liabilities, income, and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standard. Accounting policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

ii. Offset (eliminate) the carrying amount of the Parent's investment in subsidiary and the Parent's portion of equity of subsidiary.

iii. The Consolidated Financial Statement are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act.

iv. Non-controlling interests ('NCI') in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

v. Profit or loss and each component of OCI are attributed to the equity holders of the parent and to the NCI, even if this results in the NCI having a deficit balance.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

NOTE 3 a) - Property, Plant and equipment ("PPE")

Accounting policy:

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 cost attributable to bring the asset to its working condition for its intended use. Such cost includes the cost of replacing parts 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 Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards 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, when incurred. In respect of additions to / deletions from the Property, Plant and Equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Property, Plant and Equipment.

The Holding Company adopts an annual revaluation policy to accurately reflect the fluctuating fair value of its land. The fair value of the land under PPE has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The said land has been revalued by Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 31.03.2025 and has a fair value of Rs. 19,441.99 lakhs as of 31 March 2025.

Property, Plant & Equipment are physically verified once in three year. 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 Holding company reviews the useful life of the Property, plant & equipment and Intangible asset 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, as per Schedule II of the Companies Act 2013, which is as under:

1) Buildings : 3/5/30/60 years
2) Plant & equipment: 10/12/15/20 years
3) Furniture & fixtures: 10 years
4) Vehicles: 8/10 years
5) Office equipment: 3/5/6/8 years
6) Intangible assets: 5 years

Items of Property, Plant and Equipment that have been retired from active use, and are held for disposal, are valued at lower of their carrying amount or net realisable value.

Rs. in Lakhs

Description	Land and Land Development*	Land Revaluation	Buildings	Plant and Equipment	Furniture, Fixtures & Equipments	Vehicles	Office Equipment	Library Books	Total
Gross Carrying Amount									
Balance as at April 1, 2024	578.25	19,441.99	1,313.36	25,080.90	120.19	119.41	713.70	13.47	47,381.27
Additions	-	-	52.75	182.88	72.72	0.06	19.45	-	327.86
Disposals	-	-	-	4.08	-	-	-	-	4.08
Balance as at March 31, 2025	**578.25**	**19,441.99**	**1,366.11**	**25,259.70**	**192.91**	**119.47**	**733.15**	**13.47**	**47,705.05**
Accumulated Depreciation									
Balance as at April 1, 2024	-	-	937.93	23,199.99	105.20	110.21	644.27	13.43	25,011.03
Disposals	-	-	-	3.84	-	-	-	-	3.84
Depreciation for the year	-	-	29.13	78.79	4.88	0.88	15.42	-	129.09
Balance as at March 31, 2025	**-**	**-**	**967.06**	**23,274.94**	**110.08**	**111.09**	**659.69**	**13.43**	**25,136.28**
Net Carrying Amount as at March 31, 2025	**578.25**	**19,441.99**	**399.05**	**1,984.76**	**82.84**	**8.38**	**73.46**	**0.04**	**22,568.76**
Net Carrying Amount as at March 31, 2024	**578.25**	**19,441.99**	**375.43**	**1,880.91**	**14.99**	**9.20**	**69.43**	**0.04**	**22,370.24**

*2.046 acres of land are outside the boundary walls of the Ernakulam factory and were not included in the re-survey. Land tax is paid for the land inside the boundary wall. HOCL has a clear title deed for 112.73 acres of land.

3 b) Capital Work-in-Progress

Accounting policy:

The cost of property, plant, and equipment not ready for their intended use as of the balance sheet date is disclosed as capital work-in-progress. Such properties are classified into the appropriate categories of PPE when completed and ready for their intended use. Depreciation on such assets begins when the assets are ready for their intended use.

Rs. In Lakhs

Description	Buildings	Plant and Equipment	Furniture, Fixtures & Equipments	Amount
Balance as at April 1, 2024				
Additions:				
< 1 year	72.48	284.16	28.05	384.69
1-2 Year				
2-3 Year				
Less: Capitalise during the year				
Balance as at March 31, 2025	72.48	284.16	28.05	**384.69**

3 c) Investment Property

Accounting policy:

The Hodling 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 borrowing cost, wherever applicable. 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 Holding 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 off 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.

Rs. in Lakhs

Description	Investment property Land*	Investment Property Building	Total
Gross Carrying Amount			
Balance as at April 1, 2024	16.71	136.89	153.60
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2025	**16.71**	**136.89**	**153.60**
Accumulated Depreciation			
Balance as at April 1, 2024	-	69.19	69.19
Disposals	-	-	-
Depreciation for the year	-	2.16	2.16
Balance as at March 31, 2025	**-**	**71.35**	**71.35**
Net Carrying Amount as at March 31, 2025	**16.71**	**65.54**	**82.25**
Net Carrying Amount as at March 31, 2024	**16.71**	**67.70**	**84.41**

1. The Holding 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.
2. The Holding Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which, 55 flats covering 46594 Sq. ft. has been earmarked as investment property for letting out.

*The fair value of investment property has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The land at Kochi has been revalued by professionally qualified independent Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 31.03.2025.

Rs. in Lakhs

Fair value of investment property (Land)	2024-25	2023-24
Investment property-Sterling Gas Ltd	174.89	174.89
Investment property-Township	445.62	445.62
Total	**620.51**	**620.51**

Amounts recognised in profit or loss for Investment Property

Rental income including contingent rent	32.81	26.67
Direct operating expenses from property that generated Rental Income	9.00	14.53
Direct operating expenses from property that did not generate rental income	7.50	-
Income from investment properties before depreciation	**16.31**	**12.14**
Depreciation	2.16	2.17
Income from investment properties	**14.15**	**9.97**

3 d) Other Intangible assets

Accounting policy:

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 Holding 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.

Rs. in Lakhs

Description	Computer software	Total
Gross Carrying Amount		
Balance as at April 1, 2024	445.80	445.80
Additions	10.00	10.00
Disposals	0.00	0.00
Balance as at March 31, 2025	**455.80**	**455.80**
Accumulated Depreciation		0.00
Balance as at April 1, 2024	432.17	432.17
Disposals	0.00	0.00
Depreciation for the year	7.31	7.31
Balance as at March 31, 2025	**439.48**	**439.48**
Net Carrying Amount as at March 31, 2025	**16.32**	**16.32**
Net Carrying Amount as at March 31, 2024	**13.63**	**13.63**

During the year there is no change in the management estimates of the useful life for various class of Property, plant and equipment and Intangible assets.

3 d) Assets held for sale

Accounting policy:

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 and they are revalued at every three to five years depending on observation of external and internal indicators of impairement.

Rs in Lakhs

Description	NET CARRYING AMOUNT	
	As at 31.03.2025	**As at 31.03.2024**
Land	97,480.25	97,480.25
Buildings	180.05	180.05
Plant and Equipment	58.81	58.81
Furniture, Fixtures and Equipments	2.52	2.52
Computers	0.13	0.13
Total	**97,721.76**	**97,721.76**

Note: The Holding Company is in the process of implementing 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 unencumbered land (Direct sale of 152 acres of land to BPCL) in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

a) Originally, the Rasayani unit of the Hlding Company was in possession of land measuring 1,012.355 acres (as per revenue records). Out of this land, 251 acres were sold to BPCL, and 20 acres were sold to ISRO during the year 2017-18. Additionally, 38.687 acres were sold to BPCL in the year 2018-19. In the year 2019-20, 85.27 acres of land were sold to BPCL, and 0.386 acre was sold to IOCL (Petrol pump area). Out of the remaining 22.717 acres have been identified as encroached, 32.547 acres are in the possession of MIDC, MSEB, HIL, MES, etc., and 10.576 acres of public road are considered of Nil value. The encroachment was determined based on a survey carried out by the company through M/s. The Geo Tek, as per their report dated April 24, 2019. The Company sold 33.353 acres for an amount of Rs. 4,669.42 Lakhs to BPCL in 2023-24. The remaining 517.819 acres of land is considered as Assets held for sale.

b) As per the communication received from Municipal commissioner Panel, 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 Panel 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. Collector of Raigad in the report on the issue of NOC has recommended charging of 40% as unearned income. The said proposal of Govt of Maharashtra has been approved by HOCL Board in its meeting to be held on 09.11.2022. The Holding company is in the process of obtaining necessary approval from Administrative Ministry.

c) The land of the Subsidiary Company is revalued as per Ind AS and the original land value before Ind AS revaluation is Rs.59 Lakhs. Factory land of 125 acres and 53 Guntas is located at Rudraram P.O., Kandi Mandal, Sangareddy Dist. Telangana State and land is freehold. HOCL has first charge over land to the extent of 84 Acres and.31 Guntas.

d) Buildings of Subsidiary Company include Time Office building (Gross value of Rs.4.33 Lakhs), Security Post (Gross value of Rs. 4.55 Lakhs) and Fencing & Compound Wall (Gross value of Rs.145.58 Lakhs). Total Gross value Rs.154.46 Lakhs, Accumulated depreciation: Rs.39.56 Lakhs and Net value Rs.114.90 Lakhs. Depreciation not provided during the year since there are no operations in the Subsidiary Company.

e) The Subsidiary Company's fair value of total land as on 31.03.2024 is Rs.14,663.57 Lakhs. Since the fair value of the land is higher than the carrying value as per books of accounts, carrying value of the land held for sale continues to be reported in accordance with para 15 of Ind AS 105.

4. Financial Assets

4 a Investments

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Non current		
Investments designated at fair value through OCI		
Investment in Unquoted Equity Shares of Kerala Enviro Infrastructure Ltd		
(50000 Unquoted Equity Shares @ Rs.10/-)	5.00	5.00
Less:- Provision for impairment in value of investment	-	-
Total	**5.00**	**5.00**

4b Other Financial Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
(Considered good - Unsecured)		
Carried at amortized cost		
Deposits:		
i) KSEB	253.41	239.49
ii) EMD & Rent	47.49	58.86
iii) Telephone Deposit	1.68	1.68
iv) Accrued income on Employee Advances	1.62	2.38
Total	**304.20**	**302.41**

5. Other Non-Current Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Other Deposits with authorities and high court	276.89	276.88
ii) Net Defined Benefit Asset with Gratuity Fund Trust **(**Refer Note No.31)		
Fair Value Of Plan Assets	-	1,651.82
Defined Benefit Obligation	-	(1,550.72)
Net Defined Benefit Asset	**-**	**101.10**
Total	**276.89**	**377.98**

6. Inventories

Accounting policy:

(i) Stores and spares, packing materials and raw materials are valued at lower of cost and 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 and 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.

