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

HOC/BSE/Regn.34/60thAR/2021/9/2.11 Dt.: 7th September, 2021

To
Bombay Stock Exchange Ltd**,**
24thFloor, DCS-CRD
Pheroze Jeejeebhoy Towers,
Mumbai- 400001

Dear Sirs,

Re.: Script Code: 500449 (HOCL)

Sub.: Filling of 60thAnnual Report (AR) 2020-21 of HOCL with BSE

Ref: Regn.34(1) (Reg. filling of Annual Report) & other applicable Regulations of LODRRs of SEBI.

In compliance with Regulation 34(1) - Reg. filling of Annual Report and other applicable Regulations of LODRRs with the Stock Exchanges, please find enclosed herewith the 60th Annual Report (AR) of 2020-21 of our Company viz. Hindustan Organic Chemicals Limited (HOCL) for records.

Further, as per procedure, also a link has been provided for the said 60thAGM Notice and 60thAnnual Report 2020-21, which were placed at HOCL website at www.hoclindia.com homepage and available under News section.

Kindly take the above on your records in compliance with applicable regulations of LODRRs with Stock Exchanges & acknowledge the same.

This information has also been filled herewith online at BSE-e filling portal and also will be disseminated on the website of the Company.

Thanking you,
Yours faithfully,
For Hindustan Organic Chemicals Ltd.

(Mrs. Susheela S. Kulkarni)
Company Secretary
Encl.: As Above – 60thAnnual Report 2020-21 of HOCL in the below Link:-

https://www.hoclindia.com/uploads/userfiles/60thAnnualReport-2020-21HOCL.pdf

HINDUSTAN ORGANIC CHEMICALS LIMITED

(A Govt. of India Enterprise)

60th ANNUAL REPORT 2020-2021

Phenol Complex at Kochi

Registered Office & Corporate Office Address: -

Hindustan Organic Chemicals Limited,

Office No: 401,402 and 403, 4th Floor, V Times Square, Plot No: 3, Sector 15,

CBD Belapur, NAVI MUMBAI - 400614.

PH: 022-27575268/69; Web Site: www.hoclindia.com; CIN : L99999MH1960GOI011895

HINDUSTAN ORGANIC CHEMICALS LIMITED [CIN L99999MH1960GOI011895]

AUDITORS
Statutory Auditors (FY 2020-21)
M/s BSJ & Associates,
Chartered Accountants, Kochi

Internal Auditors
M/s N.C. Mittal & Co.,
Chartered Accountants,Kochi

COST AUDITORS (FY 2020-21)
M/s. CY & Associates
Cost Accountants, Mumbai

BANKERS
State Bank of India
Central Bank of India

REGISTRAR AND SHARE TRANSFER AGENTS
M/s. BIGSHARE SERVICES PVT. LTD.
(w.e.f. 01-04-2016 onwards)
Registered Office : **Bigshare Services Pvt Ltd.**
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai 400059 Maharashtra.
Tel: 022 62638200
Fax : 022 62638299
Email: investor@bigshareonline.com

CONTENTS

HINDUSTAN ORGANIC CHEMICALS LTD. [CIN L99999MH1960GOI1011895]

Registered & Corporate Office:
(w.e.f July, 2018 and due to shifting of Registered Office of the Company from Rasayani to CBD Belapur):
Office Nos. 401,402 &403, 4th Floor,
"V- Times Square", Plot No.3, Sector-15,
CBD Belapur, Navi Mumbai- 400614,
Maharashtra.
Contact Nos.: 022-27575268/69
E-mail id : corporate.cs@hoclindia.com
grievances@hoclindia.com
Website : www.hoclindia.com

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

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

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

BOARD OF DIRECTORS

SHRI. SAJEEV B.	Chairman & Managing Director (w.e.f. 06/09/2021)
SHRI. S.C. MUDGERIKAR (DIN: 03498837)	Chairman & Managing Director-Additional Charge (from 02/08/2021 to 05/09/2021) & Director Finance-Additional Charge (w.e.f. 02/08/2021)
SHRI. S.B. BHIDE (DIN:05323535)	Chairman & Managing Director (from. 05/10/2016 to 31/07/2021) & Additional Charge of Director Finance (from 06/11/2020 to 31/07/2021)
SHRI. C.P BHATIA (DIN:08554234)	Director (Finance) & Chief Financial Officer (from 07/08/2019 to 05/11/2020)
SHRI. SAMIR KUMAR BISWAS, A.S. (DIN:01664091)	Govt. Nominee Director
SHRI. RAJESH M. AGGARWAL, ASFA, MoPNG, and Additional Charge of ASFA, MoC&F (DIN: 03566931)	Govt. Nominee Director (w.e.f 27/05/2021)
SMT. ALKA TIWARI, AS&FA, MoC&F (DIN:03502306)	Govt. Nominee Director (from 29/01/2019 to 26/05/2021)
MRS. SUSHEELA S. KULKARNI	Company Secretary
SHRI. P.O. LUISE	Chief Financial Officer (w.e.f 06/11/2020)

BOARD COMMITTEES (01-04-2020 – 31-03-2021)

AUDIT COMMITTEE OF THE BOARD [upto 30-06-2020]

SMT. ALKA TIWARI, AS&FA.
Non-Exceutive/Govt. Nominee Director
Member, Audit Committee [upto 30-06-2020]

SHRI. SAMIR KUMAR BISWAS, AS
Non-Executive, Govt. Nominee Director
Member, Audit Committee [upto 30-06-2020]

MRS. SUSHEELA S. KULKARNI, C.S.
Secretary to Audit Committee

SUB COMMITTEE OF THE BOARD [from 13-08-2020 upto 31-03-2021]

SMT. ALKA TIWARI, AS&FA.
Non-Executive/Govt. Nominee Director
Chairperson, Sub Committee

SHRI. SAMIR KUMAR BISWAS, AS
Non-Executive, Govt. Nominee Director
Member, Sub Committee

Mrs. SUSHEELA S. KULKARNI, C.S.
Secretary to Sub Committee

NOMINATION & REMUNERATION COMMITTEE (N & R Committee) [UP TO 05-11-2020]

SHRI S.B. BHIDE, CMD
Chairperson, N& R.C

SHRI C.P BHATIA, DF
Member, N&R.C. [upto 05-11-2020]

Mrs. SUSHEELA S. KULKARNI, C.S.
Secretary to N&R.C

STAKEHOLDER RELATIONSHIP COMMITTEE (S.R.C) [UP TO 05-11-2020]

SHRI S.B. BHIDE, CMD
Chairperson, S.R.C

SHRI C.P BHATIA, DF
Member, S.R.C. [upto 05-11-2020]

Mrs. SUSHEELA S. KULKARNI, C.S.
Secretary to S.R.C

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR Committee) [UP TO 05-11-2020]

SHRI S.B. BHIDE, CMD
Chairperson, CSR Committee

SHRI C.P BHATIA, DF
Member, CSR Committee. [upto 05-11-2020]

Mrs. SUSHEELA S. KULKARNI, C.S.
Secretary to the CSR Committee

SHARE TRANSFER COMMITTEE (S.T. Committee)

SHRI. S.B. BHIDE, CMD
Chairperson of the ST Committee

SHRI. C.P BHATIA, DF
Member, S.T. Committee [upto 05-11-2020]

Mrs. SUSHEELA S. KULKARNI, C.S.
Member & Secretary to the S.T. Committee

NOTICE

Notice is hereby given that the 60th Annual General Meeting (AGM) of the Members of the Company will be held on Wednesday, the 29th September, 2021 at 3.00 p.m. (Time) through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") to transact the following Businesses:

ORDINARY BUSINESS:

1. To consider and to adopt the Standalone & Consolidated Audited Financial Statements comprising the Balance Sheet as at 31st March, 2021, the Profit & Loss Account for the year ended on that, Cash Flow Statement, Schedules and Notes to Accounts attached thereto, together with the Directors' Report and the Auditors' Report along with the Report of the Comptroller & Auditor General of India.
2. To reappoint as per GOI Order, the Govt. Nominee Director, Shri Samir Kumar Biswas, Additional Secretary (Chem), who retires at this AGM and being eligible offers himself for reappointment.
3. To note the appointment by the C&AG of M/s. BSJ & Associates, Kochi (Firm Registration No. SR1972) as the Statutory Auditors of the Company for the year 2021-22 and to approve the remuneration of Rs.3,00,000/- to be paid as statutory audit fees to M/s. BSJ & Associates, appointed as Statutory Auditor by the C&AG for the FY 2021-22 and to authorise and to ratify the actions of the Board of Directors of the Company to fix the other audit fees, if any, payable to the Statutory Auditors of the Company, for the Financial Year 2021-22.

SPECIAL BUSINESS:

4. To consider and approve the appointment of M/s. CY & Associates, Cost Accountants, Mumbai (Firm Registration No. 000334) as Cost Auditors of the Company for the FY 2021-22 and ratify the remuneration payable to M/s. CY & Associates as Cost Audit fees for the year, 2021-22 for the audit of Cost Accounts Records of the company and to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the remuneration payable Rs. 50,000/- plus GST, as a total fees for audit of Cost Account Records of the Company and to issue of Compliance Certificate/s thereof and to give Cost Audit Report for the year 2021-22 and for assisting in & e-filing of cost audit reports related XBRL e-Forms in respect of Kochi Unit Products of the company for the financial year ending 31st March 2022 to M/s.CY & Associates, Cost Accountants, Mumbai (Firm Registration No. 000334), the Cost Auditors of the Company for the FY 2021-22.

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Sd/-
(Susheela S.Kulkarni)
Company Secretary
[FCS 5145]

Place: CBD Belapur
Date: 30/07/2021
Registered Office:
401, 402, 403, 4th Floor,
V-TIMES SQUARE Plot No. 3 Sector 15,
CBD Belapur Navi Mumbai
Thane MH 400614 IN

NOTES:

1. In the view of continuing Coivd-19 Pandemic, The Ministry of Corporate Affairs("MCA") has vide its Circular dated January 13,2021 read with the Circulars dated May 05, 2020, April 13, 2020 and April 08,2020 (collectively referred to as "MCA Circulars") and Circular No. 02/2021 dated January 13, 2021permitted the holding of the Annual General Meeting("AGM") through VC/ OAVM, without the physical presence at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015("SEBI Listing Regulations") and MCA Circulars, the AGM is being held through VC/OAVM.

   For this purpose, necessary arrangements have been made by the Company with CDSL and instructions for the process to be followed for attending and participating in the ensuing AGM through VC / OAVM is forming part of this Notice.
2. Pursuant to the Provisions of the Act, a member entitled to attend and Vote at AGM is entitled to appoint a proxy to attend and vote on his/her behalf and proxy need not to be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of Proxy by the members will not be available for the AGM and hence Proxy form, Attendance Slip are not annexed to this Notice.
3. Participation of Members through VC will be reckoned for the purpose of Quorum for the AGM as per Section 103 of Companies Act, 2013.
4. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote E-Voting. The said resolution/Authorization shall be sent to the Scrutinizer through e-mail to divya.dsmco@gmail.com and to the Company to: cs@hoclindia.com.
5. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 4, are appended to this Notice.
6. Shareholders may also note that Bigshare Services Pvt Ltd,the Company, Registrar and Transfer Agents have shifted their office w.e .f June 27,2017, to a new address as follows: Bigshare Services Pvt Ltd., 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 , Maharashtra. Tel: 022 62638200, Fax : 022 62638299.

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

   Company [through RTA] will be sending communications with respect to below mentioned important points along with this 60th AGM Notice.

   Important information:

   I. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the Company / Registrar & Transfer Agent (RTA)

   II. SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares dematerialised at the earliest.
7. Shareholders are requested to intimate immediately any change in their addresses registered with the Company, their PAN, KYC details immediately to the RTAs [as above in note no.6]
8. The Register of Members and **Share Transfer Books of the Company will remain closed from Tuesday, the 21st September, 2021 to Wednesday, the 29th September, 2021 (both days inclusive)**.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 29-09-2021 Date of AGM), 2021. Members seeking to inspect such documents can send an email to cs@hoclindia.com;
10. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the Central Depository Services Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed M/s. D. S. Momaya & Co. (FCS No. 7195), Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
11. The e-voting period commences on **Friday, 24th September, 2021 from 09:00 am** (IST) onwards and ends on **Tuesday, 28th September, 2021 from 05:00 pm** (IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as **on 20-09-2021 (cutoff date)** may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cutoff date, i.e. as on 20-09-2021 (Cut-Off Date).
12. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e- voting and are otherwise not barred from doing so, shall be eligible to vote through the e- voting system during the AGM.
13. 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 of 27-08-2021, may obtain the login ID and password by sending a request at vinod.y@bigshareonline.com; However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
14. In compliance with the Circulars, the 60th Annual Report 2020-21, the Notice of the 60th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) as on the

cutoff date of 27-08-2021.

15. We urge members to support our commitment to environmental protection by choosing to receive the Company' communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Bigshare Services Private Limited at investor@bigshareonline.com; to receive the copies of the Annual Report 2020-21 in electronic mode.
16. Members may also note that the Notice of the 60th AGM and the Annual Report 2020-21 will also be available on the Company's website https://www.hoclindia.com/financial-year-wise-annual-reports, websites of the Stock Exchange, i.e. BSE Limited, at www.bseindia.com; and on the website of CDSL at www.evotingindia.com;
17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Bigshare Services Private Limited for assistance in this regard.
18. Pursuant SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA i.e. Bigshare Services Private Limited.
19. Since the AGM will be held through VC/OAVM, The Route Map is not annexed in this Notice.
20. The relevant details, pursuant to Regulations 26(4) and36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

A. Voting through electronic means

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM

2. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Secretarial Standard 2 on General Meetings ("SS-2") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars dated April 08, 2020, April 13, 2020 ,May 05, 2020 and January 13,2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021.

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www. hoclindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, MCA Circular No. 17/2020 dated April 13, 2020 ,MCA Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and subsequent notifications & circulars.

8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on **Friday, 24th September, 2021 from 09:00 am** (IST) onwards and ends on **Tuesday, 28th September, 2021 from 05:00 pm** (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 20-09-2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	**Login Method**
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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. **2)** After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. **3)** If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@hoclindia.com; (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **14 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **14 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Pleaser update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Sd/-
(Susheela S.Kulkarni)
Company Secretary
[FCS 5145]

Place: CBD Belapur
Date: 30/07/2021
Registered Office:
401, 402, 403, 4th Floor,
V-TIMES SQUARE Plot No. 3 Sector 15,
CBD Belapur Navi Mumbai Thane MH 400614 IN

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013.

ITEM NO. 4 of the Notice

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

The Cabinet Committee on Economic Affairs approved closing down of the operations of Rasayani Unit at its meeting held on 17-05-2017. As Kochi unit of the Company continues to be in operation, the Board decided at its meeting held on 11-06-2021 to appoint cost auditor for Kochi Unit of the company for the year 2021-22.

The Board of Directors of the Company approved the appointment of M/s. CY & Associates, Cost Accountants, Mumbai (Firm Registration No.000334) as Cost Auditors of the Company to conduct cost audit of cost records maintained by the Company for the financial year 2021-22 at a total fees of Rs. 50,000/- plus GST for for audit of Cost Account Records of the Company and to issue of Compliance Certificate/s thereof and to give Cost Audit Report for the year 2021-22 and for assisting in & e-filing of cost audit reports related XBRL e-Forms in respect of Kochi Unit Products for the financial year 2021-22.

M/s.CY & Associates, Cost Accountant have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company in accordance with the provisions of Section 148 of the Act, read with the Rules, the remuneration payable to the cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for the said purpose.

The Directors recommend this resolution for approval of shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution as set out in Item 5 except to the extent of Shares held by them in their individual capacity.

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Sd/-
(Susheela S.Kulkarni)
Company Secretary
[FCS 5145]

Place: CBD Belapur
Date: 30/07/2021
Registered Office:
401, 402, 403, 4th Floor,
V-TIMES SQUARE Plot No. 3 Sector 15,
CBD Belapur Navi Mumbai Thane MH 400614 IN

Annexure-Details pursuant to Regulations 26(4) And 36(3) Of The SEBI(LODR) Regulations

Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	**Mr. Samir Kumar Biswas**
Age	59 Yrs
Date of Appointment	02/09/2015
Qualifications	B.Tech., PGDM, MBA. Additional Secretary in DCPC. Member of IAS 1990
Expertise in Specific Functional Areas	Additional Secretary (Chemicals), Dept. of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, GOI.
Directorship Held in other Companies	1. HIL (INDIA) LIMITED
Shareholding in the Company	**NIL**

(For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above director, please refer to the corporate governance report which is a part of this 60th Annual Report.)

By Order of the Board of
Hindustan Organic Chemicals Ltd.

Sd/-
(Susheela S.Kulkarni)
Company Secretary
[FCS 5145]

Place: CBD Belapur
Date: 30/07/2021
Registered Office:
401, 402, 403, 4th Floor,
V-TIMES SQUARE Plot No. 3 Sector 15,
CBD Belapur Navi Mumbai Thane MH 400614 IN

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of my Colleagues on the Board and myself, I extend a warm welcome and sincere gratitude, to all the Shareholders of the Company. In this 60th Annual Report of your Company, included the Audited Annual Accounts together with the Directors' Report and Auditors' Report for the year 2020-21 along with the C&AG Nil Comments Audit Reports for the year, 2020-21. Further, the 60th AGM Notice to the Shareholders include the Business items to be considered by the Shareholders for approval at the 60th AGM scheduled to be held on Wednesday, 29th September, 2021.

PERFORMANCE:

I am glad to share with you, in brief, the status of our Company's performance during the year 2020-21.

The production and sales figures are contained in the Directors' Report before you and hence not repeated.

During the year Phenol plant has achieved a production of 58329 MT registering a capacity utilisation of 90%, compared to production of 43719 MT (67%) during previous year. In the absence sanctioned working capital limits from the Banks, the company mainly depends on the internal accruals, for working capital purposes to ensure continuous production and sales of the major products. During the year under review, your Company could achieve sales turnover of Rs. 411.57 Crores as against Rs.300.01 crore during the previous year registering a growth of 37 % over the previous year, the details of which has been given in the Directors report.

The Company was in lock down for 24 days due to Covid-19 pandemic and thereby resulting in a decrease in production of Phenol, Acetone and Hydrogen Peroxide. There was a reduction in turnover of Rs.44.58 crore and revenue loss for an amount of Rs.14.72 crore due to the production loss in April/May 2020 and price reduction of Phenol and by-products due to Covid-19 impact.

In spite of the disruption in the 1st quarter of the year as above, your Company could achieve a Profit after Tax of Rs.15.47 crore during the year as against loss of Rs.94.75 crore incurred during the previous year.

I wish to inform you that the company could reverse the negative trend quickly and improved the performance in terms of turnover and profits during the current year with continuation of the anti-dumping duty support on Phenol and Acetone and with the reduction in interest cost and other overheads the company will continue to be in Profits, with the support from various Ministries, mainly Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, and other ministries like, Ministry of Finance, Ministry of Commerce & Industries.

FUTURE PLAN & REVIVAL / TURN AROUND PLAN:

Restructuring Plan.

Rasayani

As per the approved restructuring plan, during the year 0.386 acre of land was sold to M/s. IOCL and received an amount of Rs.74.25 lakhs net of TDS.

The Company could repay a part of the high interest bearing Government Loan amounting to Rs.15.56 crore during the year, and efforts are being made to repay further outstanding Government loan depending on the availability of surplus funds.