Allowances 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%.

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
a. Raw materials and components	550.56	1,918.97
b. Raw material in Transit	-	25.96
Sub Total	**550.56**	**1,944.93**
c. Work in progress	1,028.93	1,010.56
d. Finished goods	2,185.18	1,423.96
e. Stores, Spare Parts and Packing Material	2,143.74	2,798.41
f. Stores in Transit	18.79	-
Less: Allowances for obsolescence of stores and spares.	(331.85)	(280.94)
Total	**5,595.35**	**6,896.92**

During the year, the Holding Company has provided provision for the obsolescence of stores and spare parts amounting to Rs. 50.86 Lakhs.

7. Trade Receivables

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Considered good - Secured		
Considered good - Unsecured	2,136.32	1,995.31
Which have significant increase in credit risk	-	-
Credit impaired	1,003.76	1,503.21
Less: Allowance for doubtful trade receivable	(1,003.76)	(1,503.21)
Less: Bills Receivables discounted	-	-
Total	**2,136.32**	**1,995.31**

i) In the books of Holding Company, allowance for doubtful trade receivable is made, 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. Trade receivables between two to three years showing significant credit risk have been provided for allowance.

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 Provisions, Contingent Liabilities and Contingent Assets

Rs. in Lakhs

Allowance for doubtful Trade receivables	As at 31.03.2025	As at 31.03.2024
Provision at the beginning of the year	1,503.20	1,506.17
Provisions made during the year **	1.41	-
Released during the year *	500.85	2.97
Provision at the end of the year	**1,003.76**	**1,503.20**

* During the year the Holding Company has collected/written off Trade Receivables to the tune of Rs.500.85 Lakhs (previous year Rs.2.97 Lakhs) for which allowance has already been created.

Trade Receivables ageing schedule

Rs. in Lakhs

Particulars	Not due (less than 60 days)	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
Current Year 2024-25							
(i) Undisputed Trade receivables - considered good	2007.16	0.00	0.00	0.00	0.00	0.00	2007.16
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	0.00	1.41	1.41
(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	970.70	970.70
(vi) Disputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	0.00	31.65	31.65
Total	**2007.16**	**0.00**	**0.00**	**0 00**	**0.00**	**1,132.92**	**3,140.08**
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	1,003.76	1,003.76
Net Amount	**2007.16**	**0.00**	**0.00**	**0.00**	**0.00**	**129.16**	**2136.32**

Previous Year 2023-24							
(i) Undisputed Trade receivables - considered good	1853.34	0.00	0.00	0.00	0.00	0.00	1853.34
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	0.00	513.67	513.67
(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	970.69	970.69
(vi) Disputed Trade Receivables - credit impaired	0.00	0.00	0.00	0.00	0.00	31.65	0.00
Total	**1853.34**	**0.00**	**0.00**	**0.00**	**0.00**	**1645.17**	**3498.51**
Less: Allowances for expected credit loss	0.00	0.00	0.00	0.00	0.00	1503.20	1503.20
Net Amount	**1853.34**	**0.00**	**0.00**	**0.00**	**0.00**	**141.97**	**1995.31**

8. Cash and cash equivalents

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	18.54	51.18
Saving Account	-	1.58
Deposits with original maturity of less than three months	30.94	80.11
Cash on Hand	0.57	0.47
Cash and cash equivalents as per the statement of Cashflow	**50.05**	**133.34**

9. Other Bank Balances

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Fixed Deposit against BG/LC	5,892.45	6,092.43
Deposit with original maturity of more than three months but less than twelve months	19,479.83	19,144.99
Total	**25,372.28**	**25,237.42**

The holding company has availed bank overdraft facilities against fixed deposits. The outstanding balance of the bank overdraft as on 31st March 2025 amounts to Rs. 11,139.61 lakhs.

10. Loans (Current asset)

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
(A) Loans to employees		
Unsecured, Considered good	16.50	14.84
Less: Provision for Doubtful repayment	4.49	-
	12.01	**14.84**
(B) Advance to suppliers		
Unsecured, Considered doubtful	65.00	65.00
Less: Allowance for doubtful advance to suppliers	65.00	65.00
Total	**12.01**	**14.84**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company

11. Other Financial Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Interest receivable (Unsecured, Considered good)		
(i) Accrued Interest on Deposits (a)	693.63	753.59
(ii) Accrued Interest on Advance	106.08	106.08
Less: Provision for Doubtful repayment	106.08	106.08
Net amount	**-**	**-**
Total	**693.63**	**753.59**

12. Other Current Assets

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Deposits with the Collectorate of Central Excise and Customs	1.89	7.37
Less : Allowances for doubtful advance	1.89	2.90
Sub-total (a)	**-**	**4.47**
ii) Statutory receivables - Duties & Taxes, Prepaid Taxes	783.61	706.15
Less : Allowances for doubtful advance	-	4.29
Sub-total (b)	**783.61**	**701.86**
iii) Advances to suppliers	83.35	207.91
Less : Allowances for doubtful advance	1.83	4.31
Sub-total (c)	**81.52**	**203.60**
iv) Prepaid Expense	106.80	108.62
v) Other Advances Recoverable	71.46	71.46
vi) Recoverable from employees	332.36	371.35
Sub-total	**60.64**	**60.41**
Less : Allowances for doubtful advance	271.72	310.94
Total (a+b+c+d)	**1,136.85**	**1,220.87**

13. Equity Share Capital

Rs. in Lakhs

Description	As at 31.03.2025		As at 31.03.2024	
	Nos.	Rs.	Nos.	Rs.
Authorised Share Capital				
Equity Shares of Rs. 10 each				
Opening Balance	10,00,00,000.00	10,000.00	10,00,00,000.00	10,000.00
Increase/(decrease) during the year	-	-	-	-
Closing balance	**10,00,00,000.00**	**10,000.00**	**10,00,00,000.00**	**10,000.00**
Preference Shares of Rs. 10 each				
Opening Balance	27,00,00,000.00	27,000.00	27,00,00,000.00	27,000.00
Increase/(decrease) during the year	-	-	-	-
Closing balance	**27,00,00,000.00**	**27,000.00**	**27,00,00,000.00**	**27,000.00**
Total authorised capital	**37,00,00,000.00**	**37,000.00**	**37,00,00,000.00**	**37,000.00**
Issued equity capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening balance	6,71,73,100.00	6,717.31	6,71,73,100.00	6,717.31
Add: Paid-up amount on shares forfeited	-	9.65	-	9.65
Increase/(decrease) during the year	-	-	-	-
Total - Equity share capital	**6,71,73,100.00**	**6,726.96**	**6,71,73,100.00**	**6,726.96**

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.

*The Holding Company, procedure of redemption of authorised share capital in accordance with permission of the Companies Act,2013 is under Process.

Details of shareholders holding more than 5% shares in the company and Shareholding of Promoters

Name of the shareholder	As at 31.03.2025		As at 31.03.2024		% 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)	3,94,81,500	58.78%	3,94,81,500	58.78%	Nil

During the year 2010-11, the Holding Company forfeited 1,93,000 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	As at 31.03.2024	As at 31.03.2023	% Change during the Year
Hindustan Organic Chemicals Ltd	1,10,60,000	56.43%	0%
Andhra Pradesh Industrial Development Corporation	8,70,000	4.44%	0%
Equity shares of INR 10 each fully paid		**60.87%**	

14. Other equity

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
a) Securities Premium*		
Opening balance	4,838.57	4,838.57
Increase/(decrease) during the year	-	-
Closing balance (a)	**4,838.57**	**4,838.57**
b) Retained Earnings		
Opening balance	(1,14,670.64)	(1,13,877.61)
Changes in accounting policy or prior period errors (Note No.35)	-	-
Restated balance at the beginning of the period	(1,14,670.64)	(1,13,877.61)
Add: Waiver of GoI loan and Preference shares	-	
Add: Profit / (Loss) for the year	39,178.10	(5,462.45)
Add: Gain/Loss recognised through OCI (sale of land)	-	4,669.42
Closing balance (b)	**(75,492.54)**	**(1,14,670.64)**
c) Other Equity		
Opening Balance	-	-
Add: Waiver of GoI loan and Preference shares**	70,586.46	-
Closing Balance (c)	**70,586.46**	**-**
d) Other comprehensive income		
i) Revaluation of Property, plant & Equipment		
Opening balance	97,987.78	97,432.59
Add: Revaluation during the year (Note No.3a)	-	6,000.61
Add/(Less): Income tax (expense)/benefit of the above	-	(1,747.00)
Less: Gain/Loss recognised through OCI (sale of land)	-	(4,669.42)
Add : Income tax (expense)/ benefit of the above	-	971.00
Closing balance	**97,987.78**	**97,987.78**
ii) Changes in Employees defined benefits plan		
Opening balance	(26.11)	(147.61)
Add/Less: Revaluation during the year	-	-
Add/Less: Remeasurement of defined benefit plan	(87.11)	121.50
Closing balance	**(113.22)**	**(26.11)**
Total (d)	**97,874.56**	**97,961.67**
Total Other Equity (a+b+c+d)	**97,807.04**	**-11,870.40**

* Securities Premium - Where the Holding 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.

**The Government of India (GOI) has waived off a long outstanding loan of Rs. 43,586.46 lakhs and Redeemable Preference Shares of Rs. 27,000 lakhs, totalling Rs. 70,586.46 lakhs, as of 30th September 2024 of the holding company, vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025. As the Government is the majority shareholder, the prinicipal amount waived is transfered to other equity in accordance with provision of Ind AS.

15 a) Lease

Accounting policy:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to HOCL's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use-assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The 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.

Following are the changes in the carrying value of right-of-use assets:

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Category of ROU asset : Building		
Balance at the beginning	106.73	-
Additions	-	128.08
Disposals	-	-
Depreciation	25.62	21.35
Balance at the end of the year	**81.11**	**106.73**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss

The following is the break-up of current and non-current lease liabilities as at March 31, 2025

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Current liability	23.94	21.05
Non-current liability	66.52	90.46
Total	**90.46**	**111.51**

The movement in lease liabilities during the year ended March 31, 2025 as follows :

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Balance at the beginning	111.51	-
Additions	-	127.87
Finance cost accrued during the period	7.75	7.64
Deletions	-	-
Payment of lease liabilities	(28.80)	(24.00)
Translation Difference	-	-
Balance at the end of the year	**90.46**	**111.51**

15 b). Provisions (Long term liability)

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Employee's Benefits - Leave encashment (Refer Note No.30)	970.75	913.77
ii) Other provision	23.76	23.13
Total	**994.51**	**936.90**

16. Deferred Tax liabilities

Accounting policy:

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 other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Fair Value of Land	17,495.52	17,495.52
Net Deferred tax liability [Note No.39]	**17,495.52**	**17,495.52**

The deferred tax asset has not been recognised as there is no virtual certainty about the future adequate taxable profitability of the company. Also refer Note No.39.

17. Borrowings

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
17 a) Non Current Financial Liabilities-Borrowings		
Term Loan		
EMC Loan (Secured)*	191.30	243.98
Total Non Current (a)	**191.30**	**243.98**
17b)Current Financial Liabilities-Borrowings		
From Bank		
Bank Overdraft(Secured)***	11,139.61	1,589.11
From Other Loans		
Loan from GOI **	9,167.00	54,423.46
Overdue 8% Non-cumulative Redeemable Preference Shares-GOI**	-	27,000.00
Current maturity on EMC LOAN (Secured)*	53.49	42.35
Total Current (b)	**20,360.10**	**83,054.92**
Total Borrowings (a+b)	**20,551.40**	**83,298.90**
Aggregate Secured loans	11,384.40	1,875.44
Aggregate Unsecured loans	9,167.00	54,423.46

Note

*Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate (EIR) method.

The Holding Company has obtained a term loan from Energy Management Centre (EMC) amounting to Rs 299 lakhs on 20th March,2024, repayable in 60 equal instalments over a period of 5 years, carrying an effective interest rate of 5.59%. The loan is measured at amortised cost using the effective interest rate (EIR) method. The upfront processing fees and other transaction costs of Rs 12.67 lakhs have been deducted from the loan proceeds and are being amortised over the tenure of the loan using the EIR method.The term loan was obtained for the purpose of retrofitting inefficient compressors with energy- efficient ones. The installation of energy efficient compressor is not completed, it is not ready for its intended use. Consequently, the payment was not made and the loan amount is temporarily invested in a fixed deposit.

Details of Borrowings as at 31.03.2025 of Term Loan:

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Principal Loan Amount		299.00
Principal Loan Amount	286.33	
Interest charged for the Financial Year	13.27	
Less: Processing Fees Paid		12.67
Less: Amount paid during the Financial Year	54.81	
Net Carrying Amount	**244.79**	**286.33**

**The long outstanding loan of Rs. 43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs along with the outstanding interest thereon of Rs 47,359.79 lakhs and Rs. 7,222.5 lakhs respectively, of the holding company as at 30 Sep 2024 have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025.

a) GOI has disbursed to subsidiary company a 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.

b) Subsidiary Company Hindustan Fluoro Carbons Ltd has created first charge in favour of the Holding Company on 84 acres 31 guntas of land at Rudraram Vill, Medak Dist., Telangana state towards zero coupon loan of Rs.2,744.07 lakhs, interest bearing loan of Rs.453.01 lakhs and interest accrued thereon amounting to Rs.1075.05 lakhs are outstanding.

c) The Term loan from holding company to subsidiary company of Rs. 2744.07 lakhs is Zero coupon loan as per terms of the BIFR agreement and is repayable in seven equal annual instalments as per the loan agreement commencing from FY 2010-11. The instalment due for FY 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 amounting to Rs.2,744.07 lakhs is not paid by the company and the total loan amount due to holding company is Rs.3,197.08 lakhs.

d) The Term loan from holding company of Rs. 453.01 lakhs is Interest bearing @ 10.25% to 14.50% repayable in 5 annual instalments commencing from FY 2010-11 as per the loan agreement. The subsidiary company is continuing default in payment of all the instalments due and interest during the FY 2010-11 to 2015-16 not paid by the company. Since HOCL Board approved for waiver of interest from 01.04.2023 onwards, no interest has been provided from 01.04.2023 onwards.

e) The Subsidiary company had outstanding plan loan of Rs.360 Lakhs availed from Government of India for manufacture of MPTFE and Rs. 1320 Lakhs availed for refurbishment of the Plant @11.5% p.a. and both the loans repayable in 5 annual instalments commencing from F.Y. 2015-16. The Company had repaid Rs.100 Lakhs with interest of Rs.24.92 lakhs during the month of March, 2017, and accordingly, principal and interest outstandings were adjusted. The installments due for F.Y. 2015-16,2016-17, 2017-18, 2018-19 and 2019-20 amounting to Rs. 1,580.00 lakhs. 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.1,580 Lakhs was frozen up to 31.03.2019. Hence, interest has not been charged from the year 2019-20 onwards.

***.The Holding Company has been sanctioned working capital facility from Bank on the basis of security of Fixed Deposit with Bank and is not required to submit any quarterly return or statements with the bank in respect of this facility

On April 1, 2025, a transfer of Rs. 45.00 lakhs was made from PNB account to SBI account and was duly recorded in the SBI account on the same date. However, due to a technical issue at PNB, the transaction is reflected in the PNB account statement dated March 31, 2025. A clarification letter regarding this matter has been obtained from PNB.

18. Trade payables

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Current - Trade Payables		
(i) Total outstanding dues of micro and small enterprises; and	42.99	15.15
(ii) Total outstanding dues of Creditors other than micro and small enterprises	4,782.62	6,843.51
	4,825.61	**6,858.66**

Amount due to Micro, Small and Medium enterprises:

Description	As at 31.03.2025	As at 31.03.2024
a) i) Principal amount remaining unpaid as at the end of each accounting year	42.99	15.15
ii) Amount of Interest paid by the buyer interms of MSME Act 2006	-	-
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 succeeding years	-	-

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

Rs.in Lakhs

Particulars	Not due (Less than 30 days)	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Current Year 2024-25						
i) MSME	42.99	0.00	0.00	0.00	0.00	42.99
ii) Others	4,733.64	48.98	0.00	0.00	0.00	4,782.62
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
TOTAL	**4,776.63**	**48.98**	**0.00**	**0.00**	**0.00**	**4,825.61**
Previous Year 2023-24						
i) MSME	15.15	0.00	0.00	0.00	0.00	15.15
ii) Others	6,820.65	12.00	0.00	0.00	5.86	6,838.51
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
TOTAL	**6,835.80**	**12.00**	**0.00**	**0.00**	**10.86**	**6,858.66**

19. Other Current Financial Liabilities

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
Interest on GOI loan*	787.54	45,647.94
Interest on preference shares*	-	6,885.00
Total Interest	**787.54**	**52,532.94**
Deposits from Vendors / Customers	429.17	290.31
Total	**1,216.71**	**52,823.25**

Note:

*The long outstanding loan of Rs. 43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs along with the outstanding interest thereon of Rs 47,359.79 lakhs and Rs. 7,222.5 lakhs respectively of the holding company, as at 30 Sep 2024 have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025.

20. Other current liabilities

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Advances from customers	236.02	239.32
ii) Statutory Liabilities	126.80	149.80
iii) Employee related Liabilities	156.01	134.06
iv) Net defined Benefit Asset with Gratuity Fund Trust (Refer Note No.30)	-	-
Defined Benefit Obligation	1,493.08	-
Fair Value Of Plan Assets	(1,459.16)	-
Net Liability	33.92	-
v) Payroll Recoveries Payable	16.92	15.28
vi) Creditors for capital goods	452.54	29.34
vii) Other Liabilities	7,206.87	2,610.25
Total	**8,229.08**	**3,178.05**

21. Provisions (short term liability)

Rs. in Lakhs

Description	As at 31.03.2025	As at 31.03.2024
i) Employee Benefits_ Leave encashment (Refer Note No.30)	218.40	241.61
ii) Provision for wages	1,047.00	795.00
iii) Discount payable to customers	485.49	240.71
iv) Provision for Income Tax	333.00	-
Total	**2,083.89**	**1,277.32**

22. Revenue from Operations

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Revenue from operations - Sales of Products		
Phenol	31,565.64	41,595.36
Acetone	17,080.48	23,362.26
Hydrogen Peroxide	2,233.01	2,493.66
H. E. of Cumene	1,889.95	1,857.70
Cumox Oil	817.68	1,018.72
Cumene	-	61.30
Total Revenue from Operations	**53,586.76**	**70,389.00**

23. Other Income

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Direct income:		
Sale of Scrap	111.73	108.92
Sub-total (a)	**111.73**	**108.92**
Interest income on		
On Call and Term Deposits (Gross)	1,694.58	1,198.60
On Income tax refund	1.22	1.10
On Advances and Deposits with KSEB and others	25.48	16.74
Sub-total (b)	**1,721.28**	**1,216.44**
Other non-operating income		
Estate Rent	51.16	42.61
Exchange rate Diff - Gain	-	7.70
Excess provision written back*	321.05	77.53
Unclaimed credit	44.16	44.92
Miscellaneous Income	25.73	170.98
Sub-total (c)	**442.10**	**343.74**
Total (a+b+c)	**2,275.11**	**1,669.10**

***Excess Provision written back include the following:**		
1. Reversal of excess provision for doubtful debts*	319.40	2.97
2. Provision no longer required in various cases	1.65	-
3. Excess Provision written back-Stores & Spares	0.00	74.56
Total	**321.05**	**77.53**

*An amount of Rs. 310.21 lakhs has been received towards old dues from M/s Indian Drugs and Pharmaceuticals. The corresponding provision has been written back.

Note: The Holding Company had leased its school premises to Mahatma Education Society (MES) for a period of 30 years, commencing from 01st June 2006. Subsequently, a dispute arose in relation to the construction of additional buildings on the Company's land by MES. In view of this, the Company issued a lease termination notice to MES on 16th January 2016.The matter is currently sub judice and pending resolution before the competent court. Consequently, the Company, as a matter of policy and in view of the ongoing legal proceedings, is not recognizing or accepting any rent or Tax Deducted at Source (TDS) payments tendered by MES from the date of the termination notice.