Kochi plant

The company continues with the cost reduction measures to improve the performance of the Kochi plants, the details of which are given in the Directors Report. Some of the important measures include the usage of LNG instead of furnace oil in the Boiler and Hot oil section of Phenol plant, which is also environment friendly and by availing open access power trading resulting in a saving of Rs. 2.6 Crores on power cost for the year 2020-21.

There has also been no recruitment, to replace the retired / resigned employees, resulting in reduction in manpower cost. The company continue to generate interest income and also ensured no additional cost on working capital interest charges, by efficient working capital management.

CORPORATE SOCIAL RESPONSIBILITY

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.

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

Swachh Bharat Abhiyan is given utmost importance by the Company and various activities and the details of the various activities is given in the Directors Report.

As part of Yoga Day on 21st June 2020, Common Yoga protocols e-book were widely circulated for the information of all employees through our portal and social media.

SAFETY, HEALTH AND ENVIRONMENT :

In the areas of Health, Hygiene and Environment, the company has undertaken periodic medical examination, as well as statutory requirements of fitness check-up under form No. 23 for its employees. Periodic awareness session on Hygiene, Covid precautions and guidelines were imparted. In order to control the spread, fumigation and disinfection were done on regular basis.

As part of the safety improvements, many positive measures have been undertaken by the organisation. HOC Kochi received safety awards from Department of Factories & Boilers, Govt. of Kerala for outstanding performance in industrial safety for the year 2020. HOCL Kochi also received Suraksha Puraskar from M/s. National Safety Council, Kochi Chapter among the large chemical Industries category for the year 2020.

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

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

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

During 2020-21, HOCL received Commendation certificate for the best practices in Energy Conservation activities in the organisation from M/s. Kerala Energy Management Centre.

ISO CERTIFICATION :

IMS (Integrated Management System) was implemented integrating Quality Management System (ISO-9001), Environment Management System (ISO-14001) and Occupational Health and Safety Management System (ISO 45001). This gives more importance to the safety and health aspects.

INDUSTRIAL RELATIONS:

The overall Industrial Relations situation continued to be peaceful and cordial during the year. There was no strike or lockout during the year.

CORPORATE GOVERNANCE:

The Company has complied with the various requirement of Corporate Governance. The details in this regard form part of this report in Annexure IV.

Company has been complying with the Guidelines on Corporate Governance for CPSEs laid down by DPE and regularly submits reports to the Government. DPE issued 'Very Good' Rating' to your Company for the year 2020-21.

HINDUSTAN FLUOROCARBONS LIMITED (HFL) - SUBSIDIARY:

During the year, HFL has made Net Loss of Rs. 2483.09 lakhs from operations as against the net loss of Rs. 363.24 lakhs of the previous year. During the year, the net sales turnover was Rs. 366.91 lakhs as against Rs. 3132.46 lakhs in the previous year.

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

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

ACKNOWLEDGEMENT:

I place on record my appreciation and gratitude to all the employees and other stakeholders who had extended their support and co-operation during the year. In particular, I am grateful to various officials of the Government, especially Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers, Department of Public Enterprises, Ministry of Finance, Ministry of Commerce & Industry, Government of Maharashtra, Kerala Government and Bankers State Bank of India, and other Banks, Board Members, Statutory/Govt. Auditors, Cost Auditors and all the agencies concerned. My gratitude is also to the shareholders, and customers, who have helped us in the present phase of transformation of the company.

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

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

Sd/-

Chairman and Managing Director

DIRECTORS' REPORT

The Board of Directors presents herewith the 60th Annual Report of your Company along with the Audited Statement of Accounts for the financial year 2020-21.

1. **FINANCIAL RESULTS**

The financial results for the year ended 31.03.2021 with the comparative figures of company's operations for the previous year is as under:

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Revenue from operations	41157.80	30,001.23
Other Income	1927.64	2203.36
Total	43085.44	32204.59
Expenditure	41418.07	41550.87
Profit before Depreciation & Tax	1667.37	(9346.28)
Less Depreciation	120.61	128.76
Profit /(Loss) before Exceptional Items and Tax	1546.76	(9475.04)
Less : Exceptional Items Less : (1) Current Tax (2) Deferred Tax	- -	- -
Profit/(Loss) for the Period after Tax	**1546.76**	**(9475.04)**
Other Comprehensive Income for the year, Net of Tax	1543.06	(244.05)
Total Comprehensive Income for the year	3089.82	(9719.09)

2. **MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT OF INDIA**

Company has been entering into a Memorandum of Understanding (MOU) with the Ministry of Chemicals & Fertilizers, Government of India, setting the performance parameters and targets every year. Company secured "very good" rating for the year 2018-19. The performance rating for 2019-20 MoU is yet to be finalised by the Government.

3. **COVID-19 IMPACT ANALYSIS**

During the financial year 2020-21 operation of the Company was scaled down for three weeks during the month of April, 2020. The Company was in lock down for 24 days and thereby resulting in a decrease in production of Phenol, Acetone, Hydrogen Peroxide, H.E. of Cumene and Cumox Oil.

There was a reduction in turnover for an amount of Rs.44.58 crore and revenue loss for an amount of Rs.14.72 crore due to the production loss in April/May 2020 and price reduction of Phenol and by-products.

a. The Company was quick in restoring the operations by ensuring health, safety and well-being of its employees after obtaining all necessary permissions.

b. COVID-19 has affected all the sectors of industry and commerce sectors that has much affected including logistics, auto, drugs, pharmaceuticals and electronic goods where our products are used. COVID-19 had indirectly affected HOCL, it's effect on other industries and restriction in logistics resulted in non-availability and increased cost of spares and services, which in turn had small impact on HOCL. The impact of COVID-19 for the financial year 2020-21 may lead to decline in demand or prices, suspend or significantly reduce operations of factory and affect movement of interstate transportation of goods etc.

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

4. **CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the provisions of the Companies Act, 2013 ("the Act") and Ind AS 110 – Consolidated Financial Statement, the audited consolidated financial statement for the period ending 31.03.2021 is provided in the Annual Report.

5. **DIVIDEND**

In view of the accumulated losses carried forward by the Company during the current year, the Board of Directors do not recommend any Dividend for the year under review.

6. **CHANGE IN NATURE OF BUSINESS IF ANY**

As per the approved restructuring plan during the year previous year sale of 85.27 acre of land out of 242-acre sale of land at township at Rasayani has been registered and an amount of Rs.67.82 crore was received after deduction of TDC and dues to BPCL amounting to Rs.69.36 crore on 08.05.2019.During the year 2020-21, 0.386 acre land was sold to IOCL (Petrol Pump area) for an amount of Rs.75 lakhs.

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

7. **FINANCIAL HIGHLIGHTS**

During the year 2020-21, the company has achieved a Gross Income of Rs.430.85 crore registering an increase of 33.78 % as against the Previous Year Gross Income of Rs.322.05 Crore. The Company has earned a Net Profit before Tax of Rs.15.47 Crore during the year as against Net loss of Rs.94.75 crore incurred during the previous year.

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

During the year the Board Meetings were held on the following dates:

26th June 2020, 13th August 2020, 29th October 2020, 27th January 2021, 6th March 2021.

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

9. **CORPORATE GOVERNANCE**

There has not been any appointment of Independent Directors on the Company's Board with effect from 21.02.2020 and there has been non –compliance to that extent with the various requirement of Corporate Governance under provisions of Companies Act 2013, under SEBI LODRRs and various Rules / Regulations made there under. The details in this regard forms part of Corporate Governance Report as Annexure IV to the Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

10. **COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC ENTERPRISES**

DPE, Government of India, has laid down certain parameters for the purpose of grading the CPSEs on the basis of their compliance with guidelines on Corporate Governance and this report needs to be submitted to the Government on quarterly/annual basis. Company has been complying with the Guidelines on Corporate Governance for CPSEs laid down by DPE and regularly submits reports to the Government. DPE issued 'Very Good' Rating' to your Company for the year 2020-21.

11. **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

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

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

13. **KEY MANAGERIAL PERSONNEL:**

The following are Key Managerial Personnel of the Company:

a) Shri Subodh B. Bhide [DIN: 05323535], Chairman & Managing Director

b) Smt Susheela S. Kulkarni [FCS: 5145], Company Secretary & Compliance Officer

c) Shri P.O Luise, GM (Finance) & CFO w.e.f. 6-11-2020

d) Shri Chander P. Bhatia [DIN:08554234], Director (Finance) & CFO up to 5-11-2020

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

i. GOI has assigned additional charge of the post of Managing Director, Hindustan Fluorocarbons Limited (HFL), to Shri Chander Prakash Bhatia, Director (Finance), HOCL, vide File No. 51011/1/2019-CHEM.III-CPC dated 28th May, 2020 w.e.f. 01.06.2020 and till closure activities of HFL are completed or till the date of his superannuation or till further orders, whichever is earliest. Accordingly, ShriChanderPrakash Bhatia assumed the charge of Managing Director, Hindustan Fluorocarbons Limited (HFL) on 1st June, 2020. Further, with reference to this Department's order No. P-51011/1/2018- CHEM.III-CPC dated 02.11.2020, approval of the President was conveyed for premature termination of the tenure of ShriChanderPrakash Bhatia, Director (Finance), HOCL, on his personal request, with effect from the date of completion of the three months' notice period (i.e., 05.11.2020, A/N)

Consequent to the premature termination (on his personal request) with effect from 05.11.2020 (A/N) of the tenure of Shri C P Bhatia, Director (Finance), HOCL, who is also holding the additional charge of Managing Director, HFL, the President is pleased to assign additional charge of the post of Managing Director, HFL, to Shri S B Bhide, Chairman & Managing Director, HOCL, w.e.f. 06.11.2020 till completion of closure of HFL or his superannuation or till further orders, whichever is the earliest.

Further, Approval of the Competent Authority is hereby conveyed for entrustment of the additional charge of the post of Director (Finance), Hindustan Organic Chemicals Limited (HOCL) to Shri S.B. Bhide, Chairman & Managing Director (CMD), HOCL, w.e.f. the date of his assumption of additional charge of the post and up to 31.07.2021 (date of his superannuation) or till the regular appointment to the post, or until further orders, whichever is the earliest.

ii. Mr.C.P.Bhatia was holding the position of CFO of the Company. However, as Director (Finance) Mr. C.P. Bhatia (also CFO, HOCL) had submitted his application for repatriation back on lien to his earlier organization, viz. REC Ltd., vide his letter dated 06-08-2020, by giving 3 months' notice, therefore on 5-11-2020, Mr.C.P.Bhatia was relieved from the Post of Director (Finance) of HOCL as per Govt. Order in this regard. Therefore the position of CFO of the Company was statutorily required to be filled up , to be effective from 6-11-2020. Further, Mr.P.O.Luise, GM(Fin.), HOCL was appointed as CFO of the Company w.e.f. 6th November, 2020 and till further orders.

iii. Mr. S. B. Bhide CMD, HOCL also holds the Additional charge of Director Finance HOCL from 18-02-2018 upto 06-08-2019. Further with reference to this Department's Order No.P-51011/1/2018- CHEM.III-CPC dated 02.11.2020 regarding premature termination (on his personal request) with effect from 05.11.2020 (A/N) of the tenure of Shri C P Bhatia, Director (Finance), HOCL, who is also holding the additional charge of Managing Director, HFL, the President is pleased to assign additional charge of the post of Managing Director, HFL, to Shri S B Bhide, Chairman & Managing Director, HOCL, w.e.f. 06.11.2020 till completion of closure of HFL or his superannuation or till further orders, whichever is the earliest.

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

The Audit Committee was not in place for the year 2020-21 in compliance with the Companies Act, 2013 and LODRRs as it does not have any Independent Directors. Thereafter in the absence of Independent Directors, in the Board Meeting held on 13.08.2020, the name of the Audit Committee has been changed to Sub-Committee of the Board.

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

16. COMMITTEES OF THE BOARD

Consequent to the completion of tenure of Mr. Mukesh Pareek and Ms. Lata Alker (Independent Directors) on 20-02-2020, there are no Independent Directors on the Board of the Company as on 31-03-2021. Therefore, the following Committees (were in existence up to 5-11-2020) were cease to exist with effect from 6-11-2020 and as on 31-03-2021.

i. Stakeholders Relationship Committee.

ii. Nomination and Remuneration Committee

iii. Committee on Corporate Social Responsibility (CSR)

The Company's Board has the following Committees:

i. Audit Committee though existing, but as it does not have any Independent Directors, therefore w.e.f. 13-08-2020 Board Meeting the name has been changed to Sub-Committee of the Board.

ii. The Share Transfer committee (constituted under Regulation 40 of the LODRRs)

The details of the committees along with their composition, number of meetings held and attendance of each director at the meetings are provided in the Corporate Governance Report.

17. SECRETARIAL STANDARDS

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

18. DIRECTOR'S RESPONSIBILITY STATEMENT

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

i. That in the preparation of the annual accounts for the year ended 31st March, 2021; the applicable accounting standards had been followed along with proper explanation relating to material departures.

ii. That such accounting policies as mentioned in the Notes on Accounts had been applied consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the financial year ended 31st March, 2021 and the profit or loss of the Company for that period.

iii. That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. That the annual accounts for the year ended 31st March, 2021 had been prepared on a going concern basis.

v. 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.

19. INDEPENDENT DIRECTORS DECLARATION –

As there are no Independent Directors on the Board of the Company w.e.f. 20-02-2020 the requirement of 'Independent Directors Declaration' is not applicable during the year under review (FY 2020-21).

20. DISCLOSURE ON REAPPOINTMENT OF INDEPENDENT DIRECTORS

Not applicable.

21. 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 and 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.

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

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

23. AUDITORS

a) M/s. BSJ & Associates, Chartered Accountants, were appointed as Statutory Auditors of your Company for Corporate Office and Kochi Unit for FY 2020-2021 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

b) The Board of Directors have appointed M/s. C.Y. Associates, Cost Accountants as Cost Auditors of your Company for FY 2020-2021.

c) M/s. N. C. Mittal & Co., Chartered Accountants were appointed as Internal Auditor of your Company for Corporate office and Kochi unit for FY 2020-2021.

d) Supplementary Audit is conducted by Director General of Commercial Audit and ex-Officio Member, Audit Board-I, Mumbai.

e) The Board had appointed D. S. Momaya & Co., Practising Company Secretaries to conduct Secretarial Audit for the FY 2020-2021. The Secretarial Audit Report for the Financial Year ended March 31, 2021 is annexed to this Report as Annexure and complied with Section 204 of Companies Act and Regulation 24A of SEBI LODRRs. The Company has also obtained Annual Secretarial Compliance Report form the PCS D. S. Momaya & Co. for the year 2020-21 under Regulation 24A of LODRRs.

24. SAFETY, HEALTH AND ENVIRONMENT

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

Periodic awareness session on Hygiene, Covid precautions and guidelines were imparted. In order to control the spread, Fumigation and disinfection were done on regular basis. Additional dining /rest rooms were provided for contract workers and waiting Shed were provided for tanker drivers to ensure social distancing. All the tankers were disinfected before entering.

As part of the safety improvements, many positive measures have been undertaken by the organisation. IMS (Integrated Management System) was implemented integrating Quality Management System (ISO-9001), Environment Management System (ISO-14001) and Occupational Health and Safety Management System (ISO 45001). This gives more importance to the safety and health aspects. The objectives of each department has been set in line with the same including Near Miss accident reporting, Hazard identification Risk Assessment identification of each activity, Tool Box Talks prior to commencement of work inside the plant so as to make the employee more aware of the hazard involved in the work. During the covid situation online training were organised. By complying with Covid Protocols "First aid training" was imparted being a statutory requirement, thereby meeting the availability of required certified first aiders in the organisation. Live practical sessions on safety were conducted for the employees.

During 2020-21 an "Offsite Emergency Drill" was organised in association with District Administration, NDRF, Statutory Authorities, nearby PSUs and Local bodies apart from our regular on-site mock drill. "Lock out Tag Out" system was implemented for Electrical isolations for safe electrical permits across the plant.

HOC Kochi unit received safety awards from Department of Factories & Boilers, Govt. of Kerala for outstanding performance in industrial safety for the year 2020. HOCL Kochi unit also received Suraksha Puraskar from M/s. National Safety Council, Kochi Chapter among the large chemical Industries category for the year 2020.

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

Continuing the use of RLNG (Regasified Liquefied Natural Gas) has resulted in tremendous reduction in air pollution.

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

E-Calendar and E-Diaries were introduced and widely circulated as per Government Directives to reduce paper consumption and thereby conserving natural resources.

On-line Effluent Monitoring and stack monitoring system is implemented to comply with Central Pollution Control Board regulations.

HOCL is in the process of implementing ISO 50001. All the products of HOCL are certified by BIS.

During 2020-21, HOCL received Commendation certificate for the best practices in Energy Conservation activities in the organisation from M/s. Kerala Energy Management Centre.

The Company has implemented several measures to prevent the spread of COVID-19 pandemic during the year like suspension of Bio-metric punching, temporary banning of visitors' entry, work from home for some of the non-essential staff and encouraging the use of protective measures like use of Mask, hand hygiene, safe distance, disinfection of all trucks and tankers coming inside, etc. Posters have been displayed at various locations to educate the employees in this regard. In addition, Contributions were made by employees to PM Care Fund and CMDRF. Homeo preventive medicines were supplied to the employees of all categories.

Hot Water dispenser provided at various locations for employees. Partitions done at Dining Table and Wash Area of Canteen to ensure physical distancing. Awareness session on Covid-19 conducted for Housekeeping staffs and other contract workers at HOC Township. The classes were held at our Township by complying with all Covid-19 protocols by our Medical Officer. Covid-19 Awareness session conducted for Security Staffs at our Training Centre. The Session was handled by our Medical Officer. Separate Home Quarantine facility provided at Township for employees and their family. Also Separate isolation centre was arranged for those who have tested positive. Fumigation done at Township and work place when positive cases reported.

Hydrogen Peroxide (H_20_2) one of our products is widely used as a disinfectant. Company has distributed it some of the Institutions/ Local Bodies, free of cost. In order to promote Hydrogen Peroxide, 5% concentrated H_2O_2 (5 Litre) is also provided to employees. Face Shields were provided to all employees, Local authorities, Health Workers, Police Dept. and Municipality.

Webinar on "Ignorance spreads faster than Covid-19" was conducted by M/s. National Safety Council, Kerala Chapter for Covid-19 Advisory Committee members and Chief Executives of the Organization. Webinar on "Sustainability and Energy Conservation ideas in a pandemic situation" conducted for the Executives of the Organization. Covid-19 -Social Behaviour Norms Pledge was administered to all employees.

Hand washing facility for tanker lorry drivers and cleaners inside the plant area were provided adjacent to the finished product filling area. Hot Water dispenser provided to various locations.

"Break the chain" Diary (500 Nos.) given to Health Dept for distributing to Auto Drivers/ Shopkeepers.

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

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

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

26. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY.

During the year under report, the company continued its efforts to promote Hindi as Official Language in its day today official activities. 10 Hindi workshops were conducted during the years including special programme on Annual Programme 2020-21 issued by the dept of OL. Hindi week and Hindi Fortnight were organized at corporate office and Kochi units on 14-21 September and 07th -21st September respectively. During this period various competitions were also organized and large number of employees participated. HOCL, Kochi Unit bagged Third prize for the best implementation of OL policy by Town official language Implementation Committee (TOLIC). Our Corporate and Kochi Unit were actively participated in various programmes conducted by TOLIC (PSU), Kochi and TOLIC, Navi Mumbai. Official Language Seminar was conducted online mode at Kochi in association with TOLIC, Kochi on 17 &18 February 2021 on the subjects "Emerging Dimensions of OL "and "IT Tools in Hindi". OL orientation programme was conducted exclusively for senior officers of Corporate and Kochi Office. All documents under section 3(3) of OL Act 1963 were issued both in Hindi and English. The Website of the company is available both in Hindi and English. Competitions in Hindi were organized in connection different day celebrations including Constitution Day, World environment Day, Vigilance Awareness Week. Various promotional scheme including incentives for better implementation of Official Language has been adopted by our organization.

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

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

28. MICRO & SMALL ENTERPRISES

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

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

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

Hindustan Organic Chemicals Limited has adopted and realizes the benefits of Management Principles into daily activities to achieve the goals of the organization. These Management Principles will provide a foundation to continually improve upon the Organization's performance. The organization believes the following principles to align with the business processes.

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

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

The understanding and consistency with achieving customer specific requirements;

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

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

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

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

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

Your Company is not required to carry out any CSR activities on account of losses incurred during the previous years and also in the current year. However, Company has recognized its social obligations and extended the following during the year under review.

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

- One day salary each of all employees contributed to the PM Cares Fund (Rs.6.19 Lakhs) and Kerala Chief Minister's Distress Fund (Rs.6.02 Lakhs).
- Medicine kit donated to local Police station for distributing to the needy suffering people (Rs.25,000/-).
- Donated H_2O_2 to local bodies for sanitisation purpose (Rs.40,500/-).
- Face shields distributed to local police and Government Hospitals 9Rs.12,150/-).
- As a part of social obligation, the company is extending need-based assistance to deserving students along with SC/ST students for their School / Graduate education.
- As part of social obligation face masks, face shield, medical kit, hydrogen peroxide for disinfection, supply of lunch to the health workers of medical camp etc were supplied to Health and Police Authorities and nearby villages.
- Vocational training facilities to the wards of employees of the company in the nearby Engineering / Management colleges for enhancing skill / knowledge.
- Engaging professional students of ICAI/ICSI who have completed intermediate level as trainees for imparting practical knowledge of company working by paying stipend.

Other activities.

SWACHH BHARAT ABHIYAN

Swachh Bharat Abhiyan is given utmost importance by the Company and various activities were conducted during the year.

Inaugural Function was organised with Executive Director administering Pledge on Swachhta Mission in front of the Administrative Building where all employees gathered and the relevance of Swachhta Mission and Action Plan of Swachhta 2020 were explained to the gathering.

A team of 16 volunteers from different departments were selected and suggestions were sought from them how to proceed the activities in their departments apart from the common activity. Accordingly, each team planned their activity chart of the programme.

Banners with logo on "Swachhta Pakhwada" were displayed in the main gate of the factory and Township to give wide publicity. All the activities conducted in our Unit were published through social media along with photographs on daily basis.

Awareness session on Covid 19 given to Housekeeping staff, security and Township staff.

Vegetable gardening was promoted and employees were volunteered under a Green Mission and vegetables cultivated at our premises. Swachhta activity was done at vegetable garden.

Employees were promoted to beautifying the company premises and they were formed into groups and competitions were organised and the best departments were awarded for the best beautification

Essay and cartoon competitions conducted

As part of the promotional activities face mask, sanitizer pen etc were provided to the employees

Distributed plantable pen with seeds to promote elimination of plastic usage.

Senior executives attended swachhta seminar.

Swachhta activities carried out at Township

The Factory area is cleaned by the employees/trainees/apprentices and contract workers including the work places, office building, approach roads. Removing of old files and segregation of items in stores connected with each department were carried out.

Awareness session on Covid -19 given to Housekeeping staff, security and Township staff.

Vegetable gardening was promoted and employees were volunteered under a Green Mission and vegetables cultivated at our premises. Swachhta activity was done at vegetable garden.

Employees were encouraged to beautify the company premises. They were formed into groups and competitions were organised and the best departments were awarded for the best beautification. Essay and cartoon competitions were also conducted.

As part of the promotional activities face mask, sanitizer pen etc were provided to the employees. Distributed plant-able pen with seeds to promote elimination of plastic usage. Senior executives attended Swachhta seminar organised Swachhta activities carried out at Township.

INTERNATIONAL YOGA DAY

As part of Yoga Day on 21st June 2020, Common Yoga protocols e-book were widely circulated for the information of all employees through our portal and social media.

31. INDUSTRIAL RELATIONS:

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

32. 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.

However, the cumulative investment on the subsidiary company Hindustan Fluorocarbons Ltd. as on 31.3.2021 stood at Rs.11.06 Crore. In addition, the company has given secured loan of Rs.31.97 Crore to HFL [on the security of HFL Land] and Company has also extended Corporate Guarantee to the working capital loan to the subsidiary company HFL. The investments made in HFL during earlier years under section 186 of the Companies Act 2013, were shown in the financial statements.

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

33. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES – None.

1. Details of Contracts or arrangement or transactions not at arm's length basis:- None
   a) Name(s) of related party and nature of relationship - NA-
   b) Nature of Contracts/arrangements/transactions - NA-
   c) Duration of contracts/arrangements/transactions - NA-
   d) Salient terms of the contracts or arrangements or transactions including the value if any - NA-
   e) Justification for entering into such contracts or arrangements or transactions date (s) of approval by the Board - NA-
   f) Amount paid as advances, if any Nil
   g) Date on which a special resolution was passed in general meeting as required under first proviso to section 188 - NA-
2. Details of material contracts or arrangements or transactions at arm's length basis:- None.
   a) Name(s) of related party and nature of relationship –NA-
   b) Nature of contracts/arrangements/transactions –NA-
   c) Duration of contracts/arrangements/transactions –NA-
   d) Salient terms of the contracts or arrangements or transactions including the value, if any: –NA-
   e) Date(s) of approval by the Board if any: –NA-
   f) Amount paid as advance, if any: Nil

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

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit report for the Financial Year 2020-21.

The Secretarial Auditors of the company have submitted their Secretarial Audit Report for the year 2020-21 without any qualification, reservations, adverse remark or disclaimer.

35. AMOUNTS IF ANY WHICH IT PROPOSES TO CARRY TO RESERVES.

The Company has earned a Net Profit before Tax of Rs.15.47 Crore during the year as against Net loss of Rs.94.75 crore incurred during the previous year. The Retained earnings (including Other Comprehensive Income) transferred to Balance Sheet during the year is Rs.30.89 crore.

36. 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

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

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

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

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

38. 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 2020-21

- Boiler oxygen trimming. In order to reduce the dry flue gas loss in Boiler, oxygen content in flue gas is optimized by reducing combustion air their by reducing oxygen in flue gas from 7.85% to 3.04%.
- C3-C4 Overhead condenser tube replacement and channel head modification thereby saving Electrical energy saving of Rs.15.94 Lakhs
- Drift eliminator replacement in cooling tower with new design Drift eliminator thereby saving Rs.6.56 Lakhs on water cost.
- Damaged insulation replaced on pipe lines and steam trap replacement thereby attaining considerable saving.
- Usage of Water as sealant instead of Mercury in ETP thereby eliminating the spillage of Mercury and achieving a saving of Rs 5 Lakhs per year.
- Maximum contract demand with KSEB reduced from 9000KVA to 8000KVA resulting in a saving of Rs.20/- Lakhs a year.
- Revamping of UPS - Considering present load, company has placed order to replace the existing UPS which is obsolete.
- Up gradation of DCS at Boiler house and Revamping at H2O2 Plant.
  - i. The steps taken by the company for utilizing alternate sources of energy - Company is using LNG as fuel in place of Furnace oil, resulting in saving of fuel cost during 2020-21.
  - ii. Company is availing open access power trading resulting in a saving of Rs.2.6 Crores on power cost for the year 2020-21.

B. Technology Absorption: Nil

i. The efforts made towards technology absorption: Nil

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

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

a) the details of technology imported;

b) the year of import;

c) whether the technology been fully absorbed;

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

iv. The expenditure incurred on Research and Development: Nil

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

Key Threats include:

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

Some risks and concerns:

- High manpower cost per ton of finished product.
- Depreciated plants, requiring high maintenance cost.
- Dumping in main products Phenol / Acetone.
- Volatility in main input Benzene.
- COVID-19 impact on downstream industries.
- Drastic reduction in skilled and experienced manpower.
- Quality/availability of main raw materials like LPG. Benzene and Hydrogen.

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

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

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

41. DEPOSITS: NIL

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

42. 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

43. 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, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment. The policy has been widely disseminated. A Complaint Committee is in existence as per the Act.

The Board states that there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Annual Report for the year 2020 The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013-:

No. of complaints received: Nil

No. of complaints disposed of: Nil

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

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

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

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

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

45. GENERAL

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

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

EXTRACT OF ANNUAL RETURN

Form No. MGT -9

As on the financial year ended 31.03.2021

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L99999MH1960GOI011895
ii)	Registration Date	12/12/1960
iii)	Name of the Company	HINDUSTAN ORGANIC CHEMICALS LTD.,
iv)	Category/Sub-Category of the Company	CPSU
v)	Address of the Registered Office and contact Details	Office Nos. 401, 402 & 403, 4th Floor, "V- Times Square, Plot No.3, Sector-15, CBD, Belapur, Navi Mumbai- 400614
vi)	Whether Listed Company	Yes
vii)	Name, Address and contact details of Registrar and Share Transfer Agent, if any	M/s. BigsharePvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East , Mumbai 400059 Maharashtra. Tel: 022 62638200 Fax : 022 62638299 Email:investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and description of main products/services	NIC Code of the product/ Service	% of total turnover of the Company
1	Phenol	29071110	51.11
2	Acetone	29141100	42.71
3	Hydrogen Peroxide	28470000	2.00
4	By Products		4.18

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Share Holding

Statement Showing Shareholding Pattern

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2020				No. of Shares held at the beginning of the year: 31/03/2021				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A)Shareholding of Promoter and Promoter Group2									
Indian									
(a)INDIVIDUAL / HUF	39481500	0	39481500	58.78	39481500	0	39481500	58.78	0.00
(b) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(i) GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(1) :	39481500	0	39481500	58.78	39481500	0	39481500	58.78	0.00
Foreign									
(a) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b) INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c) INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total holding for promoters									
(A)=(A)(1) + (A)(2)	39481500	0	39481500	58.78	39481500	0	39481500	58.78	0.00
(B) PUBLIC SHAREHOLDING									
INSTITUTIONS									
(a) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b) FINANCIAL INSTITUTIONS / BANKS	1350	11400	12750	0.02	100	11400	11500	0.02	(0.00)
(c) MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(d) VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e) INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f) FII'S	0	0	0	0.00	0	0	0	0.00	0.00
(g) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j) FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(k) ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	**1350**	**11400**	**12750**	**0.02**	**100**	**11400**	**11500**	**0.02**	**(0.00)**
NON INSTITUTIONS									
(a) BODIES CORPORATE	1909587	38501	1948088	2.90	2210077	38501	2248578	3.35	0.45
(b) Individual									
(1)(CAPITAL UPTO TO Rs. 1 Lakh)	14383275	1597133	15980408	23.79	13148513	1588133	14736646	21.94	(1.85)
(2)(CAPITAL GREATER THAN Rs. 1 Lakh)	6429669	14800	6444469	9.59	7143603	14800	7158403	10.66	1.06
(a) ANY OTHERS (Specify)									
(1) HUF	2060355	0	2060355	3.07	2361096	0	2361096	3.51	0.45
(2) Trusts	53335	0	53335	0.08	66335	0	66335	0.10	0.02
(3)CLEARING MEMBER	377703	100	377803	0.56	387629	0	387629	0.58	0.01
(4) NON RESIDENT INDIANS (NRI)	0	329100	329100	0.49	49524	329100	378624	0.56	0.07
(5) NON RESIDENT INDIANS (REPAT)	421031	0	421031	0.63	279077	0	279077	0.42	(0.21)
(6) NON RESIDENT INDIANS (NON REPAT)	63161	0	63161	0.09	62612	0	62612	0.09	(0.00)
(7) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(8) MARKET MAKER	0	0	0	0.00	0	0	0	0.00	0.00
(9) EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(10) OVERSEAS BODIES CORPORATES	0	1100	1100	0.00	0	1100	1100	0.00	0.00
(11) UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(12) IEPF	0	0	0	0.00	0	0	0	0.00	0.00
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	**25698116**	**1980734**	**27678850**	**41.21**	**25708466**	**1971634**	**27680100**	**41.21**	**0.00**
Total Public Shareholding	**25699466**	**1992134**	**27691600**	**41.22**	**25708566**	**1983034**	**27691600**	**41.22**	**(0.00)**

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2020				No. of Shares held at the beginning of the year: 31/03/2021				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(C) Shares held by Custodians and against which Depository Receipts have been issued									
(a) Shares held by custodians	0	0	0	0.00	0	0	0	0.00	0.00
(13) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(14) Public	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Public Shareholding	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
GRAND TOTAL (A) + (B) + (C)	**65180966**	**1992134**	**67173100**	**100.00**	**65190066**	**1983034**	**67173100**	**100.00**	**(0.00)**

ii. Shareholding of Promoters:

Sr. No	Share-holder's Name	Shareholding at the beginning of the year 01/04/2020			Shareholding at the beginning of the year 31/03/2021			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / Encumber-red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ Encumbered to total shares	
1	President of India	39481500	58.7758	0.0000	39481500	58.7758	0.0000	0.0000
	Total	3948150	58.775	0.0000	39481	58.775	0.0000	0.0000
		0	8		500	8		

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

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

TOP TEN NON PROMOTERS MOVEMENT

Sr. No		No. of Shares at the beginning (30/03/2020)/ End of the year (31/03/2021)	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	SUDHABEN PRAFULCHANDRA VAIDYA	678784	30-Mar-2020	0		678784	1.01
			03-Apr-2020	1000	Buy	679784	1.01
			10-Apr-2020	30000	Buy	709748	1.06
			01-May-2020	25000	Buy	734748	1.09
			08-May-2020	10000	Buy	744748	1.11
			05-Jun-2020	18844	Buy	763592	1.14
			12-Jun-2020	20000	Buy	783592	1.17
			19-Jun-2020	27000	Buy	810592	1.21
			26-Jun-2020	5000	Buy	815592	1.21
			14-Aug-2020	16000	Buy	831592	1.24
			28-Sep-2020	5000	Buy	836592	1.25
			30-Sep-2020	20000	Buy	856592	1.28
			09-Oct-2020	8500	Buy	865092	1.29
			23-Oct-2020	15000	Buy	956092	1.42
			30-Oct-2020	5000	Buy	961092	1.43
			06-Nov-2020	65440	Buy	1026532	1.53
			04-Dec-2020	2000	Buy	1028532	1.53
			25-Dec-2020	30000	Buy	1058532	1.58
			08-Jan-2021	-2250	Sell	1056282	1.57
			15-Jan-2021	-5000	Sell	1051282	1.57
			29-Jan-2021	15000	Buy	1066282	1.59
			05-Feb-2021	100000	Buy	1166282	1.74
			12-Feb-2021	58200	Buy	1224482	1.82
			26-Feb-2021	33513	Buy	1257995	1.87
			05-Mar-2021	-100000	Sell	1157995	1.72
			19-Mar-2021	119000	Buy	1276995	1.90
			26-Mar-2021	45000	Buy	1321995	1.97
		1321995	31-Mar-2021	0		1321995	1.97

TOP TEN NON PROMOTERS MOVEMENT

Sr. No		No. of Shares at the beginning (30/03/2020)/ End of the year (31/03/2021)	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
2	PRAFULL CHANDRA BAPPALAL VAIDAY		0.57	31-Mar-2020	0		384500
			0.58	03-Apr-2020	6000	Buy	390500
			0.63	10-Apr-2020	30000	Buy	420500
			0.66	01-May-2020	25000	Buy	445500
			0.68	08-May-2020	10000	Buy	455500
			0.69	05-Jun-2020	10000	Buy	465500
			0.73	12-Jun-2020	23997	Buy	489497
			0.77	19-Jun-2020	30000	Buy	519497
			0.79	26-Jun-2020	10000	Buy	529497
			0.81	14-Aug-2020	12000	Buy	541497
			0.81	28-Sep-2020	5000	Buy	546497
		384500	30-Sep-2020	15000	Buy	561497	0.84
			09-Oct-2020	9000	Buy	570497	0.85
			16-Oct-2020	50000	Buy	620497	0.92
			06-Nov-2020	7000	Buy	627497	0.93
			04-Dec-2020	1600	Buy	629097	0.94
			25-Dec-2020	26500	Buy	655597	0.98
			08-Jan-2021	-4500	Sell	651097	0.97
			15-Jan-2021	-3000	Sell	648097	0.96
			29-Jan-2021	8000	Buy	656097	0.98
			05-Feb-2021	60000	Buy	716097	1.07
			12-Feb-2021	33500	Buy	749597	1.12
			19-Feb-2021	15000	Buy	764597	1.14
			26-Feb-2021	5000	Buy	769597	1.15
			19-Mar-2021	138000	Buy	907597	1.35
			26-Mar-2021	31500	Buy	939097	1.40
		939097	1.40	31-Mar-2021	0		939097
3	ANAND PRAFULCHANDRA VAIDYA	329500	31-Mar-2020	0		329500	0.49
			03-Apr-2020	15500	Buy	345000	0.51
			10-Apr-2020	30000	Buy	375000	0.56
			17-Apr-2020	8575	Buy	383575	0.57
			01-May-2020	20000	Buy	403575	0.60
			08-May-2020	10000	Buy	413575	0.62
			12-Jun-2020	20000	Buy	433575	0.65
			19-Jun-2020	15000	Buy	448575	0.67
			14-Aug-2020	5000	Buy	453575	0.68
			04-Sep-2020	-5000	Sell	448575	0.67
			09-Oct-2020	5500	Buy	454075	0.68
			16-Oct-2020	35000	Buy	489075	0.73
			30-Oct-2020	5000	Buy	494075	0.74
			04-Dec-2020	1000	Buy	495075	0.74
			25-Dec-2020	12000	Buy	507075	0.75
			15-Jan-2021	-1500	Sell	505575	0.75
			29-Jan-2021	5000	Buy	510575	0.76
			05-Feb-2021	40000	Buy	550575	0.82
			19-Feb-2021	10000	Buy	560575	0.83
			19-Mar-2021	66500	Buy	627075	0.93
			26-Mar-2021	25000	Buy	652075	0.97
		652075	31-Mar-2021	0		652075	0.97
4	INDIAN SYNTANS INVESTMENTS PRIVATE LIMITED	510000	31-Mar-2020	0		510000	0.76
		510000	31-Mar-2021	0		510000	0.76
5	AVNI Paresh Shah	0	31-Mar-2020		Sell	0	0.00
			26-Feb-2021	9479	Buy	9479	0.01
			05-Mar-2021	319678	Buy	329157	0.49
			12-Mar-2021	15119	Buy	344276	0.51
			19-Mar-2021	25000	Buy	369276	0.55
		369276	31-Mar-2021	0		369276	0.55