24. Cost of raw materials and components consumed

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Stock at the beginning of the year	1,918.97	998.33
Add: Purchases	41,327.08	51,225.32
Less: Stock at the end of the year	550.56	1,918.97
Total Cost of raw materials and components consumed	**42,695.49**	**50,304.68**

25. Changes in Inventories of Finished Goods and WIP

(Increase) / Decrease in inventory

Rs. in Lakhs

Description	Year ended 31.03.2024	Year ended 31.03.2023
Stock at the beginning of the year		
(i) Stock-in-Process	1,010.56	938.00
(ii) Stock for Captive consumption	227.36	598.21
(iii) Finished Goods	1,157.37	351.81
(iv) By Products	39.23	28.45
Sub-total (a)	**2,434.52**	**1,916.47**
Stock at the end of the year		
(i) Stock-in-Process	1,028.93	1,010.56
(ii) Stock for Captive consumption	344.05	227.36
(iii) Finished Goods	1,798.37	1,157.37
(iv) By Products	42.76	39.23
Sub-total (b)	**3,214.11**	**2,434.52**
Changes in Inventories of finished goods and work in progress (a-b)	**(779.59)**	**(518.05)**

26. Employee benefit expense

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
a) Salary, Wages and allowances *	3,473.22	3,368.21
b) Contribution to Provident Fund and Other funds	328.39	319.36
c) Gratuity payment including premium for Group Gratuity - cum-Life assurance scheme (Refer Note No.31)	47.89	165.88
d) Provision for Leave Encashment	307.93	175.33
e) Contribution to NPS	134.77	27.93
f) Staff welfare expenses	-	-
Medical amenities	117.78	110.60
Canteen and Nutrition amenities	261.31	253.38
Other welfare expenses	73.62	53.66
Total	**4,744.91**	**4,474.35**

*Board recommended to implement salary revision of employees in the holding company w.e.f. 25.01.2021 and the same was submitted to the Ministry of Chemicals and Fertilizers for approval. Company has provided Rs. 252 lakhs for the year 2023-24 and 2024-25 each.

27. Finance costs

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Interest:		
On Fixed Loans (Govt. Loan)	2,499.39	4,999.81
On Preference shares	337.50	675.00
Interest on advance from customers	921.68	1,169.49
Interest on Lease Liability	7.75	7.64
Interest - Others	513.72	95.88
Total	**4,280.04**	**6,947.82**
Other Borrowing Cost-Bank charges	5.91	9.53
Total finance costs	**4,285.95**	**6,957.35**

28. Depreciation and amortization expense

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Depreciation		
Property, Plant and equipment	129.09	111.53
Investment Properties	2.16	2.17
Right-of-Use Asset	25.62	21.35
Amortization of intangible assets	7.31	8.73
Total	**164.18**	**143.78**

29. Other expenses

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
Consumption of Stores and Spares		
i) Catalyst and Chemicals	671.59	637.23
ii) Consumable stores	778.55	317.05
iii) Packing materials	366.99	553.41
Subtotal (a)	**1,817.13**	**1,507.69**
Utilities		
Power	2,302.97	2,806.45
Fuel	8,486.71	9,572.66
Water	365.22	402.21
Subtotal (b)	**11,154.90**	**12,781.32**
Repairs & Maintenance:		
Building	285.60	113.67
Plant and Machinery	589.72	232.24
Other Assets	180.45	156.47
Subtotal (c)	**1,055.77**	**502.38**
Administration Expenses:		
Rent/Lease rent	0.91	7.74
Insurance	324.13	313.72
Rates and taxes	359.09	353.90
Consultancy, Professional and Legal Charges	298.02	312.09
Payment to Auditors:		
Audit Fee	4.60	4.60
Taxation matters	0.90	0.90
Reimb. of Expenses	1.03	0.58
Other services	0.30	0.10
Other expenses:		
Power for Township	18.30	18.82
Water for Township	13.73	10.83
Security Expenses	248.43	240.56
Advertisement Expenses	9.94	7.44
Hire of Vehicles Expenses	52.46	51.24
Disposal of Assets	0.24	-
Other Misc. Exp.	127.76	113.78
Subtotal (d)	**1,459.84**	**1,436.30**
Provisions:		
Provision for Stock Obsolescence	50.91	-
Provision for Unidentified assets	0.63	-
Subtotal (e)	**51.54**	**-**
Total (a+b+c+d+e)	**15,539.18**	**16,227.69**

30. Exceptional Items

Rs. in Lakhs

Description	Year ended 31.03.2025	Year ended 31.03.2024
a) Waiver off interest on GOI loan and Preference Shares		
Interest on GOI loan	47,359.79	-
Interest on Preference Shares	7,222.50	-
Total (a)	**54,582.29**	**-**
b) Legal Cases (Harchandrai)		
Rent	1,324.14	-
Interest amount	2,982.77	-
Total (b)	**4,306.91**	**-**
Total (a-b)	50,275.38	-

a) The long outstanding loan of Rs.43,586.46 lakhs from the Government of India (GOI) and Redeemable Preference Shares of Rs.27,000 lakhs, along with the accrued interest of Rs. 47,359.79 lakhs and Rs.7,222.5 lakhs respectively, of the holding company as at 30th September 2024, have been waived off by GOI vide Order No. 1600/9/2024-IFD dated 21st March 2025. Accordingly, the principal amount of Rs. 70,586.46 lakhs has been transferred to the other equity, and the interest and penal interest of preference shares of Rs. 54,582.29 lakhs have been classified as miscellaneous Income. (Ref: Note No. 35 (vii& viii)

b) An additional liability of Rs. 4,306.91 lakhs was provided by the holding company to comply with the orders of Bombay High Court decision determining the mesne profit as Rs. 5,070 lakhs payable to Harchandrai & Sons. Company had deposited Rs. 250 lakhs to comply the order. HOCL has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the Bombay High Court's order.(Ref: Note No.35 (v))

31 EMPLOYEES BENEFIT PLAN:

A. Provision for leave encashment

The holding company has made a provision and levied Rs.1,189.15 Lakhs (previous year Rs.1,155.38 Lakhs) for leave encashment as on 31st March, 2025, 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 Company : Employees receive benefits from the provident fund managed upto 30th June 2018. From 1st July 2018 onwards the holding 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 : The Company's Provident Fund was exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act,1952. As per the directives of Closure letter received from DCPC on 29.01.2020, company had started giving VRS to employees from May, 2020 onwards to Sept, 2022 and even non-regular employees were relieved on VSS during Oct, 2022. Remaining five (5) regular employees of HFL were transferred and posted to HOCL rolls w.e.f Sept, 2022. Since there is no employee in HFL, the Board in its meeting held on 30.01.2023 has approved to close the Employees Provident Fund Trust and surrender the balance amount with the Trust with Employees Provident fund Organisation after audit. Based on the application submitted to the Employees Provident Fund Organisation, they withdrawed the exemption vide letter dt.16.04.2024.

C. Gratuity

Holding Company : 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 holding company has considered return on plan assets as Other Comprehensive Income for the period. The balance fund available with LIC is Rs.1,459.16 Lakhs (Previous year Rs.1,651.34 Lakhs) and deposit with ICICI Bank Rs.0.45 Lakhs (Previous year Rs. 0.45 Lakhs)

In the case of subsidiary company the balance of fund available is Rs. NIL

All dues on account of gratuity of Rasayani unit and Kochi unit employees relieved upto 31.03.2025 have been paid and there are no further dues.

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

1. Funded Status of the plan

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Present value of funded obligations	1,493.07	1,550.72
Fair value of plan assets	1,459.16	(1,651.82)
Net Liability (Asset)	**33.91**	**(101.10)**

2 a. Profit and loss account for current period

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Current Service Cost	57.16	57.00
Past Service cost and loss/gain on curtailments and settlement	-	-
Net Interest cost	(9.27)	(12.52)
Total included in 'Employee Benefit Expense' (P&L)	**47.89**	**44.48**

2b. Other Comprehensive Income for the current period

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	77.40	(27.04)
Due to change in demographic assumption	-	-
Due to experience adjustments	13.91	25.62
Return on plan assets including amounts included in interest income	(4.20)	(1.15)
Amounts recognized in Other Comprehensive Income	**87.11**	**2.57**

3. Reconciliation of defined benefit obligation

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Opening Defined Benefit Obligation	1,550.72	1,586.47
Transfer in/(out) obligation	-	0.00
Current service cost	57.16	57.00
Interest Cost	99.60	107.83
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	77.40	(27.03)
Due to change in demographic assumption	-	-
Due to experience adjustments	13.92	25.62
Past Service Cost	-	-
Loss(gain) on curtailments	-	-
Liabilities Extinguished on settlement	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(305.73)	(199.17)
Closing defined benefit Obligation	**1,493.07**	**1,550.72**

4. **Reconciliation of plan Assets**

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Opening value of plan assets	1,651.81	1,729.47
Transfer in (out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest Income	108.87	120.35
Return on plan assets excluding amounts included in interest income	4.21	1.15
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of		
Purchase	-	-
Exchange rate differences on foreign plans	-	-
Benefits paid	(305.73)	(199.17)
Closing value of plan assets	**1,459.16**	**1,651.81**

5. **Reconciliation of net defined benefit liability**

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Net opening provision in books of accounts	(101.09)	(143.00)
Transfer in (out) obligation	-	0.00
Transfer (in) out plan assets	-	0.00
Employee benefits Expense as per Annexure 2	47.89	44.48
Amounts recognized in other comprehensive income	87.11	(2.57)
	33.91	(101.09)
Benefits paid by the Company	-	-
Benefits settled (Rasayani Unit)	-	-
Contributions to plan assets	-	0.00
Closing provision in the books of accounts	**33.91**	**(101.09)**

Reconciliation of Assets Ceiling Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Opening Value of Assets Ceiling	-	-
Interest on Opening Value of Assets Ceiling	-	-
Loss/Gain on Assets due to surplus/ Deficit	-	-
Closing Value of Plan Assets Ceiling	-	-

6. **Composition of the Plan assets**

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Government of India Securities	0%	0%
State government securites	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 Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Current liability	33.91	(101.09)
Non - Current liability	-	-
Net Liability	**33.91**	**(101.09)**

8. **Principle acturial assumptions**

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Discount Rate	6.60%	7.15%
Salary Growth rate	6.00%	5.00%
Withdrawal rates	3% at Younger ages reducing to 1% at older ages	3% at Younger ages reducing to 1% at older ages
Rate of Return on Plan Assets	**6.6% pa**	**7.15% pa**

9. **Maturity Profile of Defined Benefit Obligation**

	As at 31.03.2025	
	Cash Flows Rs. In Lakhs	Distribution (%)
Year 1 Cash Flow	226.26	10.20%
Year 2 Cash Flow	264.58	11.90%
Year 3 Cash Flow	159.97	7.20%
Year 4 Cash Flow	261.41	11.80%
Year 5 Cash Flow	205.43	9.20%
Year 6 to Year 10	467.92	21.10%

The future accrual is not considered in arriving at the above cash flows

The expected contribution for the next year is Rs 33.91 Lakhs.

The Average outstanding term of obligations (years) as at valuation date is 5.37 years

10. **Sensitivity to key assumptions**

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Discount Rate Sensitivity		
Increase by 0.5 %	1,453.84	1,513.28
(% change)	(2.63%)	(2.41%)
Decrease by 0.5%	1,534.39	1,590.04
(% change)	2.77%	2.54%
Salary Growth rate Sensitivity		
Increase by 0.5 %	1,508.39	1,569.65
(% change)	1.03%	1.23%
Decrease by 0.5%	1,476.26	1,530.12
(% change)	(1.13%)	(1.3%)
Withdrawal rate(W R) Sensitivity		
W. R x 110%	1,496.66	1,554.25
(% change)	0.24%	0.23%
W. R x 90%	1,489.72	1,547.09
(% change)	(0.22%)	(0.23%)

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 likelyhood of change in any parameter and the extent of the change if any.

Appendix A: Break-up of defined benefit obligation

Rs. In Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Vested	1,483.30	1,547.77
Non-vested	9.77	2.95
Total	**1,493.07**	**1,550.72**

Appendix B: Age wise distribution of defined benefit obligation

Rs. In Lakhs

Age (In years)	DBO	
	As at 31.03.2025	As at 31.03.2024
Less than 25	-	-
25 to 35	9.98	10.43
35 to 45	211.71	173.99
45 to 55	741.88	709.81
55 and above	529.50	656.48
Accrued gratuity for Left Employees	-	-
Total	**1,493.07**	**1,550.71**

Appendix C: Past service wise distribution of defined benefit obligation

Rs. In Lakhs

Age (In years)	DBO	
	As at 31.03.2025	As at 31.03.2024
0 to 4	9.77	2.96
4 to 10	3.63	2.72
10 to 15	155.27	162.44
15 and above	1,324.40	1,382.60
Accrued gratuity for Left Employees	-	-
Total	**1,493.07**	**1,550.72**

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 31.03.2025	As at 31.03.2024
Discount rate	6.60% p.a	7.15% p.a
Salary Growth rate	6.00%	5.00% p.a
Rate of Return on Plan Assets	6.60%	7.15%

Demographic Assumptions

Withdrawal rates p.a (Table 10)

Age Band	As at 31.03.2025	As at 31.03.2024
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 31.03.2025	As at 31.03.2024
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.

32 INVESTMENT

a) The holding company holds an investment of Rs. 1,106.00 lakhs in the equity shares of its subsidiary, M/s. Hindustan Fluorocarbons Ltd.(1,10,60,000 equity shares of face value of Rs. 10 each). The Government of India, as per the Cabinet Committee on Economic Affairs (CCEA) decision dated 29th January 2020, has approved the closure of HFL. The market value of HFL's equity shares stood at Rs. 12.52 as on 31st March 2025 as against Rs. 16.23 as on 31 March 2024. The diminution in the value of investment in the equity share of the subsidiary have been recognised in the books of the company.

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.2,260.26 lakhs accumulated on loan given to HFL and converted the unsecured loan amounting to Rs.2,744.07 lakhs as Zero Coupon Loan (ZCL), into secured loan by on HFL creating first charge on immovable property in favour of HOCL. This loan was payable in 7 equal annual installments commencing from 2010-11, aggregating to Rs.2,744.07 lakhs (Previous year Rs.2,744.07 lakhs) which has become due and payable in full. Further, the Company had given loans to HFL aggregating to Rs. 453.01 lakhs (Previous Year Rs. 453.01 lakhs) at the interest rate of 10.25% to 14.50% which has become payable in full. This loan is also secured by first charge on the HFL immovable property. The interest accrued on the loan till 31.03.2023 amounts to Rs. 1075.05 lakhs. Additionally, an amount of Rs.19.39 lakhs was provided during the year towards delisting expenses.

As per the valuation report by an external registered independent valuer having professional qualification the value of the secured property of 84 acres and.31 guntas of land is Rs.10,196.80 lakhs (Rudram Village 32 acere 26 gunta valued at Rs.4,898.81 Lakhs and Edathanoor village 52 acres 5 guntas valued at Rs. 5,297.99 Lakhs),as on date 31.03.2025. The company will recover the said receivables from the proceeds of the secured property, hence no provision is required to be made in this regard.

33 EARNING PER SHARE **Rs. in Lakhs**

Earnings per share has been calculated as follows:	**As at 31.03.2025**	**As at 31.03.2024**
Net Profit/(Loss) after Tax (Rs. in lakhs)	39,178.10	(5,462.45)
Weighted average number of equity shares	6,71,73,100.00	6,71,7,100.00
Nominal Value per equity share (Rs.)	10.00	10.00
Basic / Diluted Earning per equity share (Rs.)	58.32	(8.13)

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 Contingent Liabilities & Commitments(to the extent not provided for)

i) Contingent Liabilities	**As at 31.03.2025**	**As at 31.03.2024**
a) Claims against the Company not Acknowledged as debts:*		
i) Income Tax Claims	91.99	91.99
ii) Excise duty / Service tax	104.63	104.63
iii) Gratuity for School teachers	75.31	75.31
iv) Other claims (Legal cases)		
a) MACT Thissur	118.00	118.00
b) ESIC	2.17	2.17
c) M/s Shetusha Engineers & Constructions Pvt. Ltd.(SECPL)	113.35	113.35
d) M/s Vakharia Construction Company	39.38	39.38
e) Saikripa food Service Pvt ltd	34.00	-
f) Employees Related claims	83.42	-
g) EPFO Ernakulam	38.44	-
h) Transferred employees from Rasayani	10.00	-
i) Other Claims (Legal cases)	1,099.00	1,112.50
v) Rental claim Harchandrai House	-	6,738.19
vi) JNPT lease rent	3,318.86	3,318.86
vii) Penal interest on Govt. Loans	-	9,398.38
viii) Interest on interest on Govt. Loan	-	68,294.06
ix) Nilima Chemical Corporation	-	16.00
x) GST	41.97	41.97
xi)Damages on Delayed Payment of Provident Fund with Interest	94.89	94.89
xii)ESI	13.46	13.46
	5,278.87	**89,573.14**
b) Bank Guarantees issued from Banks	5,892.45	2,137.73
ii) Commitments:		
Estimated amount of Contracts remaining to be executed on capital account and not provided for:	-	27.85

* In respect of the aforementioned contingent liabilities, the timing and amount of any potential cash outflows are dependent on the outcomes and final resolutions of the respective matters by the competent courts or relevant authorities. The amount of any interest payable, if applicable, cannot be presently determined.

Note: The differential interest @ 2.75% (14.25%-11.50%) on Govt. Plan loan has not been provided in the books of the Subsidiary Company as GoI had freezed interest up to 31.3.2019.

a) Claims against the Company not Acknowledged as debts:

i) Income Tax Claims: Rs.92.00 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 Lakhs and AY 2011-12 Rs.21.50 Lakhs.

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 Lakhs. 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 Lakhs) (as on 31.03.2025).

iv) Other claims (Legal cases): Rs.272.90 Lakhs (as on 31.03.2025).

a) Case filed by the Company against the award passed by MAC Tribunel, Trichur in relation to Phenol Tanker accident in 1994 (Rs.118 Lakhs) (as on 31.03.2025)

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 lakhs. 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 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. The case is pending for final hearing (as on 31.03.2025).

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 contingent liabilities (as on 31.03.2025).

e) Saikripa was a contractor engaged by the Holding Company Limited to provide canteen services at the Rasayani Unit under an agreement from 01.03.2013 to 28.02.2014, which was subsequently extended up to March 2016. Due to the poor financial condition of HOCL Limited, the company was unable to pay the monthly bills raised by Saikripa. As a result, Saikripa was unable to deposit the Provident Fund (PF) contributions of its employees with the PF authorities due to lack of funds. Subsequently, in October 2021, the Regional PF Commissioner-II, R.O. Thane (South), passed an order directing Saikripa to pay Rs.12,12,747/- to the PF authorities towards interest. Saikripa has filed a case against this order before the Central Government Industrial Tribunal (CGIT), Mumbai.The estimated liability in this matter is Rs. 34.00 lakhs, and the case is currently pending before the CGIT, Mumbai.(as on 31.03.2025)

f) The Holding Company has given the mandate for the personal loan of the employees to Canara Bank. Accordingly, Applicant had borrowed the loan from Canara Bank and HOC Limited was deducting EMI and depositing the same in bank. Further, HOC Limited informed the employees certain cut-off date for deduction from their salaries and informed employees to deposit their EMI directly in bank. The Applicant had not paid EMI after cut-off date fixed by HOC Limited. Further, Applicant filed the said case for not depositing the amount deducted by HOC Limited up to cut-off date. The estimated liability as on 31.03.2025 is Rs. 79.00Lakhs(2+33+36+8)

g) **Provident Fund Damages Claim:** The Employees’ Provident Fund Organisation (EPFO) has raised a demand of Rs. 38.44 Lakhs towards damages for delayed remittance of provident fund contributions for the period from 01.04.2013 to 28.02.2018. The Company has contested the demand on the grounds that the said period falls within the time when the Company was under the Board for Industrial and Financial Reconstruction (BIFR), and therefore, such claim is not payable. An appeal has been filed by the Company before the Central Government Industrial Tribunal (CGIT), Ernakulam. Pending final adjudication, the said amount has been disclosed as a contingent liability.

h) A case has been filed before the Central Government Industrial Tribunal (CGIT), Ernakulam, by workmen who were transferred from the Rasayani unit, claiming the benefit of three additional increments granted to employees of the Kochi unit under a separate wage settlement in 2007. The three increments were granted to Kochi employees in recognition of the unit’s performance. Following the closure of the Rasayani unit, certain workmen were transferred to Kochi and have subsequently raised an industrial dispute seeking parity in increments. The matter is pending adjudication before the CGIT.The estimated liability as on 31.03.2025 is Rs. 10.00 Lakhs

c) Other Claims (Legal cases): Rs.1099 lakh

1. WP/24588/2013 before Hon’ble High court judicature for the state of Telangana & for AP: Mr. T.Eshwaraiah, Ex-Chief Mgr (HR) had opted VRS in 2009 and relieved from the services on 31.01.2009. Consequent to revision of pay scales of 1997 & 2007 a writ petition was filed by him in June, 2013 on account of wage revision arrears. Vakalat and Counter is filed by the Subsidiary Company. Matter pending before Hon’ble High Court; The Subsidiary Company’s Board had also clarified that VRS-2009 optees are not eligible for wage revision arrears. Even the DCPC also clarified the same. Hence, in the view of the Subsidiary Company, the case is not tenable in law. The final hearing was held on 11.11.2024 and the Court has dismissed his claim and Disposed the case.