TOP TEN NON PROMOTERS MOVEMENT							
Sr. No		No. of Shares at the beginning (30/03/2020)/ End of the year (31/03/2021)	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
6	VIRAJ T MAHADEVIA	250000	31-Mar-2020	0		250000	0.37
			10-Apr-2020	-11860	Sell	238140	0.35
			17-Apr-2020	-46760	Sell	191380	0.28
			24-Apr-2020	-43380	Sell	148000	0.22
			01-May-2020	-52400	Sell	95600	0.14
			22-May-2020	-23958	Sell	71642	0.11
			05-Jun-2020	-6042	Sell	65600	0.10
			12-Jun-2020	-65600	Sell	0	0.00
		0	31-Mar-2021	0		0	0.00
7	SMS HOLDINGS PVT LTD	216871	31-Mar-2020	0		216871	0.32
			13-Nov-2020	-3000	Sell	213871	0.32
			01-Jan-2021	-20000	Sell	193871	0.29
		193871	31-Mar-2021	0		193871	0.29
8	MANSI SHARE & STOCK ADVISORS PRIVATE LIMITED	0	31-Mar-2020		Sell	0	0.00
			12-Mar-2021	165134	Buy	165134	0.25
		165134	31-Mar-2021	0		165134	0.25
9	ADITI ANAND VAIDYA	134000	31-Mar-2020	0		134000	0.20
			10-Apr-2020	5000	Buy	139000	0.21
			17-Apr-2020	5000	Buy	144000	0.21
			05-Jun-2020	5000	Buy	149000	0.22
			14-Aug-2020	10000	Buy	159000	0.24
			04-Dec-2020	600	Buy	159600	0.24
			11-Dec-2020	5000	Buy	164600	0.25
			25-Dec-2020	-200	Sell	164400	0.24
			01-Jan-2021	-10000	Sell	154400	0.23
			08-Jan-2021	-4400	Sell	150000	0.22
			15-Jan-2021	5000	Buy	155000	0.23
			12-Feb-2021	1500	Buy	156500	0.23
			19-Feb-2021	5000	Buy	161500	0.24
			05-Mar-2021	-5000	Sell	156500	0.23
		156500	31-Mar-2021	0		156500	0.23
10	GRACE R DEORA	151617	31-Mar-2020	0		151617	0.23
		151617	31-Mar-2021	0		151617	0.23
11	GEETA GUPTA	141857	31-Mar-2020	0		141857	0.21
			23-Oct-2020	1800	Buy	143657	0.21
			26-Feb-2021	-9000	Sell	134657	0.20
		134657	31-Mar-2021	0		134657	0.20
12	RAMESH S DAMANI	141651	31-Mar-2020	0		141651	0.21
			08-Jan-2021	-40000	Sell	101651	0.15
			12-Mar-2021	-21651	Sell	80000	0.12
		80000	31-Mar-2021	0		80000	0.12

v. Shareholding of Directors and Key Managerial Personnel:

SR NO	For each of the Directors and KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% total Shares of the Company	No of Shares	% total Shares of the Company
1	At the beginning of the Year: Mrs. Susheela S. Kulkarni, CS	200	0.00	200	0.00
	a) Mr. C. P. Bhatia, DF & CFO (upto 05-11-2020)	200	0.00	200	0.00
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	-	-	-	-

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	48216.46	-	48216.46
ii) Interest due but not paid	2551.00	19072.35	-	21623.35
iii) Interest accrued but not due	-	2843.56	-	2843.56
Total (i+ii+iii)	2551.00	70132.37	-	72683.37
Change in Indebtedness Duringthe financial year				
Addition (interest)	0.00	5348.83	-	5348.83
Reduction (Principal)	0.00	1556.00	-	1556.00
Indebtedness at theend of the financial year				
i) Principal Amount	-	46660.46	-	46660.46
ii) Interest due but not paid	2551.00	24421.18	-	26972.18
iii) Interest accrued but not due	-	2790.87	-	2790.87
Total (i+ii+iii)	2551.00	73872.51	-	76423.51

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Whole time Director, Managing Director and/or Manager: (Rupees In Lakhs)

Sl No.	Particulars of Remuneration	Name of Whole-time Director/ Director	Total Amount
		S.B.Bhide, CMD	
1.	Gross Salary a) Salary as per provisionscontained in section 17(1) of Income Tax Act, 1961	32.35	32.35
	b) Value of perquisites u/s 17(2) ofIncome Tax Act, 1961		
	c)Profits in lieu of salary u/s 17(3)of Income Tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission --As % of profit - Others, specify	-	-
5.	Others : retirement benefits	4.41	4.41
	Total(A)	36.76	36.76
	Ceiling as per the Act	36.76	36.76

B. Remuneration to other Directors: **(Rupees In Lakhs)**

Sl. No.	Particulars of Remuneration	Name of the Directors			
	[Sitting fees paid to NOIDs for attending the Meetings of the Board/Committees]	-	-	-	Total
1.	Independent Director Fee for attending board committee meetings Commission Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	0.00	0.00	0.00	0.00
2.	Other Non-Executive Directors. Fee for attending board committee meetings Commission Others, please specify	-	-	-	-
	Total (2)				
	Total (B)(1+2)	0.00	0.00	0.00	0.00
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

(Rupees In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary [Mrs. Susheela. S.Kulkarni]	CFO [Mr. P. O. Luise w.e.f. 06-11-2020]	Director Finance / CFO [Mr C.P.Bhatia] upto 05-11-2020	Total
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	27.82	10.00	20.94	58.76
	b)Value of perquisites u/s 17(2) of Income Tax Act, 1961	-			-
	c)Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	- - -		-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission As % of profit Others, specify	-	- - -		-
5.	Others : retirement benefits	3.51	1.28	2.35	7.14
	Total	31.33	11.28	23.29	65.90

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

47. ACKNOWLEDGEMENT

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

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

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

Sd/-

Date:11/06/2021 **S. B. Bhide**

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

Annexure I

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/ associate companies/joint ventures

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

Rs. In Lakhs

1. Sl.No.:	1
2. Name of Subsidiary	Hindustan Fluorocarbons Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	No
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	NA
5. Share Capital:	1961.46
6. Reserves & Surplus (Other Equity)	(9225.41)
7. Total Assets:	7600.97
8. Total Liabilities:	14864.92
9. Investment:	NIL
10. Turnover (excluding GST)	366.91
11. Profit before taxation:	(2483.09)
12. Provision for taxation:	NIL
13. Profit after taxation:	(2483.09)
14. Proposed Dividend:	NIL
15. % of shareholding:	56.43

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

Sd/-

Date: 11/06/2021 **S.B. Bhide**

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

Annexure – II

REPRESENTATION OF SC, ST AND WOMEN IN EMPLOYMENT POSITION AS ON 31.03.2021

Category	Total	SC	ST	WOMEN
A	88	12	4	15
B	35	5	3	2
C	106	18	4	8
D	11	1	1	-
Total	240	36	12	25

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

Sd/-

Date: 11/06/2021 **S.B. Bhide**

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

Annexure –III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Annexure IV to Directors' 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.

The feed stock prices in India which is based on petroleum feed stock prices are significantly higher as compared to major exporting countries. The capability of chemical manufacturing units to earn a reasonable return has been largely affected by global competition and tightening of parameters like rationalized duty structure and strict quality controls. Moreover, the capacity of the domestic Industry is small as compared to the competitors abroad. The domestic manufacturers in Indian Industry are in a disadvantageous position with regard to overhead costs.

In order to prevent dumping and to reform the sector to enable it to meet global competition, active follow up is made with the Govt. of India for continuation of/levy of anti-dumping / safe guard duties as per WTO Guidelines.

HOCL Kochi unit is having INTEGRETED MANAGEMENT SYSTEM certification, comprising of ISO 9001-2015 (Quality Management System), ISO 14001-2018 (Environmental Management System) and ISO 45001-2018 (Occupational Health and Safety Management System). The certification is valid up to 19/11/2023, HOCL is in the process of implementing ISO 50001. All the products of HOCL are certified by BIS.

KEY OPPORTUNITIES INCLUDE

Out of the 242 acre of colony land for sale to BPCL 85 acre was registered during the year and BPCL has recovered the loan principal amount in full, and balance amount was utilized to pay the salary dues of Kochi employees, and other statutory liabilities in Kochi Unit, two plants (Phenol and Hydrogen Peroxide plant) are operational.

The Kochi unit has started procuring LNG, instead of furnace oil as fuel in the Boiler and Hot oil unit which is environment friendly and also achieved savings in cost as well. The Kochi unit is also availing power purchase from utility trading companies to save on the cost of power.

KEY THREATS INCLUDE

Competition from imports for the main products Phenol and Acetone, continues even though petition has been filed for continuation of anti-dumping duty on imports from USA and Thailand and antidumping duty is in place from some other importing countries.

Volatility in raw material prices due to fluctuating crude prices, and inability of the domestic manufacturers to pass on the rising cost to the end consumer due to stiff un-remunerative prices at which imported materials are being sold

SEGMENTWISE PERFORMANCE

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

Product Segment	Year ended 31/03/2021			Year ended 31/03/2020		
	Target MT	Actual MT	Percentage Achieved	Target MT	Actual MT	Percentage Achieved
Chemicals	65500	61844	94.42%	62200	48737	78.36%

PRODUCT WISE PERFORMANCE (Production of Main Products)

Sr. No.	Name of Product	F.Y. 2020-21		F.Y. 2019-20
		Installed Capacity	Actual	Actual
1	Phenol	**40000**	**35825**	26786
2	Acetone	**24640**	**22504**	16933
3	H2O2	**10450**	**3515**	5018

OUTLOOK AND INITIATIVES FOR THE CURRENT YEAR

There has been delay in transfer of balance land to BPCL, however, there has been progress in the initiative taken by the Company with State Government authorities to settle grievances of the local villagers, and the construction of Boundary wall by BPCL is in progress. It is expected that an early solution to the problem will be worked out with the help of Government authorities. The company is continuing efforts for sale of balance land at Rasayani. The NOC for sale of 7 acre of land at Panvel is awaited for the State Government.

SOME RISKS & CONCERNS.

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

INTERNAL CONTROL SYSTEMS & THE ADEQUACY

Internal controls are supported by Internal Audit and Management Reviews. Company ensures existence of adequate internal control through documented policy and procedures to be followed by the executives at various levels. The Management is keen on these issues and initiated various measures such as upgrading IT infrastructure, evaluating & implementing Tally ERP software, web-based application and establishing connectivity amongst manufacturing unit and branch offices for effective & proactive services and business benefits.

With the objective of improving the systems and removing bottlenecks, systems review is carried out and policies and procedure manuals are amended. HOCL Kochi unit is having INTEGRETED MANAGEMENT SYSTEM certification, comprising of ISO 9001-2015 (Quality Management System), ISO 14001-2018 (Environmental Management System) and ISO 45001-2018 (Occupational Health and Safety Management System). The certification is valid up to 19/11/2023, HOCL is in the process of implementing ISO 50001. All the products of HOCL are certified by BIS.

REVIEW OF FINANCIAL PERFORMANCE:

During the year 2020-21, the company has achieved a Gross Income of Rs.430.85 crore registering an increase of 33.78 % as against the Previous Year Gross Income of Rs.322.05 Crore. The Company has earned a Net Profit before Tax of Rs.15.47 Crore during the year as against Net loss of Rs.94.75 crore incurred during the previous year.

In Kochi Unit, two plants (Phenol and Hydrogen plant) are operational. The Phenol Plant at Kochi unit achieved a capacity utilization of 90% during the year. The Company continued to effect savings in utility cost by resorting to purchase of power from utility trading companies. The Company is using LNG in Boiler and Hot oil units which is environment friendly and also cheaper than the furnace oil that was being used earlier.

INFORMATION TECHNOLOGY – 2020-21

Company has effective information systems for core business areas. However, company has envisaged a plan to meet changing demands keeping in view the technological changes and the way information & communication technology offering innovative services suiting to every business need. Company has implemented new Tally ERP software to replace the SAP system to be cost effective and suiting to the requirement of the Company. In house development of software for reporting analysis data, statutory forms etc.

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

COVID-19 IMPACT

The operations of the Company had to be scaled down during the last week of the year affecting the production of all the products. The price of our main product Phenol has come down due to the nationwide restriction on the manufacturing activities.

During the current financial year (2020-21) operation of the Company was scaled down for three weeks during the month of April, 2020. The Company was in lock down for 24 days and thereby resulting in a decrease in production of Phenol, Acetone, Hydrogen Peroxide. Consequently, there was loss of production and a reduction in turnover due to loss of sale and also reduction in prices. The Company was quick in restoring the operations by ensuring health, safety and well-being of its employees.

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

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Hindustan Organic Chemicals Ltd.

Sd/-

Place : CBD Belapur **(S.B.Bhide)**

Date : 11/06/2021 **Chairman and Managing Director**

Annexure IV

CORPORATE GOVERNANCE REPORT AS PER SCHEDULE V OF THE LODRRs FOR F.Y – 2020-21

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

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

1. **A brief statement on listed entity's philosophy on code of governance:**

   As per the Code of Governance propounded by the Government, Corporate Governance involves a set of relationships between a Company's Management, its Board, its shareholders, and other stakeholders. Corporate Governance provides a principled process and structure through which the objectives of the Company, the means of attaining the objectives and systems of monitoring performance are set. Corporate Governance is a set of accepted principles by management of the inalienable rights of the shareholders as a true owner of the corporation and of their own rule as trustees on behalf of the shareholders. It is about commitment to values, ethical business conduct, and transparency and makes a distinction between personal and corporate funds in the management of a Company.

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

2. **Board of directors:**

   a. **Composition and category of directors:**

   In accordance with the provisions of the Articles of Association of the Company (as amended from time to time), the number of Directors of the Company shall be neither less than three nor more than fifteen. The Directors shall not require to hold any qualification shares.

   As on 31-03-2021 the Board of HOCL consisted of 3 members with 1 Executive Director (i.e. CMD HOCL), & 2 Government Nominee Directors, all are acknowledged as leading professionals in their respective fields.

   However up to 05-11-2020 the Board of HOCL consisted of 4 Members with 2 Executive Directors (i.e. CMD & CFO HOCL) & 2 Government Nominee Directors, all are acknowledged as leading professionals in their respective fields. Further Mr. P.O. Luise, GM(Finance), was appointed as Chief Financial Officer (CFO) of the Company with effect from 6th November, 2020 (i.e., after the date 5-11-2020 of relieve of Mr. C.P. Bhatia as DF, HOCL) and till further orders.

   Our Company-[HOCL] is a Govt. of India Undertaking (a CPSE) and as per Company's Articles of Association, the power to appoint all the Directors on the Board of the Company vests with the Govt. of India. As on 31-03-2021, there are no Independent Directors on the HOCL Board since 1.5 Years and tenure of 2 Independent Directors viz. Mukesh Pareek & Lata Alker was ended during the previous year, 2019-20 (on 20-02-2020) and Govt. orders (Ministry of Chemicals and Petrochemicals) are awaited regarding appointment of new adequate number of Independent Directors on the Company's Board.

   Composition of the Board:-

   As on 31-03-2021 the Board of Directors of the company consists of 3 Directors viz. Mr. Subodh Balkrishna Bhide (Chairman & Managing Director), Mrs. Alka Tiwari, Additional Secretary & Financial Adviser (Govt. Nominee Director) & Mr. Shri Samir Kumar Biswas, Additional Secretary (Govt. Nominee Director).

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

   With the above position of the Composition of the Board of Directors, the Company is presently not complying with the provisions of Companies Act, 2013 and Regulation 27 of the Listing Regulations LODRRs with Stock Exchanges as on 31.03.2021 since there are no Independent Directors on Company's Board w.e.f 21-02-2020.The matter regarding no independent directors' status of the HOCL Board was taken up in several Board Meetings held during the year under review. Further, in this regard request letters to the DCPC/Administrative Ministry were sent at frequent intervals, besides quarterly and along with the CG Compliances Reports and Board's recommendations. Besides, on quarterly request mails were being sent along with HOCL SER on DPE-C.G. Compliances, requesting for appointment of adequate numbers (3 Nos.) of Independent Directors on the Company's Board. However, the appointment of adequate numbers of Independent Directors on our Company's Board is awaited.

   b. **Number of other board committees in which a director is a member or chairperson (FY 2020-21) as on 31-03-2021:**

Title (Mr./ Ms)	Name of the Director Category (Chairperson/ Executive/Non Executive/ 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) of Listing Regulation)
Mr.	Subodh Balkrishna Bhide Chairman & Managing Director, Executive	2	3
Mrs.	Alka Tiwari ASFA, Govt.Nominee Director	3	3
Mr.	Samir Kumar Biswas, AS, Govt. Nominee Director	1	1
Mr	Chander Prakash Bhatia Director (Finance) & CFO up to 05-11-2020	2	1

Name of the Director	Names of the Listed Entities where the person is a Director and the category of Directorship
Mr. Subodh Balkrishna Bhide	a) Hindustan Fluoro Carbons Limited- Chairman
Ms. Alka Tiwari	a) Fertilizers And Chemicals Travancore Limited-Govt. Nominee Director b) Rashtriya Chemicals And Fertilizers Limited-Govt. Nominee Director. c) FCI Aravali Gypsum and Minerals India Limited- Govt Nominee Director
Mr. Samir Kumar Biswas	a) Hindustan Insecticides Limited- Govt. Nominee Director
Mr. Chander Prakash Bhatia (tenure ended on 05-11-2020)	a) Hindustan Fluorocarbons Limited- HOCL Nominee Director & w.e.f 01-06-2020 assumed the charge of Managing Director.

   c. **Changes in the Board of Directors/KMP during the year 2020-21:**

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

   i. GOI has assigned additional charge of the post of Managing Director, Hindustan Fluorocarbons Limited (HFL), to Shri Chander Prakash Bhatia, Director (Finance), HOCL, vide File No. 51011/1/2019-CHEM.III-CPC dated 28th May, 2020 w.e.f. 01.06.2020 and till closure activities of HFL are completed or till the date of his superannuation or till further orders, whichever is earliest.

   Accordingly, Shri Chander Prakash Bhatia assumed the charge of Managing Director, Hindustan Fluorocarbons Limited (HFL) on 1st June, 2020. Further, with reference to this Department's order of even number dated 16.07.2019, approval of the President is hereby conveyed for premature termination of the tenure of Shri Chander Prakash Bhatia, Director (Finance), HOCL, on his personal request, with effect from the date of completion of the three months' notice period (i.e. 05.11.2020, A/N)

   Further with reference to this Department's Order No.P-51011/1/2018- CHEM.III-CPC dated 02.11.2020 regarding premature termination (on his personal request) with effect from 05.11.2020 (A/N) of the tenure of Shri C P Bhatia, Director (Finance), HOCL, who is also holding the additional charge of Managing Director, HFL.

   The President is pleased to assign additional charge of the post of Managing Director, HFL to Shri S B Bhide, Chairman & Managing Director, HOCL, w.e.f. 06.11.2020 till completion of closure of HFL or his superannuation or till further orders, whichever is the earliest.

   Further, Approval of the Competent Authority is hereby conveyed for entrustment of the additional charge of the post of Director (Finance), Hindustan Organic Chemicals Limited (HOCL) to Shri S.B. Bhide, Chairman &Managing Director (CMD), HOCL, w.e.f. the date of his assumption of additional charge of the post and upto 31.07.2021 (date of his superannuation) or till the regular appointment to the post, or until further orders, whichever is the earliest.

   ii. Mr. C.P. Bhatia was holding the position of CFO of the Company. However, as Director (Finance) Mr. C.P. Bhatia (also CFO, HOCL) had submitted his application for repatriation back on lien to his earlier organization, viz. REC Ltd., vide his letter dated 06-08-2020, by giving 3 months' notice, therefore on 5-11-2020, Mr. C.P.Bhatia was relieved from the Post of Director (Finance) of HOCL as per Govt. Order in this regard. Therefore the position of CFO of the Company was statutorily required to be filled up, to be effective from 6-11- 2020. Further, Mr. P.O.Luise, GM(Fin.), HOCL was appointed as CFO of the Company w.e.f. 6th November, 2020 and till further orders.

iii. Mr. S. B. Bhide CMD, HOCL also holds the Additional charge of Director Finance HOCL from 18-02-2018 upto 06-08-2019. Further with reference to this Department's Order No.P-51011/1/2018- CHEM.III-CPC dated 02.11.2020 regarding premature termination (on his personal request) with effect from 05.11.2020 (A/N) of the tenure of Shri C P Bhatia, Director (Finance), HOCL, who is also holding the additional charge of Managing Director, HFL, the President is pleased to assign additional charge of the post of Managing Director, HFL, to Shri S B Bhide, Chairman & Managing Director, HOCL, w.e.f. 06.11.2020 till completion of closure of HFL or his superannuation or till further orders, whichever is the earliest.