2. WP/12909/2013 before Hon’ble High court Judicature for the state of Telangana and for AP: Mr. V. Giridhar & others had opted VRS in 2009 and relieved from the services on 31.01.2009. Consequent to revision of pay scales of 1997 & 2007 a writ petition was filed by them in June, 2013 on account of wage revision arrears. Vakalat and counter filed by the company. Matter pending before Hon’ble High Court; The Subsidiary Company’s Board had also clarified that VRS-2009 optees are not eligible for wage revision arrears. Even the DCPC also clarified the same. Hence, in the view of the Subsidiary Company, the case is not tenable in law. The final hearing was held on 11.11.2024 and the Court has dismissed his claim and Disposed the case.

3. LC ID-1 of 2015, before Hon’ble Central Govt. Industrial Tribunal, Hyd.: Mr. N. Rambabu, Production Chemist filed ID before ALC (Central), Hyd. A Counter has been filed by the respondent company. The Subsidiary Company had terminated the employee during January, 2014 after following the laid down provisions of Certified standing orders of the company. Since the Company had terminated him by following the approved procedures, hence the case will not tenable before the Honorable Court.

4. ID No.72 of 2012 before the Hon’ble Central Govt. Industrial Tribunal-cum labour Court, Hyderabad: The Subsidiary Company’s workers’ trade union-A 4397 has raised an ID before ALC (Central), Hyd with a request to intervene in the matter of non-payment of overtime wages. In this connection, joint proceedings were held and issue could not settle amicably, having divergent views, the conciliation officer has submitted its failure report to Govt. of India. The respondent Subsidiary company has filed counter petition. As per GOI guidelines, the financial impact on account of Pay revisions for both 1997 and 2007 need to be borne by the Subsidiary Company, since no budgetory support was not extended. Based on the commitment to DPE in writing by the recognized representative union A-3954, the GoI, had issued orders for pay revision was approved by the Board of Subsidiary Company and implemented. The non-representative union -A 4397 had approached court of law for non-payment of overtime wages and filed a petition, hence this case is pending before court of law. Since existing employees are already availing the compensatory off in lieu of over time, the case will not tenable before the Honourable Court. On 25.04.2023 the case was heard and reserved for Judgement.

5. WP/9697/2000 & WA 483/2013 WA No.1194/ 2012 before Hon’ble High court, AP Hyd: Mrs. K. Nagaratnam, Asst. Mgr (Finance) has reinstated into service without back wages. Aggrieved on the order, she has filed writ appeal and counter was filed by the respondent Subsidiary Company. The employee was re-instated as per High court order without back wages and superannuated from the services of the Subsidiary Company on 31-Aug-2016. She has filed an appeal for back wages in the Hon’ble High court, Hyderabad and case is pending. The case is pending under CAV. The case is listed again on 28.02.2024 and continuing. On 30.12.2024 the final hearing was held and case is referred to C.A.V.

6. WP No. 20076/2019 before Hon'ble High Court Hyderabad: Smt K Rajani, Ex-Company Secretary, T.No. 262 had filed the WP against the reverification of "Pay Scale / Basic Pay anomaly fixed in September 2011". Some of the Officers have represented the Subsidiary Company that there is an anomaly in fixation of Pay Scale and Basic Pays against 1997 Pay Revision and have requested for refixation. The same is refixed in September 2011 to 18 Officers, one of them being Smt K Rajani. whose Pay scale and Basic Pay also refixed under anomaly. She had filed a case in High Court that the reverification and refixation of her pay scale / basic pay in February 2019 is not correct.

7. CGIT No. 134/2018: The Subsidiary Company's Employees Union A 3954. For implementation of 2017 Wage Revision.

8. OP No. 709/1998 before CCC, Hyderabad. CMA 2861/203 before High Court, CMA 918/2018 before High Court, COP No. 42/2019 before XXIV Addl. Chief Judge, CCC, Hyderabad, COMCA 16/2020 before XXIV Chief Judge, CCC, Hyderabad. Now CMA 918/2018 and COMCA 16/2020 are tagged: Case filed by M/s Rockwell Industries Limited relating to supply of CFM-22 Gas. IDBI was impleaded in the case and IDBI has filed the counter. This dispute is going on since 1998 at various Forums – Arbitration in 1998, Hon'ble Chief Judge in 2001, Hon'ble High Court later which was sent back for fresh consideration. Again in 2017, Hyd Civil Court confirmed Order of Arbitrator, party filing fresh COP before Addl Chief Judge, City Civil Court and HFL filed case in Hon'ble High Court of Telangana. Matter presently is still before Hon'ble High Court of Telangana, which had vide its Order dated 04.11.2020 has given stay on disposal of the assets of the Company. The Case is Pending now. On 02.11.2022 the case was heard on vacating of Stay. The permission was granted to dispose of Plant and Machinery through MSTC and the Order copy is received on 04.11.2022. In this regard the court has directed to Subsidiary Company to open a separate Bank Account to deposit the sale proceeds of Plant and Machinery. The plant sale proceeds were received on 29.03.2023 and the amount of Rs.14.21 crore was deposited in SBI as as FD . The Final Arguments wered held on 28.11.2024 and case is reffered to C.A.V.

9. WP No. 35920/2021 in Hon'ble High Court, Hyderabad: The TSSPDCL has levied the differential wheeling charges and issued notice to pay the wheeling charges around Rs.6.14 Crores for the period 2002 to 2004. If the same is not paid within fifteen days alongwith the monthly power bill the service will be disconnected. Aggrieved by the Notice of TSSPDCL, The subsidiary company has approached the Hon'ble High Court and the matter was heard and the Hon'ble High Court had granted Stay on 24.12.2021.

v) Rental claim Harchandrai House Rs.6,738.19 Lakh

The Bombay High Court passed orders determing Rs. 50.70 crores as mesne profit and interest thereon. Consequently, company deposited Rs. 2.5 crores to comply the orders and an additional liability of Rs.4316.91 Lakhs was provided to in compliance with the orders of Bombay High Court. HOCL has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the Bombay High Court's order.

vi) JNPT lease rent: Rs.3,318.86 Lakhs (as on 31.03.2025).

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land allotted to the Company for setting up Liquid Tank Farm on lease basis along with assets of the Company 'as is where is basis'. The JNPT raised a demand of Rs.4,124 lakhs towards lease rentals and other charges. The Company has instituted arbitral proceedings and Arbitral Tribunal issued the award in favour of the Company. The assets of the Company valued as per the MoU at Rs.1,638.50 lakhs and same is agreed and paid by M/s.JNPT. 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 and the same is paid by the Company. The disputed amount includes lease rentals Rs.2,974.51 lakhs, water charges 0.65 Lakhs, 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.

vii& viii) Interest at higher rate on Govt. Loans: Rs.9,398.31 Lakhs and Interest on defaulted interest on Govt. Loan Rs.68,294.06 lakhs

The long outstanding loan of Rs. 43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs carry along with the outstanding interest of GOI, interest on preference shares, and penal interest thereon of Rs. 47,359.79 lakhs, Rs. 7,222.5 lakhs, and Rs. 9,967.96 lakhs, respectively, of the Holding Company, as at 30 Sep 2024, have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025.Since the original interest on loan has been waived off, the interest on interest of Rs. 68,294.06 lakhs stand irrelevant and has been cleared from contingent liability.

ix) Nilima Chemical Corporation.

Payment of Rs. 15.00 lakhs was made to to nilima chemicals corporation to comply IO No.WB00908 Dt. 18.01.2025. The case has been been disposed off full and final satisfaction

x) GST Demand Rs. 41.97 Lakhs

A Show cause Notice received from GST audthorities dated 04-09-2023, from the Joint Commissioner of Central Tax & Central Excise I S Press Road. Kochi. on 10 th September, 2023. In the show cause notice it is mentioned that HOCL has availed and utilized Input Tax credit of Rs.61,977,794/-, wrongly for the period July, 2017 to July, 2018, and requested to give written reply within 30 days from the receipt of above show cause notice .At the time of implementation of GST and filing of GSTR-3B for the period July, 2017 to July 2018, GST amount of Credit notes issued to Customers was added to Input tax credit instead of deducting the same from sales amount. In effect there will not be any change in the net GST amount payable. As requested by Joint Commissioner (GST) , We have represented our case to Joint Commissioner (GST) through M/s. Krishna Iyer & Co our GST consultant and submitted CA certificates collected from Customers for Rs.600.01 Lakhs- before 12-12-2023.The final order was passed by JC the demand of Rs.619.77 Lakhs was reduced to Rs.19.76 Lakhs, and issued DRC07 for Rs. 41.97 Lakhs- (GST Rs.19.76Lakhs+ Interest Rs. 20.23 Lakhs+Penalty Rs. 1.97Lakhs). Further we have collected CA Certificates for Rs.11.58lakhs - which is kept with us and will be produced to GST authorities after collecting the certificates for the balance amount. We have filed Appeal against order No. .16/2023-24 GST (JC) Dated-12-12-2023 of the Joint Commissioner, Central Tax & Central Excise, Kochi Commissonerate On 27-02-2024

xi) Damages on Delayed Payment of Provident Fund with Interest.

The Subsidiary Company has written to Central Provident Fund Commissioner for waiver of damages for delayed payment of PF dues during the period 2000-01 to 2010-11 considering the fact that the company was a BIFR referred Company. The estimated liability in this matter of Rs. 94.89 Lakhs.

xii) ESI (Subsidiary Company) Rs. 13.46 lakhs

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

xiii) 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.5892.45 Lakhs

The Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.250.35 lakhs, BPCL Rs.5350 Lakhs and Rs.292.10 Lakhs 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 MRPL Rs.1,000.00 Lakh only.

II) Estimated amount of Contracts remaining to be executed on capital account and not provided.