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

Directors	No. of Board meetings attended	Attendance at the last AGM
Mr. S. B. Bhide	5	Yes
Ms. Alka Tiwari	3	No
Mr. Samir Kumar Biswas	5	No
Mr. C.P. Bhatia (up to 05-11-2020)	3	Yes

e. Number of meetings of the board of directors held during the Year 2020- 21 and the dates on which Board Meetings were held: -

The Board of the Company met 5 times during the financial year 2020-21 on the following dates:

26th June 2020, 13th August 2020, 29th October 2020, 27th January 2021 & 6th March 2021.

f. Disclosure of relationships between directors inter-se: -None / -- Not applicable.

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

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

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

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

Experience of working in various managerial / executive posts in the discipline of Mechanical, Engineering in this organization. Also experience of Planning; Execution of projects, Liasoning with consultants, liasoning with Statutory Authorities.

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

Director Name & Designation	Educational Qualification & Experience
Shri S.C. Mudgerikar, CMD (w.e.f 02-08-2021)	Post Graduate Engineer with a Post Graduate Qualification from IIM Bangalore. He has in-depth knowledge about the supply-chain logistics & is also involved in policy making for further development of the field. Presently working as Chairman & Managing Director of Rashtriya Chemicals and Fertilizers Ltd. (RCF) , Also holding additional Charge of CMD &DF, HOCL as per Govt. Order dt.2nd August, 2021.
Shri S.B.Bhide, CMD & holding additional charge of DF, HOCL (upto 31-07-2021)	B.E Mechanical. 31 years experience in Manufacturing of Organic chemicals & intermediaries in HOCL. (37 years of experience after graduation in chemical industry)- superannuated on 31-07-2021.
Shri C.P.Bhatia, DF & CFO (up to 05-11-2020)	Chartered Accountant (CA) and having 34 years of post qualification experience. Experience in various financial & executive roles, internal Audit, corporate accounts, taxation, treasury functions and documentation of loans etc. Repatriated back to REC Ltd. on 5-11-2021 as per Govt. order dt.2-11-2020.
Mr. Rajesh Aggarwal, Additional Secretary & Financial Adviser, Govt. Nominee Director (w.e.f 27/05/2021 in place of Mrs. Alka Tiwari)	Presently working as Additional Secretary & Financial Adviser, MoPNG, holding additional charge of ASFA, in Ministry of Chemicals & Fertilizers
Mrs Alka Tiwari, Additional Secretary & Financial Adviser, Govt. Nominee Director (upto 27/05/2021)	Post Graduate (M.A) in psychology, LLB, M.Sc (Project Management), University of Manchester, Presently working as Additional Secretary & Financial Adviser in Ministry of Chemicals & Fertilizers. An IAS officer of Jharkhand Cadre, has worked in field of rural development, finance, taxation, forest & environment. Worked as advisor, Niti Aayog handling Financial Resources & Educational Sectors.
Shri Samir Kumar Biswas, Additional Secretary, Govt. Nominee Director	B. Tech, PGDM, MBA, Additional Secretary in DCPC, in Ministry of Chemicals & Fertilizers. Member of IAS 1990.

j. Board of Directors confirm that, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management. - Not Applicable during the year, in view of no independent directors on the Company's Board in the Financial Year 2020-21.

3. Audit committee /Renamed as Sub-Committee of the Board - w.e.f. 13-08-2020.:

(a) Composition, Name of Members and Chairperson;

Audit Committee though existing, but as company does not have any Independent Directors on its Board and in its committee, therefore w.e.f. 13-08-2020 Board Meeting the name has been changed to Sub-Committee of the Board comprising of Mrs Alka Tiwari (Non-Executive, Nominee Director) as the Chairperson of the Sub- Committee and Mr Samir Kumar Biswas (Non-executive , Nominee Director) as the Member of the Sub Committee.

Further at present the Board does not have any Independent Directors and Company is awaiting the Govt's Orders appointing 3 Independent Directors on Company's Board.

(b) Brief description of terms of reference; -

Even though there is no Audit Committee existing on the Company's Board at present, the terms of reference governing the Audit Committee and the existing Sub-Committee of the Board remains the same.

Apart from all the matters provided in Regulations on Corporate Governance of the Listing Regulations and other applicable provisions of the Companies Act, 2013, the Board /Committee (when met) reviewed reports of the Internal Auditors, met Statutory Auditors periodically and discussed their findings, suggestions, internal control systems, compliance with the Accounting Standards, scope of audit, Modified Opinion, Impact of audit qualifications in audit reports, Management Replies to auditors qualifications, observations of the Auditors etc. and other related matters. The Board /Committee (when met) also reviewed the major accounting policies followed by the Company. The Board/ Committee during the meetings also invited CMD, other Directors, CFO & other senior executives of the Company as it considers appropriate at its meetings. CMD, Head of Internal Audit attend the meetings of the Board/Audit Committee as special invitees. The representatives of the Statutory Auditors/branch auditors are also invited to attend the meetings. The Company Secretary is Secretary to the Committee.

(c) Meetings and attendance during the year 2020-21 and on which the Committee Meetings were held:

The Audit Committee of the Company met 1 times during the financial year 2020-21 on the following dates:

26th June 2020. Subsequently the Meetings of the Sub-Committee was held on 13th August 2020 & on 29-10-2020.

The Sub Committee (in place of Audit Committee) of the Company met 2 times during the financial year 2020-21 on the following dates:

29th October 2020 & 13th August 2020.

Audit Committee	No. of Audit Committee Meetings attended
1. Mrs. Alka Tiwari	1
2. Mr. Samir Kumar Biswas	1
3. Mr. S.B. Bhide (Invitee)	1
4. Mr. C.P. Bhatia (Invitee)	1

Sub-Committee	No. of Sub Committee Meetings attended
1. Mrs. Alka Tiwari	2
2. Mr. Samir Kumar Biswas	2
3. Mr. S.B. Bhide (Invitee)	2
4. Mr. C.P. Bhatia (Invitee)	2

4. Nomination and Remuneration Committee:

As during the year, there were no independent directors on the Company's Board so there was no Nomination & Remuneration Committee as then existed N&RC was dissolved when one of the Member, Mr. C. P. Bhatia relinquished the charge of Director Finance in HOCL on 05-11-2020. Accordingly, in this context, Company is awaiting Govt's Orders appointing 3 Independent Directors on Company's Board. Therefore, as on 31-03-2021 the Nomination & Remuneration Committee of the Board did not exist.

Brief description of terms of reference;

In pursuance of the Provisions under the Companies Act, 2013 (Sec.178) and SEBI's LODRRs (Part D for Reg. 19(4) & 20(4), the Role, the Terms of references and duties of the Nomination and Remuneration Committee (Committee), shall, inter-alia include the following:

Under Sec.178 of the Companies Act, 2013:

a. To identify persons who are qualified to become directors or who may be appointed in senior management, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
b. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
c. To recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

As per SEBI's LODRRs, 2015:

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

(a) Further the Chairman of the Committee may be present at the AGM to answer the shareholders' queries. However, it shall be up to the chairman to decide who shall answer the queries. Further the quorum for the meetings of the Committee would be 1/3 or 2 directors whichever is more and committee to meet (half yearly) minimum twice a year or at such intervals as the Committee members may mutually decide. As regards to the other provisions regarding Committee Meetings,

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

Composition, name of members and chairperson;

(b) In pursuance of applicable provisions (Sec.178) under the Companies Act, 2013 and (Regulation 19) of the LODRRs of SEBI and other applicable provisions

/Regulations there under, up to 5-11-2020 The N&RC comprised of 2 Members namely Shri. S.B.Bhide (CMD & MD) as Chairperson of the Committee and Shri. C.P.Bhatia (DF) as member of the Committee. Further after the cessation of Mr.C.P.Bhatia w.e.f. 05-11-2020, the composition of the Committee does not exists as on 31-03-2021.

(c) Meeting and attendance during the year; Due to the absence of Independent Directors on the Company's Board, no meeting/s of N&RC were held during the financial year 2020-2021.

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

5. Remuneration of Directors:

(a) All pecuniary relationship or transactions of the non-executive director's vis-à- vis the listed entity shall be disclosed in the annual report; -- None

(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; -- Yes 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 required under the Companies Act, 2013, the following disclosures shall be made: -- Yes

i. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.; Details of remuneration paid to the Directors for the year ended 31-03-2021 are as follows:

Sr. No.	Name of the Directors	Salary including Benefit s Amt. Rs. (in Lakhs):	Sitting Feesto NOIDs Amt. Rs. (in Lakhs):	Total Amt. Rs. (in Lakhs):
1.	Shri. S.B. Bhide, CMD	36.76	--	36.76
2.	Mr. Chander Prakash Bhatia, DF& CFO (w.e.f 07- 08-2019)	23.29	--	23.29
3.	Mr. P. O. Luise CFO	11.28	--	11.28
4.	Ms. Alka Tiwari, AS&FA	N.A	--	Nil
5. .	Shri S.K. Biswas, JS	N.A	--	Nil

Upto August, 2018, Company's Independent Directors were paid sitting fees @ of Rs. 5,000/- per Director/Board Meeting/Committee Meeting and thereafter w.e.f November 2018 @ of Rs.10,000/- per Director/ Board Meeting/Committee meeting for attending the meetings. - . However during the financial year 2020-21, this is not applicable in view of non-existance of independent directors on the Company's Board.

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

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

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

The Executive Directors have been appointed by the President of India for a period of five years or till attaining the age of superannuation, whichever is earlier. The appointment may be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.

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

6. Stakeholders Relationship Committee:

Section 178 of the Companies Act, 2013 and Regulation 20 of the LODRRs [of SEBI] mandates for the constitution of a Stakeholders Relationship Committee (SRC) comprising of the Independent Director [i.e. a non- executive director] as the Chairperson of the Committee and such other members as may be decided by the Board. The said Stakeholders Relationship Committee shall resolve the grievances of the security holders.

Accordingly, up to 05-11-2020 Stakeholders Relationship Committee (SRC) comprised of Mr. S.B. Bhide, CMD, HOCL as Chairperson of the Committee & Mr. Chander Prakash Bhatia, Director Finance as Members of the Committee and as per procedure, Company Secretary to act as Secretary to the Committee. Further after the cessation of Mr. C.P.Bhatia w.e.f. 06-11-2020, the SRC ceased to exist and as on 31-03-2021.

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

(a) Brief description of terms of reference:

i. The Committee shall consider and resolve the grievances of security holders of the company;
ii. The Committee to meet on quarterly basis or once/ twice in a year or on need basis;
iii. Company Secretary to act as Secretary to the Committee;
iv. The quorum of the Meeting is 1/3 of the composition of the Committee or two Members, whichever is more.
v. The Committee shall also consider and resolve the grievances of the security holders of the Company including complaints related to the transfer of shares, non- receipt of declared dividends [if any], etc.;
vi. Such other terms or matters which may be within the purview of the Committee as may be decided by the Board or the Committee.;

(b) **The meeting of Stakeholders Relationship Committee was held 3 times in the year 2020-21, on 26th June 2020, 13th August 2020 AND ON 29th October, 2020 and was attended by all the Committee members.**

Stakeholders Relationship Committee	No. of Meetings attended
Mr. S. B. Bhide	3
Mr. C. P. Bhatia (tenure ended on 05-11-2020	3

Performance evaluation criteria for independent directors:

Not Applicable, being a Govt. PSU, all the Board of Directors are appointed by the Government. The performance evaluation of all the Directors including Independent Directors is done by the Department of the Central Government or Ministry, which is administratively in charge of the company.

8. **Separate Meeting of Independent Directors:**

During the year there were no Independent Directors on Company's Board therefore as provided under Section 149(8) read with Schedule IV of the Companies Act,2013 and also as per Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the question of holding separate meeting of Independent Directors does not arise during the financial year 2020-21.

9. **Share Transfer committee (constituted under Regulation 40 of the LODRRs):**

To approve physical transfer of shares and other transactions as mentioned under Regulation 40 of the LODRRs.

(a) Name of the director heading the committee:- Shri. S.B. Bhide, CMD as Chairman [in view of easy availability of the directors at the work place, to convene the required STC meetings once in every fortnightly/monthly or so, to manage effectively all the Bonds/ shareholders/ investors, transfers/grievances related matters in compliances with corporate governance norms of the LODRRs and with suitable explanations to the Exchanges].

Company has a Share Transfer Committee comprising of (functional director) Shri S. B. Bhide, CMD as Chairman, Mr. C.P.Bhatia, DF upto (05-11- 2020) and Mrs. Susheela. S. Kulkarni, Company Secretary, as its members. The quorum of the committee is Two Members.

(b) Name and designation of compliance officer :-

Mrs. Susheela S. Kulkarni, Company Secretary is designated as the Compliance Officer and acts as Member & Secretary to the Committee.

Share/Bonds Transfer System:

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

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

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

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

The Committee met 5 times during the year. The details are as under: - 22-12-2020, 30-12-2020, 11-01-2021, 10-02-2021, 30-03-2021.

No. of Pending Share Transfers

As on 31st March, 2021 there is no Share transfer case pending (as confirmed by RTA).

(c) **Complaint Status for the period 01-04-2020 to 31-03-2021:**

i. Number of shareholders' complaints received during the year 2020-21—0 Nos.

ii. Number of shareholders' complaints received and disposed of during the year 2020-21-- 0 Nos.

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

iv. Number of pending complaints at the end of the year ended 31-03-2021 - Nil

10. **Risk Management Committee: Not Applicable.**

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

However, as per Department of Public Enterprise (DPE) Guideline on Corporate Social Responsibility (CSR), Company had constituted a Board level Corporate Social Responsibility (CSR) and Sustainability Development (SD) Committee. In view of the absence of independent directors on the Company's Board, the existing CSR and SD Committee was comprised of 2 Executive Directors of the Board of the Company viz. Mr. S.B. Bhide, CMD, and Mr. C. P. Bhatia, DF as Members of the Committee (upto 5-11-2020). Thereafter due to relinquishment of Mr. C.P. Bhatia as DF of the Company, the CSR Committee cease to exist w.e.f. 6-11- 2020 till 31-03-2021.

The terms of reference of the said CSR and SD Committee included among others, is as per Section 135 of the Companies Act, 2013 and Rules 2014 thereunder, alongwith Schedule Vll, etc. Though the Company is not required to carry out any CSR activities on account of accumulated losses, following activities were undertaken during the year 2020-21:

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

a) One day salary each of all employees contributed to the PM Cares Fund and Kerala Chief Minister's Distress Fund; Medicine kit donated to local Police station for distributing to the needy suffering people ; Donated Hydrogen Peroxide to local bodies for sanitisation purpose. ; Face shields distributed to local police and Government Hospitals ;

b) As a part of social obligation, the company is extending need-based assistance to deserving students along with SC/ST students for their School / Graduate education.

c) As part of social obligation face masks, face shield, medical kit, hydrogen peroxide for disinfection, supply of lunch to the health workers of medical camp etc were supplied to Health and Police Authorities and nearby villages.

d) Vocational training facilities to the wards of employees of the company in the nearby Engineering / Management colleges for enhancing skill / knowledge.

12. **General body meetings:**

(a) location and time, where last three annual general meetings held;

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

Particulars	FY 2017-2018	FY 2018-2019	FY 2019-2020
Date and	27-09-2018	26-09-2019	28-09-2020
Time	3.00 p.m.	2.00 p.m.	2.00 p.m
Venue	Rasarang Hall, Dr.Kasbekar, Part at PO, Rasayani,Dist, Raigad, Pin: 410207	The Institute of Engineers (India) Auditorium-Hall, 1st Floor, Plot No.106, Sector-15, CBD Belapur, Navi Mumbai- 400614	Through video conferencing ("vc")/ Other audio visual means ("oavm") at the Registered Office of the Company at CBD Belapur.

(b) whether any special resolutions passed in the previous three annual general meetings; Yes

(c) Whether any special resolution passed last year /during the year through postal ballot – During the year- 2020-21 -No/None

Yes, during the 2019-20 1(one) Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 has been passed through Postal Ballot.

Details of Resolutions passed:

I. During the year 2019-20:

1. To Sell or otherwise dispose of the whole or substantially the whole of the Undertaking of the Company viz. Hindustan Fluorocarbons Ltd. (HFL) (Subsidiary of HOCL) under section 180(1)(a) as per Letter from Government of India (Ministry of Chemicals And Fertilizers, Department of Chemicals &Petrochemicals) vide File No. P. 51015/06/2019-Ch. III dated 29-01-2020 informing decisions of CCEA directing closure of Hindustan Fluorocarbons Limited including i) To close the operations of the Plant of HFL ii) To dispose off the Plant and Machinery and other assets of HFL iii) Disposal/Sale or transfer of the entire 126 Acers (approx) of free-hold land of HFL on 'as is where is' basis (subject to outcome of the decision of Telangana Government/TSIIC on purchase of land, and as per guidelines 4.2 and 4.3.2 of the DPE Guidelines).

Details of voting pattern:-

Both Postal Ballot Voting & E-Voting was kept open for a period of 30 days as per Postal Ballot Regulation 22 of LODRRs.

(d) Person who conducted the postal ballot exercise :- Company.

(e) Whether any special resolution is proposed to be conducted through postal ballot:- No.

(f) Procedure for postal ballot :-

In pursuance of Section 130 of the Companies Act, 2013 and Rule 22 in Postal Ballot Procedure of the Rules framed under Companies Act, 2013 [i.e. Rule 22 of the Company (Management and Administration) Rules, 2014]

13. **CEO & CFO certification for Financial Year ending on 31st March, 2021.**

This is to certify that:

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

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

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

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

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

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

1) significant changes in internal control over financial reporting during the year;
2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: CBD Belapur **Sd/-** **Sd/-**

Date: 11-06-2021 **P. O. Luise** **S.B.Bhide**

Chief Financial Officer **Chairman and Managing Director**

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

The Company has adopted (since 2007) a code of conduct and ethics applicable to the Board of Directors and Senior Management Personnel (one level below the Board of Directors) of the company. The Code requires Directors and employees to act honestly, fairly, ethically, and with transparency and integrity. The Board of Directors and Senior Management Personnel are required to affirm compliance with the code of conduct on an annual basis. The Code is displayed on the Company's website – www.hoclindia.com. (Due to technical error, the Code is currently not viewable on the company website and therefore setting up new website is in process). All Directors and Senior Management Personnel have complied with the code and the compliance has been affirmed by them to that effect. A declaration signed by Chairman and Managing Director is given below:

This is to certify that:

In line with the requirement of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors of the Board and Senior Management Personnel have affirmed that to the best of their knowledge and belief, they have complied with the provisions of the 'Code of Conduct for the Directors and Senior Management' during the financial year 2020-21.

Sd/-

Place: Mumbai **S.B.Bhide**

Date: 11-06-2021 **Chairman & Managing Director**

15. Means of communication:

(a) Quarterly results;

- These Quarterly, half-yearly reviewed and annual audited financial results of the Company are also submitted to the Stock Exchanges at BSE-E-portal online, immediately after they are approved by the Board. Also placed on company website.