Rs. in Lakhs

Work order issued for the following contracts.	2024-25	2023-24
a) Resurfacing of roads in Township	-	27.85
Total	**-**	**27.85**

36 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:

Rs. In Lakhs

Sl. No.	Name of the Related Party Relationship	Relationship	Details of Transaction	Amt. of Transaction during 2024-25	Outstanding at the end of the year (31.03.2025)	Amt. of Transaction during 2023-24	Outstanding at the end of the year (31.03.2024)
1	Hindustan Fluorocarbon Ltd. (HFL)	Subsidiary company with 56.43% share holding.	Interest on loan given to HFL	19.38	4,291.52	-	4,272.13
2	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Purchase of Raw materials (LPG, Benzene, FO, & H2)	54,634.83	4,300.22	53,834.61	6,201.50
3	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Finished Goods (H2O2)	-	-	42.84	22.00
4	Indian Oil Corporation Limited	Controlled by Government of India.	Purchase of Raw materials/ Fuel	4,875.94	-4.71	7,317.37	25.01
5	Mangalore Refinery and Petrochemicals Limited	Subsidiary of ONGC	Purchase of Raw materials (Benzene)	-	-	386.14	-
Trust constituted by the Company							
6	HOCL Group Gratuity Trust		Investment and interest on investment	192.66	1,459.16	121.49	1,651.82

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Description	Short-term employee benefits	Post-term employee benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
2024-25						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. Sajeev B, CMD	41.77	5.32	-	-	-	47.09
Shri. Yogendra Prasad Shukla	32.22	4.48	-	-	-	36.70
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Shri Kanishk Kant Srivastava.	-	-	-	-	-	-
Shri Manoj Sethi						
ii) Independent Directors						
Dr. Bharat J. Kanabar (Up to 23.12.2024)	1.10	-	-	-	-	1.10
Shri Pratyush Mandal (Up to 23.12.2024)	1.10	-	-	-	-	1.10
C. Key Managerial Personnel						
Shri. Subramonian H	14.70	2.04	-	-	-	16.74
	90.89	**11.84**	**-**	**-**	**-**	**102.73**

2023-24						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. Sajeev B, CMD	38.91	4.97	-	-	-	43.88
Shri. Yogendra Prasad Shukla (From 04.07.22)	31.08	4.18	-	-	-	35.26
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Shri Sanjay Rastogi (AS&FA) (Up to 22.11.23)	-	-	-	-	-	-
Shri Kanishk Kant Srivastava.						
Shri Manoj Sethi (From 22.11.2023)	-	-	-	-	-	-
ii) Independent Directors						
Dr. Bharat J. Kanabar	1.30	-	-	-	-	1.30
Shri Pratyush Mandal	1.30	-	-	-	-	1.30
C. Key Managerial Personnel						
Shri. Subramonian H	13.79	1.91	-	-	-	15.70
	86.38	**11.06**	**-**	**-**	**-**	**97.44**

List of Transactions of Subsidiary Company with related parties of the Holding company

Rs. in Lakhs

Description	Nature of Transaction	2023-24	2022-23
Independent Directors			
Dr. Bharat J. Kanabar	Sitting Fees Paid	0.4	0.85

Note:

In the ordinary course of its business, the Company enters into transactions with other Government controlled entities (not included in the list above).

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.

37 Financial Instruments :

Accounting policy:

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 Fair Value Through Other Comprehensive Income (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 Fair Value Through Profit or Loss (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 amortized 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 tha 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.

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

Financia guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurrs 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.

A. Fair value measurement

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 minimizing 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 — 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.

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

Financial Assets and Liabilities measured at fair value-recurring fair value measurements :

Rs. In Lakhs

Description	As at 31st March, 2025				As at 31st March, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets :								
Loans	-	-	12.01	12.01	-	-	14.84	14.84
Trade Receivables	-	-	2,136.32	2,136.32	-	-	1,995.31	1,995.31
Investments	-	-	5.00	5.00	-	-	5.00	5.00
Cash and cash equivalents	-	-	50.05	50.05	-	-	133.34	133.34
Bank balances other than Cash			25,372.28	25,372.28			25,237.42	25,237.42
Other Financial Assets	-	-	997.83	997.83	-	-	1,056.00	1,056.00
Total Financial assets	**-**	**-**	**28,573.49**	**28,573.49**	**-**	**-**	**28,441.91**	**28,441.91**
Financial Liabilities								-
Borrowings	-	-	20,551.40	20,551.40	-	-	83,298.90	83,298.90
Lease liabilities			90.46	90.46			111.51	111.51
Trade payables	-	-	4,825.61	4,825.61	-	-	6,858.66	6,858.66
Other Financial Liabilities	-	-	1,216.71	1,216.71	-	-	52,823.25	52,823.25
Total Financial Liabilities	**-**	**-**	**26,684.18**	**26,684.18**	**-**	**-**	**1,43,092.32**	**1,43,092.32**

Categories of Financial Instruments

A Fair Values hierarchy :

Description	As at 31st March, 2025				As at 31st March, 2024			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial Assets :								
Loans	-	-	12.01	12.01	-	-	14.84	14.84
Trade Receivables	-	-	2,136.32	2,136.32	-	-	1,995.31	1,995.31
Investments	-	5.00	-	5.00	-	5.00	-	5.00
Cash and cash equivalents	-	-	50.05	50.05	-	-	133.34	133.34
Bank balances other than Cash	-	-	25,372.28	25,372.28	-	-	25,237.42	25,237.42
Other Financial Assets	-	-	997.83	997.83	-	-	1,056.00	1,056.00
Total Financial assets	**-**	**5.00**	**28,568.49**	**28,573.49**	**-**	**5.00**	**28,436.91**	**28,441.91**
Financial Liabilities								-
Borrowings	-	-	20,551.40	20,551.40	-	-	83,298.90	83,298.90
Lease liabilities	-	-	90.46	90.46	-	-	111.51	111.51
Trade payables	-	-	4,825.61	4,825.61	-	-	6,858.66	6,858.66
Other current financial liabilities	-	-	1,216.71	1,216.71	-	-	52,823.25	52,823.25
Total Financial liabilities			**26,684.18**	**26,684.18**			**1,43,092.32**	**1,43,092.32**

38 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 Group'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 group, but as group balances are not in foreign currency, company is not exposed to foreign currency exchange rate risk

b) Interest rate risk

The Holding Company's investments are primarily in subsidiary through quoted equity share and unquoted equity share of other entity therefore none of the investment activity is generating interest out of the investment. Hence, the Holding 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 Groups's revenue for the year ended March 31, 2025 from the below mention customer.

Name of customer	Amt of revenue (Rs. Lakhs)	% of total revenue
POOJA PETRO CHEMICALS	17,018.08	32%
PONPURECHEMICAL INDIA P LTD	8,193.95	15%
NEEPRA TRADING CO.	7,115.37	13%

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, continuously monitoring forecast and actual cash flow and by matching the maturity profiles of financial assets and liabilities.

39 Deferred Tax

For the Year 2024-25 Rs. in Lakhs

Description	Opening Balance 01.04.2024	Recognised in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2025
Deferred Tax Liability						
Excess Provision W/back	-	-	-	-	-	-
Provision for impairment W/Back	-	-	-	-	-	-
Revaluation of land in Fair Value	22,522.52	-	-	-	-	22,522.52
Reversal of deferred tax liability on disposal of revalued of PPE	(5,027.00)	-	-	-	-	(5,027.00)
	17,495.52	**-**	**-**	**-**	**-**	**17,495.52**
Deferred Tax Asset						
Depreciation	-	19.00	(19.00)	-	-	-
Provision for Leave Encashment	-	90.00	(90.00)	-	-	-
Voluntary Retirement Benefits (VRS/VSS)	-	-	-	-	-	-
Provision for Doubtful Debts	-	-	-	-	-	-
Provision for Doubtful Advances	-	-	-	-	-	-
Provision for Long Term Agreements	-	-	-	-	-	-
Provision for Obsolescence	-	15.00	(15.00)	-	-	-
Provision for Statutory claims	-	-	-	-	-	-
Accumulated Income tax loss to the extent of deferred tax liability	-	-	-	-	-	-
	-	124.00	(124.00)	-	-	-
Net Deferred tax liability	**17,495.52**	**(124.00)**	**124.00**	**-**	**-**	**17,495.52**

For the Year 2023-24 Rs. in Lakhs

Description	Opening Balance 01.04.2023	Recognised in P & L	Reversal on account of Probability checking of Future Profit	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2024
Deferred Tax Liability						
Revaluation of land in Fair Value	20,775.52	-	-	-	1,747.00	22,522.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,056.00)	-	-	-	(971.00)	(5,027.00)
Fair Value of Investment in HFL	16,719.52	-	-	-	776.00	17,495.52
	16,402.52	**-**	**-**	**-**	**317.00**	**16,719.52**
Deferred Tax Asset						
Depreciation	-	25.00	(25.00)	-	-	-
Provision for Leave Encashment	-	51.00	(51.00)	-	-	-
Voluntary Retirement Benefits (VRS/VSS)	-	-	-	-	-	-
Provision for Doubtful Debts	-	-	-	-	-	-
Provision for Doubtful Advances	-	-	-	-	-	-
Provision for Long Term Agreements	-	-	-	-	-	-
Provision for Stock Obsolescence	-	-	-	-	-	-
Provision for Statutory claims	-	-	-	-	-	-
	-	**76.00**	**(76.00)**	**-**	**-**	**-**
Net Deferred tax liability	**16,719.52**	**(76.00)**	**76.00**	**-**	**776.00**	**17,495.52**

40 Additional disclosures

Financial, Liquidity and Other Ratios

Ratios	Components of Numerator	Components of Denominator	For the Year ended 31.03.2025	For the Year ended 31.03.2024	% Variance	Explanation by Management
Current Ratio	Current Assets	Current Liabilities	3.61	0.91	296.94%	The long outstanding GOI loan, preference shares, and the interest accrued thereon of the holing company have been waived off during the current year. This has improved the ratio.
Debt Equity Ratio	Total debt	Shareholders' Equity	0.20	-26.41	-100.74%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	2.05	0.00	67404.09%	
Return on Equity Ratio	Net profit after tax	Shareholders' Equity	78.79%	106.37%	-25.93%	
Inventory Turnover Ratio	Sales	Average Inventory	18.97	32.36	-41.36%	During the year 2024-25 the holding company's Plant was shutdown for catalyst change for a period two months
Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	25.94	35.80	-27.55%	Reduction in average collection period from customers, reflecting better recovery efficiency.
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	7.07	9.36	-24.45%	Reduction average bills payable period
Net Capital Turnover Ratio	Net Sales	Average Working Capital	1.30	-6.59	-119.66%	The long outstanding GOI loan, preference shares, and the interest accrued thereon of the holding company have been waived off during the current year. This has improved the ratio.

Net Profit Ratio	Net profit after tax	Net Sales	73.07%	-7.68%	-1050.84%	The waived-off accrued interest on the GOI loan and preference shares of the holding company has been treated as income for the current year.
Return on Capital Employed	Profit Before Interest and Taxes (PBIT)	Capital Employed	31.50%	1.07%	2840.69%	The long outstanding GOI loan, preference shares, and the interest accrued thereon of the holing company have been waived off during the current year. This has improved the ratio
Return on Investment	Dividend	Share Price	-	-	N A	N A

41 The Holding Company is in non- compliance of Section 149, 177 & 178 of Companies Act, 2013 and Regulations 17,18,19,20 & 25 of LODRR, 2015 with regard composition of Board of directors due to the absence of requisite number of independent directors, non- executive directors and woman director in the Board of Directors. Accordingly, the Audit Committee, Stakeholders Relationship Committee, Nomination Remuneration Committee of the company were not functional with effect from 23.12.2024. The matter has been regularly taken up with the administrative ministry for necessary appointments.

42 Going concern

The Group has reported net profit of Rs. 39,109.49 lakhs (Previous year net loss Rs. 62.87 lakhs) including other comprehensive income. Also, the company has accumulated loss amounting to Rs 4,906.08 lakhs (Previous year Rs.1,14,670.64 lakhs) with a net worth of Rs.6,659.45 (Previous year Rs. (1,03,105.11) lakhs) excluding other comprehensive income. The company has a balance under current assets of cash and cash equivalents and other bank balances of Rs 25,422.33 lakhs (Previous year Rs.25,370.76 lakhs) as at the year end.. After considering these conditions, the consolidated financial statement of the group have been prepared on going concern basis.

The Holding Company is in the process of implementing the restructuring plan, as per GOI order dated 22nd May 2017. Pursuant to this, the Rasayani Unit has been closed and the scrapped plant and equipment have been disposed off. This unit includes assets with a carrying amount of Rs. 94,550.32 lakhs, including 517.819 acres of land. Sale of unencumbered land at Rasayani and at Panvel is in process. Upon the successful completion of the sale, the company's cash flow is expected to improve significantly. The Phenol plant at Kochi continues to operate. The company achieved sales turnover of Rs.53,586.76 lakhs and Rs.70,389.00 lakhs, Net profit/(loss) excluding other comprehesive income of Rs. 39,154.13 and Rs. (5,531.7) lakhs and net worth excluding other comprehensive income of Rs. 13,306.91 lakhs and Rs. (96,433.68) lakhs in the FY 2024-25 and 2023-24 respectively. Further, the long outstanding loan of Rs.43,586.46 lakhs from GOI and Redeemable Preference Shares of Rs. 27,000 lakhs along with the outstanding interest of Rs.47,359.79 lakhs and penal interest of Rs.9,967.96 (for the loan) and Rs. 7,222.5 lakhs (for preference shares) as of 30 Sep 2024 have been waived off by GOI vide GOI Order No. 1600/9/2024-IFD dated 21.03.2025. The company has a balance under current assets of cash and cash equivalents and other bank balances of Rs 22,560.85 lakhs (Previous year Rs.22,642.08 lakhs) as at the year end.

Considering the above developments, available liquidity, and ongoing implementation of the approved restructuring plan, the financial statements have been prepared on a going concern basis.

Subsidiary Company : As per the letter dated January 29, 2020, from the Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals, under which the Subsidiary Company functions, the Cabinet Committee on Economic Affairs (CCEA), in its meeting held on January 22, 2020, granted its approval.

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.75.87 crore by Govt. Of India to HFL to be utilized exclusively 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.

d) Above interest free loan will be repaid by HFL to Govt. of India from the sale proceeds of land and other assets of the company, as and when disposed off and after settling all the liabilities related to closure of the company

e) after settlement of all liabilities related to closure of HFL and repayment of interest free loan, surplus proceeds from disposal of land and other assets, if any, will be used for repayment of HFL's outstanding Govt of India (Rs.15.80 crore) and interest thereon, with freezing of interest upto 31.3.2019. Full or part of the principal loan amount (Rs.15.80 crore) and interest thereon upto 31.3.2019 remaining unpaid due to insufficient sale proceeds is to be written off/waived.

f) for facilitating disposal of HFL's land, M/s NBCC (India) Ltd may be appointed as Land Management Agency (LMA) to manage and assist in the land disposal subject to outcome of the decision of Telangana Govt/TSIIC on purchasing land of HFL.

g) Disposal of plant, machinery and movable assets were done in March 2023 by HFL through e-auction by MSTC Ltd.

h) In pursuance of the said decision, HFL had received an amount of Rs.73.70 Crore on 26.05.2020 and Rs.2.17 Crore on 15.03.2022 as interest free loan from GoI. As per the above CCEA Order and as at 31.03.2023, all the employees were relieved before 31.08.2022 except five skeleton staff who were transferred to the roll of HOCL in Sept 2022. All the undisputed dues except Govt. loans and HOCL loans were settled by utilising the interest free loan sanctioned by the Govt. of India. The total amount utilized upto 31.03.2025 was Rs.68.84 Crore. The balance amount will be utilized for settling the other dues and other operating expenditure for completing the closure of the Company. The said process is still going on.

The Government of India had approved the closure of the Subsidiary Company on 29.01.2020. Accordingly, the Subsidiary Company had initiated the closure of the facility and undertook closure activities as per the mandate given, up to the year ended 31.03.2025. Pursuant to the above, management had made VRS payments to employees, settled bank loan, and made payments towards various outstanding dues. Plant and machinery were sold during March 2023 and the sale proceeds were deposited as a fixed deposit in SBI. Consequently, there is an existence of material uncertainty which had impacted the Going Concern Status. The Subsidiary Company is no longer Going Concern. The provisions of Ind-AS 105, "Non-Current Assets held for Sale and Discontinued Operations," become applicable and are being followed by the Subsidiary Company.

43 Extract of Results for the Discontinued Operations

Rs. in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Other Income	212.45	208.21
Finance Cost	0.01	0.01
Other expenses*	169.97	85.48
Profit/(loss) from discontinued operations	42.47	122.72

* TDS on Rs.27.68 lakhs was not deducted towards filing and other expenses under Professional / Consultancy / Legal charges classified under “Other Expenses”

Information regarding the % of individual net assets and Profit / Loss to Consolidated Net Assets and Profit / Loss

Name of enterprise	As % of Consolidated Net Assets	Amount (Rs. in lakhs)	As % of Consolidated Profit/Loss	Amount (Rs. in lakhs)
Holding Company				
Hindustan Organic Chemicals Limited	108.05%	1,10,481.15	99.89%	39,154.13
Subsidiary Company				
Hindustan Fluoro Carbons Limited	-8.05%	(8,227.14)	0.11%	42.47

44 No scheme of arrangement has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013 during the year 2024-25.

45 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.

46 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.

47 Relationship with Struck off Companies

Relationship with Struck off Companies as on 31st March 2024

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
Sharp Chemical Inds. P. ltd.	Sales	Rs. 3.31 Lakh	Debtor
Nice agro Enterprise	Sales	Rs. 0.28 Lakh	Debtor
Balaji Industries	Sales	Rs.0.49 Lakh	Debtor

48 The Holding Company has no charge or satisfaction to be registered with the Registrar of Companies except for :

During the period from 2002 to 2004, the Company had availed a Plan Loan amounting to Rs. 13.19 Crore from the Department of Chemicals and Petrochemicals (DCPC), Government of India. In 2019, the principal portion of the loan was repaid by the Holding Company, while the interest remained outstanding. Hence the charge was not withdrawn. Subsequently, the GOI waived off the outstanding dues of the Holding Company, the remaining interest liability, including this Plan Loan vide order dated 21.03.2025. Accordingly, the Holding Company is in the process of obtaining a No Objection Certificate (NOC) from DCPC. Upon receipt of the NOC, the Company will proceed to file for satisfaction of charge with the Registrar of Companies (ROC), in accordance with the applicable statutory requirements.

49. 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, which are repayable on demand or without specifying any terms of repayment

50 The holding company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

51 There is no intangible assets under development.

52 No proceedings have been initiated or pending against the holding company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

53 The holding company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

54 The holding Company has no transaction 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) and no previously unrecorded income and related assets have been recorded in the books of account during the year.

55 The group does not have any dividend income during the year.

56 The holding company is not required mandatorily to carry out any CSR activities on account of losses incurred during the previous years.

57 The holding company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

58 The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 16.05.2025. The Standalone Financial statements of Subsidiary Company were passed by the Board of Directors on 15.05.2025.The audit committee of the holding company is not functional, therefore, the financial statements are not reviewed by the audit committee.

59 There has been no sale of investment during the year.

60. The holding company has not revalued any of its intangible assets during the year.

61. Previous year’s figures have been regrouped / reclassified wherever necessary to correspond with the current year’s classification / disclosure.

As per our report of even date attached

For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
M. Venugopal
Partner
Membership No.: 244882
UDIN: 25244882BMKTZP2828

Place: Ernakulam, Kerala
Date: 16.05.2025

For and on behalf of the Board of Directors

Sd/-
Sajeev B.
Chairman and Managing Director
DIN 09344438

Sd/-
Yogendra Prasad Shukla
Director (Finance)
DIN 09674122

Sd/-
Subramonian H.
Company Secretary

Place: Ernakulam, Kerala
Date: 16.05.2025

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries or associate companies/Joint Ventures

Part "A": Subsidiaries **Rs. In Lakhs**

1. Sl. No.:	1
2. Name of Subsidiary	Hindustan Fluorocarbons Ltd.
3. Date since when the subsidiary was acquired	14.07.1983
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	Not Applicable
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Not Applicable
6. Share Capital:	1,961.46
7. Reserves & Surplus (Other Equity)	(10,188.60)
8. Total Assets:	6,413.07
9. Total Liabilities:	14,640.21
10. Investment:	NIL
11. Turnover	0
12. Profit before tax:	42.47
13. Provision for tax:	NIL
14. Profit after tax:	42.47
15. Proposed Dividend:	Nil
16. % of shareholdings:	56.43
Name of subsidiary which are yet to commence operation	None
Name of subsidiaries which have been liquidated or sold or ceased as subsidiary during the year	None

Part "B": Associates & Joint Ventures: Not Applicable

For and on behalf of the Board of Directors

Sajeev B
Chairman and Managing Director
DIN: 09344438

Yogendra Prasad Shukla
Director (Finance)
DIN: 09674122

Subramonian H
Company Secretary
ACS: 28380

Date: 16.05.2025
Place: Ernakulam

NOTES

हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड

HINDUSTAN ORGANIC CHEMICALS LIMITED

पंजीकृत और कार्पोरेट कार्यालय : पोस्ट बैग नंबर 18, अंबालामुगल पीओ, एर्नाकुलम जिला, केरल - 682 302

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