(b) newspapers wherein results normally published;

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

(c) Any website, where displayed;

- The quarterly, half-yearly reviewed and annual audited financial results are regularly posted by the Company on its website: www. hoclindia.com

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

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

- Management Discussion and Analysis Report forms part of this 60th Annual Report of the Company for the year 2020-21.
- Whenever a Director is appointed or re-appointed, Stock Exchanges are intimated through Fax/Speed Post/Courier Service. – Yes, through on line filing of the e- filing portal of the Exchange (BSE) under corporate announcements as per Reg 29/30 & other applicable Regulations of the LODRRs

16. General shareholders information:

Company (HOCL) CIN:- L99999MH1960GOI011895

Compliance Officer: Smt. Susheela S. Kulkarni, Company Secretary is the Compliance Officer of the Company under relevant Regulations of the Listing Regulations. (LODRRs).

Company's Website: www.hoclindia.com

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

(a) The schedule of the current-60th Annual general meeting (AGM) of the Company – date, time and venue; 60th Virtual Annual General Meeting:

Date &Time: 29th September, 2021 at 3 p.m.

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

(b) Financial year

The Company follows April - March as its Financial Year.

(c) Dividend payment date- Not applicable, in view of the continuous losses during the previous years as well as carry forward of the accumulated losses of the previous years, the Board of Directors do not recommend any Dividend for the year under review.(i) 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;: Bombay Stock Exchange Ltd.[BSE]; Payment towards Annual Listing fees for the year 2020-21 amounting to Rs. 3,54,000/- was paid on in May, 2020 through RTGS to the BSE in view of lockdowns existed due to outbreak of Covid-19 pandemic and were duly complied with the same.

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

ISIN of HOCL Equity Shares at NSDL & CDSL: INE048A01011

(e) Market price data- high, low (at BSE) during each month in last financial year; (2020-21)

Month	Monthly Highest	Monthly Lowest
April, 2020	13.3	9.3
May, 2020	13	10.9
June, 2020	17.16	11.42
July, 2020	15.8	12.35
August, 2020	18.05	12.2
September, 2020	15.25	13
October, 2020	15.17	13.27
November, 2020	15.75	13.5
December, 2020	20.8	14.56
January, 2021	29.1	19.2
February,2021	28.25	22.7
March, 2021	39.8	29.65

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

In case the securities are suspended from trading, the directors report shall explain the reason thereof; None /N.A.

(i) Registrar to an issue and Share Transfer **Agent;** M/s. Bigshare Services Pvt. Ltd.

(j) **1st Floor, Bharat Tin Works Bldg,. Opp. Varanasi Oasis, Makwana Road, Andheri (East), Mumbai** 400059, Maharashtra.

Share transfer **system;**

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

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

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

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

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

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

(k) Distribution of **shareholding;**

As on Date: 31-03-2021; (NSDL-CDSL-Physical)

Shareholding of Nominal		No.of Shareholders	Percentage of Total	Share Amount	Percentage of Total
Rs.	Rs.			Rs.	
1	500	42715	87.7826	6208201	9.2421
501	1000	2997	6.1591	2583952	3.8467
1001	2000	1444	2.9675	2299254	3.4229

Shareholding of Nominal		No.of Shareholders	Percentage of Total	Share Amount	Percentage of Total
2001	3000	487	1.0008	1272588	1.8945
3001	4000	238	0.4891	871553	1.2975
4001	5000	210	0.4316	1011018	1.5051
5001	10000	338	0.6946	2615562	3.8938
10001	99999999999	231	0.4747	50310972	74.8975
TOTAL		48660	100.0000	67173100	100.0000

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

The shares of the Company are compulsorily traded in dematerialized mode. To facilitate the shareholders to dematerialize the shares, the Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depositories Services (India) Ltd. (NSDL), 97.03% of the share capital of the Company has been dematerialized as on 31st March 2021 - total accounts dematerialized is 33,584involving 6,51,80,966 shares.

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

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

(o) Plant locations: -

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

Address for correspondence: -

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

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

M/s. Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Bldg., Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 ,Maharashtra.

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

17. Performance in comparison to broad based indices:

Period	Sensex	BSE-PSU Index	HOCL Price Rs. (BSE)
March 2020	32,968.68	7,858.02	23.15
March 2021	51,934.88	7,635.37	39.65

18. Other Disclosures:

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

b) web link where policy for determining 'material' subsidiaries is disclosed;- www.hoclindia.com

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

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

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

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

There was no materially significant related party transaction with its Directors/or the Management or Subsidiary or relatives that may have potential conflict with the interests of Company at large.

d) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; - None, as suitable explanations were submitted from time to time to the Exchange (BSE).

e) Vigil Mechanism - Whistle blower policy:

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

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

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

Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel have been denied access to the audit committee; Yes – details are also placed on the Company's website www.hoclindia.com, as per LODRRs. No person has been denied access to the Audit Committee.

f) details of compliance with mandatory requirements and adoption of the non- mandatory requirements;- Company has complied with all the mandatory requirements, *except to the extent of the applicable provisions relating to independent directors in the Board's and Board's Committee's composition etc.* .

g) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

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

i) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.-

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

a. number of complaints filed during the financial year-NIL

b. number of complaints disposed of during the financial year-NIL

c. number of complaints pending as on end of the financial year-NIL

19. Prevention of Insider Trading:

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary of the company is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

20. Management Discussion & Analysis Report:

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

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

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

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

As on 31-03-2021 all applicable compliances in connection with the Board's composition, other relevant and applicable compliances etc. were complied with, *except the extent of the applicable provisions and regulations in respect of the Composition requisite number of Independent Directors on the Board and The Company, being Public Sector Undertaking, such appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry and such Appointment are awaited and* all other requirements of the Listing Regulations entered into with the Stock Exchanges Company Secretary responsibility statement under Corporate Governance Compliances- Submitted

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

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

A. The Board

A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties. - Yes.

B. Shareholder Rights.

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders. – Yes- Through placing on company website & uploading on BSE portal regularly/quarterly/half yearly/ yearly.

C. Modified opinion(s) in audit report

The listed entity may move towards a regime of financial statements with unmodified audit opinion. – Is complied with accordingly.

However, Auditors have given Unmodified Opinion for FY (2020-21)

D. Separate posts of chairperson and chief executive officer

The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer.- However in the case of our company Govt. has appointed Chairman & Managing Director (also a Chief Executive Officer) in view of the fact that, the power to appoint all the Director at the Board of the company vests with the GOI/President of India as per company's Articles of Association,

E. Reporting of internal auditor

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

23. Declaration to be added that the Company has made adequate disclosures required under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

It is hereby confirmed and declared that, Company has made adequate disclosures required under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

24. Details of unclaimed Shares: Nil

25. Details of status of listing fees paid:

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

Accordingly, payment towards Annual Listing fees for the year 2020-21 for Rs. 3,54,000/- was paid on during May, 2020 through RTGS to Stock Exchange (BSE) and duly complied with the same.

26. Secretarial Audit Report:

The Board has appointed M/s D. S. Momaya & Co, Practising Company Secretary to conduct Secretarial Audit for the FY 2020-2021. The Secretarial Audit Report for the Financial Year ended March 31, 2021 is annexed to this Report as Annexure and complied with Section 204 of Companies Act and Regulation 24A of SEBI LODRRs, the replies to observations (if any) from Auditor forms part as Annexure to the Directors Report. The Company also obtained Annual Secretarial Compliance Report from M/s D. S. Momaya& Co. for the year 2020-21.

27. Training of Board Members:

- During the year under review, as there were no Independent Directors on Company's Board, therefore, the question of Training of Board members /new Board Members does not arises.

28. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 21st September, 2021 to Wednesday, the 29th September, 2021 (both days inclusive) for the purpose of 60th Annual General Meeting (AGM) of the company to be held on 29th, September, 2021.

29. Policy for Determining Materiality of Evens or Information

Company has adopted a policy or Determination of Materiality of Evens or Information in terms of Regulation 30 of LODRRs of SEBI.

The Policy is disclosed on the website of the Company - www.hoclindia.com.

30. Compliance of DPE Guidelines on Corporate Governance for the CPSEs Company (HOCL) being a CPSU is required to comply the Department of Public Enterprise (DPE) set out guidelines on Corporate Governance.

And in this respect the Quarterly Reports (SER-Self Evaluation Report) are being submitted to the DCPC, Administrative Ministry and Annual SARs are also submitted to the DPE. (with very good rating in the quarterly Reports -of the FY 2020-21)

During the year under review, the Company (HOCL) SER rate -for the year 2020- 21 would be "Very Good" Grade in the DPE's SER on Corporate Governance Compliance Report for the year 2020-21.

For Hindustan Organic Chemicals Ltd.

Sd/-

Date: 11-06-202
Place: CBD Belapur

(Mrs. Susheela S. Kulkarni)
Company Secretary & Compliance Officer

Corporate Governance Compliance Certificate Under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

To
The Members of
Hindustan Organic Chemicals Limited
401, 402, 403, 4th Floor,
V-TIMES SQUARE, Plot No. 3,
Sector 15, CBD Belapur,
Navi Mumbai, MH 400614

1. We, Amrita Nautiyal & Associates, Practising Company Secretaries have examined the compliance of conditions of Corporate Governance by **Hindustan Organic Chemicals Limited having CIN: L99999MH1960GOI011895** ("**the Company**"), for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**").
2. The compliance of provisions of corporate governance and other applicable regulations in this regard, and maintenance of secretarial records is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. Our examination was limited to examining the procedures and implementation process adopted by the Company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements/records of the Company. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion
4. We have examined the relevant records and documents maintained by the Company and made available to us for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. We have obtained requisite information and explanations about the compliance of provisions of corporate governance, other applicable regulations and happening of certain events etc. which to the best of our knowledge and belief were necessary for the purpose of this certification.
5. Based on our examination of the relevant records made available to us and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2021 *Save and Except* that

   (I) the Board of Directors of the Company is not duly constituted as per requirements of the Listing Regulations. The Company is not in compliance with the Regulations relating to minimum number of Directors and quorum for the Board Meeting. The Chairman being an executive director at least half of the board should be comprised of Independent Directors. The Company does not have any Independent Director from February 21, 2020 onwards. Consequently the Company does not have Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, as required under the Listing Regulations.
6. We have been informed that the Company, being a Public Sector Undertaking, the authority of appointment of adequate number of independent Directors on the Board is with the concerned Ministry of the Government of India and directions about appointment of Independent Directors are awaited and that the Company has sent several letters to the concerned Ministry requesting appointment of adequate number of independent directors on their Board of the Company.
7. We state that above referred compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amrita Nautiyal & Associates

CS Amrita Nautiyal
Proprietor
FCS No. 5079
COP No. 7989
PR No.1332/2021
UDIN: F005079C000661284

Place: Mumbai
Date: 20th July, 2021

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTAN ORGANIC CHEMICALS LIMITED (CIN: L99999MH1960GOI011895)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our Opinion thereon.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation in Maharashtra for the purpose of issuing this Report.

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

Based on our verification of the **HINDUSTAN ORGANIC CHEMICALS LIMITED** books, papers, minute books, forms and returns filed and scanned copies of the documents, evidences of submission provided and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion ,the Company has, during the audit period covering the Financial Year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **HINDUSTAN ORGANIC CHEMICALS LIMITED** for the Financial Year ended on **31st March, 2021** according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Petroleum Act, 1934 and Rules, 2002;

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

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

d. Inflammable Substance Act, 1952;

e. Dangerous Machines (Regulation) Act 1983

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

g. The Factories Act, 1948;

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

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

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

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

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

We further report that, *the Board of Directors of the Company was not duly constituted as the company does not have requisite number of Independent Directors as well as Independent Directors on its Board due to vacancy arises out of end of the term of existing Independent Directors from February 21, 2020 onwards. Consequently, the Audit Committee, Stakeholders Relationship Committee and Nomination and Remunerations Committee are not duly constituted with right mix of Independent Directors in compliance with relevant Regulations of SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 & Companies Act 2013. The Company, being Public Sector Undertaking, such appointment of adequate number of Independent Directors on the Board of the Company is to be done by the Ministry and such Appointment are awaited. The Company has also written so many time letters to Ministry to appoint adequate number of Independent directors on their Board.*

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that, the compliance of COVID-19 guidelines issued by Government has duly complied by the Company.

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

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

We further report that, as per the Restructuring Plan of Hindustan Organic Chemicals Limited approved by the Department of Chemicals & Petrochemicals, Ministry of Chemicals and Fertilizers, Government of India vide letter dated 25 May, 2017 to Sale the land at Rasayani, Maharashtra during the year under review, 85.27 Acres of land was further sold to BPCL on "as is where is basis" at value of INR 137.18 Crores.

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. except,

a. Pursuant to Postal Ballot Resolution dated 30th March, 2020, the Company had received approval of shareholders to Sell or otherwise dispose of the whole or substantially the whole of the Undertaking of the Company viz. Hindustan Fluorocarbons Ltd. (HFL) (Subsidiary of HOCL) under section 180(1)(a) as per Letter from Government of India (Ministry of Chemicals And Fertilizers, Department of Chemicals & Petrochemicals) vide File No. P. 51015/06/2019-Ch. III dated 29-01-2020 informing decisions of CCEA directing closure of Hindustan Fluorocarbons Limited and in this respect, various steps are being carried out by HFL during the year 2020-2021 and HFL is in the Process of Closure.

b. On receipt of Govt. loan during May/June, 2020, VRS was introduced and implemented in Hindustan Fluorocarbons Limited (HFL), Subsidiary Company of the Company, leaving only the skeletal staff as per Govt. directions/approvals. The VRS Scheme -2020 was implemented and 64 employees were relieved during May 2020, June 2020 and July 2020 at the total compensation cost of Rs. 42.90 Crores.

c. The company also completed sale of 85.27 Acres of Land at 'Rasayani' to BPCL for Rs. 137.18 Crores and 16800 Sq. Ft. of Land to IOCL for Rs. 75 Lakhs during the year under review.

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

a. Public/Right/Preferential issue of shares / debentures/sweat Equity, etc.

b. Redemption / buy-back of securities

c. Merger / amalgamation / reconstruction, etc.

d. Foreign technical collaborations.

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

Sd/-
For D. S. Momaya & Co.
Company Secretaries

Place: Navi Mumbai
Date: 31/05/2021
UDIN : F007195C000397178

CS Divya Momaya
Proprietor
FCS No. 7195/ CP No. 7885

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To

The Members,

Hindustan Organic Chemicals Limited

Our Secretarial Audit Report for the Financial Year ended 31st March, 2021 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

Sd/-
For D. S. Momaya & Co.
Company Secretaries

CS Divya Momaya
Proprietor
FCS No. 7195/ CP No. 7885

Place: Navi Mumbai
Date: 31/05/2021
UDIN : F007195C000397178

C&AG COMMENTS -AUDIT REPORT- STANDALONE

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 2021

The preparation of the Financial Statements of Hindustan Organic Chemicals Limited for the year ended 31 March 2021 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 11 June 2021.

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 31March 2021 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

Sd/-
(P. V. Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai

Date: 09 August 2021

INDEPENDENT AUDITOR'S REPORT

To the members of

Hindustan Organic Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of HINDUSTAN ORGANIC CHEMICALS LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and notes to the standalone financial statement including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended, (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed

the matter is provided in that context.

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

Sl. No.	Key Audit Matters	How the audit addressed the key audit matters
i	The Company makes sales to various customers, whereby the prices of the products are subject to various factors including price variation in international level, volatility in foreign currencies, level of offtake by customers and demand supply situation in the market. Such prices are intimated to the regular customers and purchase order will be obtained accordingly. The discounts offered to the customers are also informed to the customers regularly. Price of the products are fixed on the basis of management's estimate and judgement. The amounts involved being material to these financial statements, and dependent on various factors stated above, revenue recognition was determined to be a key audit matter in our audit	Our audit procedures included the following: ▪ We have evaluated the Company's process and controls around revenue recognition, estimation of discounts and timing of recognizing sales as per sales terms, including testing effectiveness of such controls. ▪ We have inquired of key sales personnel regarding price adjustments, and discussed with management regarding their awareness of price fixation that could affect revenue. ▪ We checked the balance confirmations obtained from customers on a sample basis as at the year-end. Performed alternate audit procedures where such confirmations could not be obtained. ▪ We have performed procedures on the Company's key components, analysed the revenues, cost of sales and discounts / incentives in comparison with historical data.
		▪ We also discussed with the management on the likely timing of issuance of credit notes to customers where discounts have been recorded and are pending to be passed on to the concerned customers. ▪ We tested sample of sales transactions at the year-end to determine the timing of recognition of such sales. ▪ We also obtained necessary representation from the management in regard to the timing of revenue recognition.
ii	**Excess Kerala Value Added tax Input Credit Refund Receivable** The Company is claimed refund of excess in input tax credit on purchases of raw materials and consumables from the Kerala Commercial Tax Department. The total refund due as on March 31, 2021 for the periods 2006-07, 2007-08, 2011-12, 2012-13, 2015-16 and 2016-17 is Rs.680.87 lakhs. The Company has filed refund claim applications in Form No.21B and 21CC with Assessing Authority for each year as per the Act, which is pending before assessing authority for further process/completion of the assessment. The amounts involved is being material to these financial statements and dependent on decision of the assessing authority.	Our audit procedures included the following: ▪ Analyzed the relevant provisions of the Kerala Value Added Tax Act and Rules there under, to ascertain the claim of refund is prima facie acceptable by the authority. ▪ Reviewed the records and documents submitted to the Assessing Authority for claiming the refund and also the related correspondence received from the Assessing Authority. ▪ Reviewed the working/calculations of refund amount claimed.

Sl. No.	Key Audit Matters	How the audit addressed the key audit matters
iii	**Estimation of Provision & Contingent Liabilities** The Company is involved in litigations, both for and against the Company, comprising of tax matters, legal compliances and other disputes. The Company assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its advisors and consultants. This involves a high level of management Judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	Our audit procedures included the following: ▪ We evaluated and tested the Company's processes and controls for monitoring of claims, litigations, disputes, compliances and assessment thereof for determining the likely outcome. ▪ We read the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. ▪ We discussed with the management, including the Company's internal tax experts and head of legal matters to understand the basis of management's judgements and estimates. ▪ We read the minutes of the board meetings, and tested the Company's legal expenses to determine the completeness of claims, disputes and litigations. ▪ We tested the adequacy of disclosures in the standalone financial statements. ▪ We also obtained necessary representation from the management in regard to the provisioning and disclosures in respect of the claims and Litigations.

Emphasis Matter

5. (i) Although no significant impact of Covid-19 pandemic has been noted on the financial and operational results, except for first quarter of the year ended 31st March 2021, the continuing Covid-19 epidemic could result in consequences on the external economic environment. A definitive assessment of the said impact on the company is highly uncertain and being dependent on the evolving situation can be undertaken only after the situation stabilizes. Also refer Note No.46 to the Notes to the standalone financial statement.

   (ii) The company is in the process of implementation of the Govt. approved restructuring plan. Sale of unencumbered land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation. In view of this the financial statements have been prepared on going concern basis. Also refer Note No. 34 (c) to the Notes to standalone financial statement.

Our opinion is not modified in respect of these matters

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
9. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

12. The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

13. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.

15. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

16. 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.

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

19. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

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

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

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements –Refer Note No.39 to the financial statement.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

20. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

22. Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015- as per Regulation 17(1)(b), the chairman being an executive director, at least half of the board of Directors should be comprised of Independent Directors. Currently, the Company does not have required number of Independent Directors on its board. Accordingly, there is consequent non-compliance of Regulations 18,19 and 20 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 (Refer Note 47 to Financial Statements)

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
CA. TOLY T KAPPEN
Partner (Membership No. 219867)
UDIN: 21219867AAAADX1793

Place: Ernakulam
Date: 11, June 2021

Annexure 'A' to the Independent Auditor's Report

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

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii. In respect of inventories:

(a) The inventory has been physically verified by the management at reasonable intervals during the year.

(b) The Company has maintained proper records of inventory. As explained to us, the discrepancies between the physical inventory and the book records were not material.

iii. According to the information and explanations given to us, the Company had granted secured/unsecured interest free term loan of Rs.2744.07 lakhs and term loan with varying interest rate amounting to Rs.753.01 lakhs to one body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

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

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

(c) The interest free term loan of Rs.2744.07 lakhs is overdue from the financial year 2017-18 onwards and the term loan with varying interest rate of Rs.453.01 lakhs and interest accrued thereon Rs.960.52 as at balance sheet date is overdue from the financial year 2015-16 onwards. Except follow up, the company has not taken any other steps for its recovery.

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

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

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

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

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

(b) As per the records verified by us, except the goods and services tax liability of Rs.38.29 lakhs, which is outstanding from March 31, 2020, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable:38.29 lakhs

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

Sl. No.	Name of Statute	Nature of Dues	Period to which the amount relates (F.Y.)	Amount of dispute (Rs. In lakhs)	Forum where the disputes is pending
1	Central Excise Act, 1944	Exemption not allowed	2006-07	104.63	Customs, Excise & Services Tax Appellate Tribunal
2	Income Tax Act 1961	Penalty Dues	2001-02	70.50	High Court
3	Income Tax Act 1961	Disallowance of Expenses	2010-11	121.42	Income Tax Appellate Tribunal
4	Income Tax Act 1961	Disallowance of Expenses	2016-17	300.56	Commissioner of Income Tax (Appeals)

viii. The Company has made default in repayment of loans taken from Government and the details of which are given below:

Name of Lender	Period of Default as on March 31, 2021 (in years)	Defaulted Amount (Rs. In lakhs)
Government of India	11	300.60
Government of India	10	300.60
Government of India	9	300.60
Government of India	8	652.60
Government of India	8	652.60
Government of India	6	352.00
Government of India	5	844.20
Government of India	4	1336.40
Government of India	3	8679.49
Government of India	2	8679.49
Government of India	1	8679.49
	Total Default	**30778.08**

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

xi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xii. Being a Government Company, the provisions of section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company and hence reporting under clause (xi) of paragraph 3 of the Order is not applicable.

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

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

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
CA. TOLY T KAPPEN
Partner (Membership No. 219867)
UDIN: 21219867AAAADX1793

Place: Ernakulam
Date: 11, June 2021

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 21 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindustan Organic Chemicals Limited of even date)

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

A. Directions

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

B. Sub-direction

	State areas of land under encroachment and briefly explain the steps taken by the company to remove encroachment.	As per the information and explanation available to us, in Rasayani Unit, land admeasuring 22.717 acres is under encroachment as per the report of survey conducted by M/s The Geo Tek dated April 24, 2019. Also there is public road constructed in 10.576 acres of land and its value considered as Nil. 32.547 Acres of land is given to Maharashtra Industrial Development Corporation, Maharashtra State Electricity Board, Hindustan Insecticides Limited, and Mahatma Education Society. We have been informed that the company has taken up matter before the Ministry and is in the process of necessary action for the recovery of encroached land.

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
CA. TOLY T KAPPEN
Partner (Membership No. 219867)
UDIN: 21219867AAAADX1793

Place: Ernakulam
Date: 11, June 2021

Annexure "C" 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 of even date)

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

We have audited the internal financial controls over financial reporting of HINDUSTAN ORGANICH CHEMICALS LIMITED (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
CA. TOLY T KAPPEN
Partner (Membership No. 219867)
UDIN: 21219867AAAADX1793

Place: Ernakulam
Date: 11, June 2021

Standalone Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
Assets			
I. Non Current assets			
a) Property, Plant and equipment	3a	13,447.26	12,452.28
b) Investment Property	3b	87.93	87.93
c) Intangible assets	3c	22.53	18.85
d) Financial Assets			
i) Investments	4	838.92	329.06
ii) Loans	5	-	-
e) Other Non-current assets	6	498.12	624.15
Total (Non current assets)		**14,894.76**	**13,512.27**
Current assets			
Inventories	7	5,080.72	4,620.14
Financial assets			
(i) Trade Receivables	8	240.82	786.23
(ii) Cash and cash equivalents	9a	3,286.97	2,367.48
(iii) Bank balances other than (ii) above	9b	11,532.78	7,998.00
(iv) Loans	10	2,066.14	2,041.50
Other current assets:			
(a) Interest and other receivables	11	393.43	265.96
(b) Property, plant and equipments held for sale	3d	99,219.74	98,750.80
(c) Deposits, advances and other receivables	12	2,596.95	3,421.35
Total (Current Assets)		**1,24,417.55**	**1,20,251.46**
Total Assets		**1,39,312.31**	**1,33,763.73**
Equity and Liabilities			
Equity			
Equity Share capital	13	**6,726.96**	**6,726.96**
Other equity			
i) Securities Premium	14a	4,838.57	4,838.57
ii) Retained Earnings	14b	(99,497.02)	(1,01,103.24)
iii) Other comprehensive Income	14c	93,916.69	92,432.94
Total Other Equity		**(741.76)**	**(3,831.73)**
Total Equity		**5,985.20**	**2,895.23**
Liabilities			
Non-current liabilities:			
Financial liabilities:			
a) Borrowings	15	7,695.09	15,882.38
b) Provisions	16	1,133.76	1,048.00
c) Deferred Tax liabilities (Net)	17	15,761.52	15,194.52
d) Net employee defined benefit liabilities	18	2,200.93	2,199.25
Total (Non-current liabilities)		**26,791.30**	**34,324.15**
Current liabilities:			
a) Financial liabilities			
i) Dues to preference share holder	19	27,000.00	27,000.00
ii) Trade payables	20	2,251.03	3,612.88
iii) Other financial liabilities	21	8,187.29	8,679.49
b) Provisions	22	6,053.04	5,668.62
c) Net employee defined benefit liabilities	23	77.31	79.14
d) Other current liabilities	24	62,967.14	51,504.22
Total (Current liabilities)		**1,06,535.81**	**96,544.35**
Total Liabilities		**1,33,327.11**	**1,30,868.50**
Total equity and liabilities		**1,39,312.31**	**1,33,763.73**
Significant Accounting Policies	2		
Notes to the Standalone Financial Statements	1&3-50		

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
Director / Addl. Secretary (Chemicals)
DIN 01664091

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

Sd/-
Mrs. Susheela S. Kulkarni
Company Secretary

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
CA. Toly T. Kappen
Partner
Membership No.219867
UDIN: 21219867AAAADX1793

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

`	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from operations:			
Revenue from operations-Sale of products	25	41,157.80	30,001.23
Other Income	26	1,927.56	2,203.46
Total Income		**43,085.36**	**32,204.69**
EXPENSES			
Cost of materials consumed	27	20,105.11	19,681.86
Changes in Inventories of Finished Goods and WIP	28	54.57	(24.92)
Employee benefits expenses	29	4,569.74	5,265.96
Finance costs	30	5,336.46	5,626.34
Depreciation and amortization expenses	31	**120.79**	**128.76**
Other expenses	32	**11,351.51**	**11,001.64**
Total expenses		**41,538.18**	**41,679.64**
Profit / (Loss) before exceptional items and tax		**1,547.18**	**(9,474.95)**
Less: Exceptional items		-	-
Profit / (Loss) before tax		1,547.18	(9,474.95)
(1) Current tax		-	-
(2) Deferred tax		**-**	**-**
Less: Tax expenses		**-**	**-**
Profit / (Loss) for the period		**1,547.18**	**(9,474.95)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Revaluation of Plant, property & equipments	14c	1,631.02	(2,916.56)
Deferred Tax expenses		(419.00)	3,409.00
b) Provision for diminution of investment	14c	509.86	(781.94)
Deferred Tax expenses		(148.00)	228.00
c) Changes in defined benefit plan (Gratuity)	14c	(31.10)	(182.55)
Other Comprehensive Income for the year, net of tax		**1,542.78**	**(244.05)**
Total Comprehensive Income for the year		**3,089.96**	**(9,719.00)**
Earnings per equity share (in Rupees)			
Basic (Face value of Rs. 10 each)		2.30	(14.11)
Diluted (Face value of Rs. 10 each)		2.30	(14.11)
Significant Accounting Policies	2		
Notes to the Standalone Financial Statements	1&3-50		

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
Director / Addl. Secretary (Chemicals)
DIN 01664091

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

Sd/-
Mrs. Susheela S. Kulkarni
Company Secretary

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
CA. Toly T. Kappen
Partner
Membership No.219867
UDIN: 21219867AAAADX1793

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Statement of Changes in Equity for the year ended 31st March, 2021

(₹ in Lakhs)

A. Equity Share Capital

	Equity shares of INR 10 each	
	Nos.	**Rs. In Lakhs**
Issued, subscribed and fully paid		
At 1st April 2019	67173100	6726.96
Changes during the period	-	-
At 31 March 2020	67173100	6726.96
Changes during the period	-	-
At 31st March 2021	67173100	**6726.96**

B. Statement of Changes in Other Equity for the year ended 31st March , 2021 **(Rs. in Lakh)**

Description	Other Comprehensive Income	Securities Premium	Retained earnings	Total Other Equity
As at 1st April 2019	**1,06,395.55**	**4,838.57**	**(1,05,346.85)**	**5,887.27**
Profit for the period as restated			(9,474.95)	(9,474.95)
Profit on sale of Land			13,718.56	13,718.56
Other comprehensive income- revaluation of assets	(2,916.56)			(2,916.56)
Other comprehensive income - cost of sale on revalued assets	-			-
Reserve transferred to Retained earning on sale of land	(13,718.56)			(13,718.56)
Other comprehensive income- Deferred Tax Liabilities	3,409.00			3,409.00
Less : Diminition of Investment during the year (HFL)	(553.94)			(553.94)
Other comprehensive income - remeasurement of fair value of defind benefit obligation'	(182.55)			(182.55)
As at 31st March 2020	**92,432.94**	**4,838.57**	**(1,01,103.24)**	**(3,831.73)**
Profit for the period			1,547.18	1547.18
Profit on sale of Land			59.04	59.04
Other comprehensive income- revaluation of assets	1631.02			1631.02
Other comprehensive income - cost of sale on revalued assets	0.00			0.00
Reserve transferred to Retained earning on sale of land	(59.04)			(59.04)
Other comprehensive income- Deferred Tax Liabilities	(419.00)			(419.00)
Increase in the value of Investment during the year (HFL)	361.87			361.87
Other comprehensive income - remeasurement of fair value of defind benefit obligation'	(31.10)			(31.10)
As at 31st March 2021	**93,916.69**	**4,838.57**	**(99,497.02)**	**(741.76)**

The accompanying notes are an integral part of these financial statements

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
Director / Addl. Secretary (Chemicals)
DIN 01664091

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

Sd/-
Mrs. Susheela S. Kulkarni
Company Secretary

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
CA. Toly T. Kappen
Partner
Membership No.219867
UDIN: 21219867AAAADX1793

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Standalone Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lakhs)

Description	For the year ended 31st March 2021	For the year ended 31st March 2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period before tax	1,547.18	(9,474.95)
Adjustments for :		
Depreciation/Loss on impairment of Assets	124.88	182.31
Profit(-) / Loss on sale of Assets	(15.96)	(162.18)
Interest Income	(702.87)	(649.95)
Interest & Finance Charges	6,011.46	6,301.34
Income from investment	(179.82)	(153.80)
Changes in defined Employee benefit plan-other comprehensive income	(31.10)	(182.55)
Operating Cash Flows before Working Capital changes (A)	**6,753.77**	**(4,139.78)**
Adjustments for		
(Increase)/Decrease in Inventories	(460.58)	114.47
(Increase)/Decrease in Trade & Other Receivables	(2,038.79)	(2,192.96)
Increase/(Decrease) in Trade Payables & Other Liabilities	3,448.02	(1,961.44)
Cash Generated from Operations (Working Capital Changes) (B)	**948.65**	**(4,039.93)**
Net Cash flow from Operating activities (1) (A+B)	**7,702.42**	**(8,179.71)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(20.91)	(84.23)
Sale of fixed assets – Assets held for sale	75.00	15,682.69
Interest Income	575.25	649.95
Income from investment property	179.82	153.80
Net Cash flow from / (used in) Investing activities	**809.16**	**16,402.21**
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/Decrease in Secured Loans	(600.00)	(1,319.00)
Increase/Decrease in Unsecured Loans	(980.63)	(1,366.01)
Increase/Decrease in Unsecured Loans (Net of Repayments)	-	0.44
Interest Paid	(6,011.46)	(6,301.34)
Net cash used in financing activities	**(7,592.09)**	**(8,985.91)**
Net Increase Decrease in Cash and Cash Equivalents	919.49	(763.41)
Cash & Cash equivalents at the beginning of the period	2,367.48	3,130.89
Cash & cash equivalents at the end of the period	**3,286.97**	**2,367.48**
Cash & Cash equivalents as per above comprise of following		
a) Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	115.54	1.98
Saving Account (Refer Note i)	145.23	141.19
Deposits with original maturity of less than three months	3,025.28	2,222.78
b) Cash on Hand	0.92	1.53
Total	**3,286.97**	**2,367.48**

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

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
Director / Addl. Secretary (Chemicals)
DIN 01664091

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

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Partner
Membership No.219867
UDIN: 21219867AAAADX1793

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Notes to the Standalone Financial statements for the period ended 31st March, 2021

1. Corporate Information

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

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statement

“These financial statements are prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 (`Act') (to the extent notified). The IND AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

Derivative financial Instrument

Defined Benefit Plans – Plan Assets

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

Significant accounting estimates, assumptions and judgements

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

Estimates and assumptions

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

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Taxes

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

Employee benefits

i. Short-term obligations

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

ii. Other long-term employee benefit obligations

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

iii. Post-employment obligations

“The Company operates the following post-employment schemes:

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

(b) Defined contribution plans such as provident fund.

iv. Defined benefit plans

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

v. Defined contribution plans

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

i. Gratuity

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

Pension and gratuity obligations

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

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

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

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

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

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

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

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

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

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

Fair value measurement of financial instruments

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

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use, on the basis of technical assessment. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet 31.03.2019.

Impairment of financial assets

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

Impairment of non-financial assets

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

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

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

2.2 Summary of significant accounting policies

a) Current versus Non-Current classification

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

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

All other assets are classified as non-current.

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

liability is current when:

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

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Revenue recognition

The Company earns revenue primarily from manufacturing chemical product.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

As the Company is engage only in chemical manufacturing business and operating from single location only therefore disaggregates revenue based on geography location and industrial vertical are not require.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of product

Revenue from the sale of prduct is recognised when the significant risks and rewards of ownership of the product have passed to the buyer. Revenue from the sale of product is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, and volume rebates..

Rendering of services

Income from services are recognized as and when the services are rendered.

Interest income

Interest income from a financial asset is recognised using effective interest rate method. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental income arising from operating lease on investment properties is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

c) Property, Plant and Equipment

Items of Property, plant and equipment including Capital-work in-progress are stated at cost (except land valued at fair value), net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives as prescribed in schedule II of Companies Act,2013. All other repair and maintenance costs are recognised in statement of profit or loss as an when incurred. In respect of additions to / deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

The management's considered view is that estimated useful lives as per the Schedule II of the Companies Act, 2013 are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company reviews the useful life of the Property, plant & equipment and Intangible asset as at the end of each reporting period and these reassessment may result in change in depreciation expenditure in future period.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives of Property, plant and equipment

Intangible assets: Amortisation over a period of 5 years.

Items of fixed assets that have been retired from active use and are held for disposal are valued at lower of their net book value or net realisable value."

Investment Properties

The company uses the carrying value as the deemed cost of investment properties. Investments in property that are not intended to be occupied substantially for use by, or in the operations of the company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

The company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Property, plant and equipment held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale transactions rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Leasehold improvements over the period of lease

Leasehold Land:

Lease premium paid on leasehold land is amortised over the life of the lease.The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

i) Intangible assets consisting of computer software, SAP licence cost and Tally ERP cost are amortised over a period of 5 years on straight line basis (SLM) from the date of acquisition.

ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition,intangible assets with definite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. Research costs are expensed as an when incurred. -Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset."

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Foreign Currency Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets

h) Fair value measurement

"The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantageous market must be accessible by the Company.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities"

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

i) Leases

“The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.”

Company as a lessee

“A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.”

Company as a lessor

“Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.”

j) Inventories

(i) Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi-finished products and finished products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

(iii) By-products are valued at estimated net realizable value.

(iv) Trading goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.”

k) Impairment of non-financial assets

“The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event,it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of 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.

m) Financial instruments

“A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A ‘debt instrument’ is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.”

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method."

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has designated certain debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument,excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit andloss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

"A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

the rights to receive Cash flows from the asset have expired, or

the company has transferred its rights to receive Cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay."

Impairment of financial assets

"In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits,trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

e) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables and Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial Instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral Held or Other credit enhancements that are integral to the contractual terms. financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount."

n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts,financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised inthe statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis,to realise the assets and settle the liabilities simultaneously.

o) Derivative financial instruments

Initial recognition and subsequent measurement,The Company uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits,as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r) Taxes

Current income tax

"Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.Deferred tax liabilities are recognised for all taxable temporary differences, except:When the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction thatis 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.

s) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Export Benefits:

"Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'."

u) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Contingent Liability and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by theoccurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise.When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.Contingent liabilities and contingent assets are reviewed at each balance sheet date.

w) Share-Based Payments:

Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102, Share-Based Payment. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

x) Errors and Omissions of earlier period:

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

Recent Accounting Pronouncements

The Ministry of Corporate Affairs through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified the following new and amendments to Ind AS which the company has applied as they are effective for annual period that begins on or after April 1, 2020

Ind AS 103: Business Combination

Definition of term "business" has been substituted with "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Accordingly, providing goods or services to customers has been added. This amendment is necessary because every business involves providing goods or services to the customers. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 107 and Ind AS 109: Financial Instrument

Hedge accounting is a method of accounting where entries to adjust the fair value of a security and its opposing hedge are treated as one. Hedge accounting attempts to reduce the volatility created by the repeated adjustment to a financial instrument's value, known as fair value accounting or mark to market. This reduction in volatility is done by combining the instrument and the hedge as one entry, which offsets the opposing movements. For hedging relationships to which an entity applies an entity shall disclose (a) the significant interest rate benchmarks to which the entity's hedging relationships are exposed (b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform (c) how the entity is managing the process to transition to alternative benchmark rates (d) a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and (e) the nominal amount of the hedging instruments in those hedging relationships.

Following temporary exceptions have also being provided from applying specific hedge accounting requirements a) For assessing highly probable requirement for cash flow hedges b) Reclassifying the amount accumulated in the cash flow hedge reserve c) Assessing the economic relationship between the hedged item and the hedging instrument d) Designating a component of an item as a hedged item. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 116: Leases

Due to the COVID- 19, and thereafter the lockdown in India, many businesses have been shut or partially opened resulting into adverse impact on Revenue & Cash flow. Accordingly, the lease payment has been affected and the businesses are demanding the rent concession from their vendors. If the below mentioned conditions are fulfilled, then entity treat the Rent concession without lease modification. (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (b) any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and (c) there is no substantive change to other terms and conditions of the lease. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 1 and 8: Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors

A new definition of material has been introduced by this amendment, this is more refined and also most expected by the industry, some of the examples of circumstances have also been provided for more clarity.

Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured: –

a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear

b) information regarding a material item, transaction or other event is scattered throughout the financial statements

c) dissimilar items, transactions or other events are inappropriately aggregated;

d) similar items, transactions or other events are inappropriately disaggregated; and

e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity`s general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity 's own circumstances.

The primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyses the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

The Company has duly considered the changes in definition of 'materiality' for presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors.

Ind AS 10 Events after the Reporting Period

A paragraph 21 of the Ind AS 10 have been substituted, in the amendment any non-adjusting events that could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements which provide financial information about a specific reporting entity have been added.

Accordingly, the following disclosure to be provided

a) the nature of the event; and

b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

The company duly considered the aforesaid amendment for the preparation, disclosure and presentation of financial statements.

Ind AS 34 Interim Financial Reporting

Consequential amendment and accounting of restructuring plan.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

A management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period

a) started to implement the restructuring plan; or

b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring.

This amendment is not applicable to the company.

New Standards or Other Amendments Issued but not yet Effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

NOTE 3 - Property, Plant and equipment

(₹ In Lakhs)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
Item		As at 01.04.2020	Additions	Deletions	As at 31.03.2021	Up to 01.04.2020	Deletions	Provided during the year	Up to 31.03.2021	As on 31.03.2021	As on 31.03.2020
a.	**Property, Plant and equipment**										
1a	Land and Land Development	578.25	0.00	0.00	578.25	0.00	0.00	0.00	0.00	578.25	578.25
1b.	-do- Revaluation	9324.57	1102.98	0.00	10427.55	0.00	0.00	0.00	0.00	10427.55	9324.57
2.	Buildings	1282.52	0.00	0.00	1282.52	855.34	0.00	23.01	878.35	404.17	427.18
3.	Plant and Equipment	24921.82	1.96	0.00	24923.78	22882.29	0.00	83.48	22965.77	1958.01	2039.53
4	Furniture, Fixtures and Equipments	114.32	0.45	0.00	114.77	101.50	0.00	0.92	102.42	12.35	12.82
5.	Vehicles	117.98	0.00	0.00	117.98	106.86	0.00	0.84	107.70	10.28	11.12
6.	Office Equipment	693.52	9.60	31.99	671.13	634.73	27.51	7.31	614.52	56.61	58.77
7.	Library Books	13.47	0.00	0.00	13.47	13.43	0.00	0.00	13.43	0.04	0.04
	Sub-total	37046.45	1114.99	31.99	38129.45	24594.15	27.51	115.56	24682.19	**13447.26**	**12452.28**
8	Assets held for disposal	98807.89	528.04	59.51	99276.42	57.09	0.41	0.00	56.68	99219.74	98750.80
	Total	**135854.34**	**1643.03**	**91.50**	**137405.87**	**24651.24**	**27.92**	**115.56**	**24738.87**	**112667.00**	**111203.08**
b.	**Capital work- in- progress**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b1.	Investment property Land	16.71	0.00	0.00	16.71	0.00	0.00	0.00	0.00	16.71	16.71
b2.	Investment property Building	136.89	0.00	0.00	136.89	65.67	0.00	0.00	65.67	71.22	71.22
	Total	**153.60**	**0.00**	**0.00**	**153.60**	**65.67**	**0.00**	**0.00**	**65.67**	**87.93**	**87.93**
c)	**Intangible assets** - Computer software	420.65	8.90	0.00	429.55	401.79	0.00	5.23	407.02	22.53	18.85
	G. Total	**136428.59**	**1651.93**	**91.50**	**137989.02**	**25118.70**	**27.92**	**120.79**	**25211.56**	**112777.46**	**111309.86**

1. During the year there is no change in the management estimates of the useful life for various class of Property, plant and equipments and Intangible assets.
2. Company had given 1.03 acre of land at Ambalamugal in Kochi to M/s. Sterling Gas Limited as operating lease under cancellable lease agreement. Investment properties are distinguished from owner occupied property based on area covered under lease agreement and the value of investment has been determined using pro-rata basis.
3. Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which 46594 Sq. ft. consisting of 55 flats has been earmarked as investment property for letting out.

Amounts recognised in profit or loss for investment properties	**31.03.2021**	**31.03.2020**
Rental income including contingent rent	24.94	32.72
Direct operating expenses from property that generated Rental Income	6.97	8.73
Direct operating expenses from property that did not generate rental income	0.00	0.00
Income from investment properties before depreciation	**17.97**	**23.99**
Depreciation	2.17	2.17
Income from investment properties	**15.80**	**21.82**
Fair value of investment property (Land)		
Investment property-Sterling Gas Ltd	94.52	84.48
Investment property-Township	338.29	336.04
Total	**432.81**	**420.52**

Estimation of fair value:
The fair value of investment property has been determined by an external independent property valuer having professional qualification. The fair value determined by Govt. has been used to determine fair value of investment property.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3d) Property, plant and equipments held for sale **Amount (Rs in Lakh)**

Description of the Non-Current Assets	Facts and Circumstances of the sale	Manner of disposal	Timing of disposal	N ET BLOCK	
				As on 31.03.2021	As on 31.03.2020
Land	Closure of Rasayani unit and disposal of assets.	Direct sale of 152 acres of land to BPCL and balance through NBCC.	Within 12 months	99094.83	98625.83
Buildings		E-auction through MSTC	-do-	65.15	65.15
Plant and Equipment		-do-	-do-	58.81	58.87
Furniture, Fixtures and Equipments		-do-	-do-	0.94	0.95
Total				**99219.73**	**98750.80**

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
Financial Assets		
4. Investments		
Non current		
Investment stated at Cost		
(A) Investments in Equity Instruments		
a. Investment in Subsidiaries (Quoted)		
11060000 (previous year 11060000) Equity Shares of Rs. 10 each fully paid in Hindustan Fluorocarbons Ltd. (Holding 56.43% of shares)	1,106.00	1,106.00
Less: Provision for impairment in value of investment (Market value as on 31.03.2021 Rs.7.54, Previous Year Rs. 2.93 per share) *	272.08	781.94
Sub-total	833.92	324.06
Investment in Unquoted Equity Shares of Kerala Enviro Infrastucture Ltd		
(50000 Unquoted Equity Shares @ Rs.10/-)	5.00	5.00
Less :- Provision for impairment in value of investment	-	-
	5.00	5.00
Total Non-Current Investments	838.92	329.06
Aggregate amount of quoted investments (Market Value)	833.92	324.06
Aggregate amount of quoted investments (Cost)	1,106.00	1,106.00
Aggregate amount of unquoted investments	5.00	5.00
Aggregate amount of provision for impairment	272.08	781.94
Total Non-Current Investments	838.92	329.06

* Gain/loss in value of investment is recognised in Other comprehensive income since the market value was Rs.7.54 per share as on 31.03.2021 and Rs.2.93 per share as on 31.03.2020 (Face value Rs.10 per share).

5. Loans (Non-current asset)		
(A) Security Deposit		
a. Unsecured, Considered good		
1. Security Deposits	-	-
b. Doubtful	3.06	3.06
Less: Allowance for doubtul security deposit	(3.06)	(3.06)
	-	-
(B) Sundry loans		
Loans to employees		
a. Unsecured, Considered good	-	-
Total loans - Non Current	-	-

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
6. Other Non-Current Assets		
i) Deposits with customs, MSEB, KSEB, BSNL, Rent deposit & Registrar HC.	498.12	624.15
Total	**498.12**	**624.15**
7. Inventories (Valued at lower of cost and net realisable value)		**Rs. in Lakh**
a. Raw materials and components	1,281.06	515.89
b. Work in progress	960.65	835.12
c. Finished goods	1,007.75	1,187.85
d. Store and spares	2,233.76	2,529.78
Less: Allowances for obsolesence	(402.50)	(448.50)
Total	**5,080.72**	**4,620.14**

* Allowances for stores obsolesence are made at 50% of the Slow moving items above five years.

8. Trade Receivables		
Current		
Secured	-	-
Considered good - Unsecured	240.82	786.23
Credit impaired	1,474.13	1,465.78
Less: Allowance for doubtful trade receivable	(1,474.13)	(1,465.78)
Less: Bills Receivables discounted	-	-
Total trade receivables	**240.82**	**786.23**

Allowance is made in the accounts for trade receivables which in the opinion of the management are considered credit impaired. The Company is consistently following the practice of creating allowance for those trade receivables which remain outstanding for more than three years or doubtful of recovery.

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

Provision at the beginning of the year	1,465.78	2,571.84
Provisions made during the year	40.79	15.65
Released during the year *	32.44	1,121.71
Provision at the end of the year	**1,474.13**	**1,465.78**

*During the year the Company has written off Trade Receivables to the tune of Rs.32.44 Lakh for which allowance has already been created.

9a. Cash and cash equivalents		
Balances with banks		
(of the nature of cash and cash equivalents):		
Current accounts	115.54	1.98
Saving Account *	145.23	141.19
Deposits with original maturity of less than three months	3025.28	2222.78
Cash on Hand	0.92	1.53
	3286.97	**2367.48**

* Balance in Saving account is earmarked for the rental dues of Harchandrai House as per the direction of Small Causes Court, Mumbai.

9b. Other Bank Balance		
Fixed Deposit against BG/LC	5026.49	3900.00
Fixed deposit for maturity of more than three months but less than 12 month	6506.29	4098.00
Total	**11532.78**	**7998.00**
10. Loans (Current asset)		
A) Current Loans and Advances to related parties		
Secured		
(M/s. Hindustan Fluorocarbons Ltd.)	3197.08	3197.08
Less: Provision for Doubtful repayment	1161.82	1161.82
Net amount	**2035.26**	**2035.26**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
(B) Loans to employees		
a. Unsecured, Considered good	30.88	6.24
(C) Advance to suppliers		
Doubtful	65.00	65.00
Less: Allowance for doubtul advance to suppliers	65.00	65.00
	0.00	**0.00**
Total loans - Current	**2066.14**	**2041.50**

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

Subsidiary Company Hindustan Fluorocarbons Ltd has created mortgage in favour of the company on 84.31 acres of land at Rudraram Village, Medak Dist., Telengana state towards zero coupon loan of Rs.2744.07 Lakh outstanding, the interest bearing loan of Rs.453.01 Lakh and interest accruing thereon till the date of repayment of loan together with interest accrued. As per the current circle rate the value of the property/ security comes to Rs.2035.26 Lakh, therefore provision for doubtful of recovery of loan and accrued interest amounting to Rs.1161.82 Lakh (Previous year Rs.1161.82 Lakh) and Rs.960.52 Lakh (Previous year Rs.902.51 Lakh) respectively had been created during the year towards the shortfall in the value of security.

11. Interest and other receivables		
Current		
A) Interest receivable		
Unsecured, Considered good		
Accrued Interest on Deposits	**393.43**	**265.81**
Accrued Interest on Advance	106.08	106.08
Less: Provision for Doubtful repayment	106.08	106.08
Total	**0.00**	**0.00**
Accrued Income from Township	5.53	5.53
Less : Allowances	5.53	5.53
	0.00	**0.00**
B) Interest Receivables from related parties		
(M/s. Hindustan Fluorocarbons Ltd.)	960.52	902.51
Less: Provision for Doubtful repayment	(960.52)	(902.51)
Net amount	**0.00**	**0.00**
C) Miscellaneous advance recoverable		
a. Unsecured, Considered good	0.00	0.00
b. Doubtful	0.00	0.15
	0.00	**0.15**
Total Other Financial Assets	**393.43**	**265.96**
12. Deposits, advances and other receivables Rs. in Lakh		
i) Deposits with the Collectorate of Central Excise and Customs	7.53	10.00
Less : Allowances	2.90	2.90
Sub-total	**4.63**	**7.10**
ii) Statutory receivables - Duties & Taxes, Prepaid Taxes	1468.02	2838.24
Less: Allowances	4.29	4.29
Sub-total	**1463.73**	**2833.95**
iii) Advances to suppliers	**211.48**	**337.14**
Less: Allowances	1.44	1.44
	210.04	**335.70**
iv) Deposits - Gratuity, EMD & Rent	**679.69**	**18.34**
v) Prepaid Expense	196.36	155.46
vi) Other Advances Recoverable	27.61	46.70
vii) Accrued income on Employee Advances	14.89	24.10
viii) Recoverable from employees	60.41	60.41
Sub-total	**299.27**	**286.67**
Less: Allowance	60.41	60.41
Sub-total	**238.86**	**226.26**
Total	**2596.95**	**3421.35**

Gratuity deposit of Rs.625.98 Lakh in LIC/ICICI Bank towards Employees Group Gratuity Fund Trust created against Gratuity liability.

Rs. in Lakh

Description	As at 31.03.2021 Nos.	As at 31.03.2021 Rs.	As at 31.03.2020 Nos.	As at 31.03.2020 Rs.
13. Share Capital				
Authorised Share Capital				
Equity Shares of Rs. 10 each				
Opening Balance	100000000	10000.00	100000000	10000.00
Increase/(decrease) during the year	-	0.00	-	0.00
Closing balance	**100000000**	**10000.00**	**100000000**	**10000.00**
Issued equity capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening balance	67173100	6717.31	67173100	6717.31
Add: Paid-up amount on shares forfeited	-	9.65	-	9.65
Increase/(decrease) during the year	-	0.00	-	0.00
Total - Equity share capital	**67173100**	**6726.96**	**67173100**	**6726.96**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having at par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31.03.2021 No. of shares	As at 31.03.2021 % Holding	As at 31.03.2020 No. of shares	As at 31.03.2020 % 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%

During the year 2010-11, the Company forfeited 193000 shares of Rs.10 each (Rs.5 paid up) for non payment of allotment and call monies and the amount paid towards application money in respect of these forfeited shares has been transferred to "Share's Forfeiture Account".

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
14. Other equity		
a) Securities Premium Reserve		
Opening balance	4838.57	4838.57
Increase/(decrease) during the year	0.00	0.00
Closing balance	**4838.57**	**4838.57**
b) Retained Earnings		
Opening balance	(1,01,103.24)	(1,05,346.85)
Add: Profit for the year	1,547.18	(9,474.95)
Add: Fair value of land sold	59.04	13,718.56
Closing balance	**(99,497.02)**	**(1,01,103.24)**
c) Other comprehensive income		
i) Revaluation of Property, plant & Equipments		
Opening balance	92,453.31	1,05,679.42
Add: Revaluation during the year	1,631.02	(2,916.56)
Less : Cost of sale of revalued assets	-	-
Less: Reserve transferred to Retained Earning	(59.04)	(13,718.56)
Add : Reversal of Deferred Tax liability on account of sale	12.00	2,853.00
Add/Less: Deferred Tax liability on account of revaluation during the year	(431.00)	556.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
Closing balance	**93,606.29**	**92,453.30**
ii) Changes in Employees defined benefits plan		
Opening	533.58	716.13
Add:	-	-
Less: Remeasurement of defined benefit plan	(31.10)	(182.55)
Closing balance	**502.48**	**533.58**
iii) Equity Instrument through Other Comprehensive Income		
Opening balance	(553.94)	-
Add/Less: Revaluation during the year	509.86	(781.94)
Less: Deferred Tax liability on account of revaluation during the year	(148.00)	228.00
Closing balance	**(192.08)**	**(553.94)**
Total	**93,916.69**	**92,432.94**
Total Other Equity	**(741.76)**	**(3,831.73)**

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.

15. Borrowings (Non-Current Liability)

Term Loan		
Loans from Government of India	7695.09	15882.38
Other Loan	0.00	0.00
Total	**7695.09**	**15882.38**

Details of Loan from Govt. of India as on 31.03.2021 **(Rs.in Lakh)**

Sl. No.	Govt. Sanction No.	Purpose	Date of Sanction Date	Date of drawal	Rate of Interest	No. of installments	Loan Amt. as on 31.03.2021	Instalments due upto 31.03.2021	Total Interest upto 31.03.2021	Interest overdue upto 31.03.2021	Current maturity of loan
								Note No.24 (i)		Note No.24 (v)	Note No.21
1	51/11/2009-Ch.III	For various projects in Kochi unit.	01.12.2009	15.12.2009	11.50%	5	660.00	660.00	857.15	834.90	
2	51/11/2009-Ch.III	-do-	20.01.2010	22-01-2010	11.50%	5	843.00	843.00	1084.72	1066.40	
3	P.51012/01/2012-32	For various projects	12.09.2012	18-09-2012	11.50%	5	1760.00	1760.00	1727.33	1619.20	
4	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	07.09.2015	10-09-2015	11.50%	5	1057.00	1057.00	675.38	607.78	
5	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XXI with GoI guarantee.	22.09.2015	24-09-2015	13.50%	5	1404.00	1404.00	1045.85	947.70	
6	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX & XXI with GoI guarantee.	22.09.2016	27-09-2016	11.00%	5	2461.00	1968.80	1220.79	1082.84	492.20
7	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	02.08.2017	07-08-2017	11.00%	5	1057.00	634.20	424.31	348.81	211.40
8	P.51012/4/2013-32-Ch.III	For repayment of principal HOCL Bonds series XX with GoI guarantee.	11.08.2017	14-08-2017	11.00%	5	10000.00	6000.00	3993.15	3300.00	2000.00
9	P.51012/4/2013-32-Ch.III	For repayment of principal and interest on HOCL Bonds series XXI with GoI guarantee.	12.09.2017	19-09-2017	11.00%	5	16392.46	9835.48	6367.96	5409.58	3278.49
10	P.51012/4/2013-32-Ch.III	For payment of statutory dues related to employees and other.	28.09.2017	29-09-2017	11.00%	5	11026.00	6615.60	4249.99	3638.50	2205.20
	Interest on loans repaid the principal upto 31.03.2021								8116.47	8116.47	
	Total						**46660.46**	**30778.08**	**29763.10**	**26972.18**	**8187.29**

Note: The loan amount of Rs.46660.46 lakhs are unsecured loans (Previous year total loan amount was Rs.48216.46 Lakhs out of which Rs.600 lakhs was secured by land held by the company).

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
16. Provisions (Long term liability)		
Opening		
For Employee's Benefits - Leave encashment	1039.16	1005.07
Diff. in Fixed Assets	3.73	2.07
Provision for CBI Landlord account deposit interest	5.11	0.00
Statutory Claims	0.00	0.00
Sub-total	**1048.00**	**1007.14**
Arising during the year:		
For Employee's Benefits - Leave encashment	64.93	34.09
Diff. in Fixed Assets	16.79	1.66
Provision for CBI Landlord account deposit interest	4.04	5.11
Statutory Claims	0.00	0.00
Sub-total	**85.76**	**40.86**
Utilised:		
For Employee's Benefits - Leave encashment	0.00	0.00
Diff. in Fixed Assets	0.00	0.00
Provision for CBI Landlord account deposit interest	0.00	0.00
Statutory Claims	0.00	0.00
Sub-total	**0.00**	**0.00**
Closing		
For Employee's Benefits - Leave encashment	1104.09	1039.16
Diff. in Fixed Assets	20.52	3.73
Provision for CBI Landlord account deposit interest	9.15	5.11
Statutory Claims	0.00	0.00
Total	**1133.76**	**1048.00**
17. Deferred Tax liabilities		
a) Deferred Tax Liability		
Excess Provision Written Back	1643.00	1643.00
Impairment Provision written back	450.00	450.00
VRS Allowance U/s 35DDA of the Income Tax Act	1407.00	938.00
Fair Value of Land	15841.52	15422.52
Fair Value of Investment in HFL	(80.00)	(228.00)
	19261.52	**18225.52**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
b) Deferred Tax Asset		
Depreciaiton	74.00	52.00
Provision for leave encashment	209.00	132.00
Voluntary Retirement Expense	91.00	91.00
Provision for doubtful debts	31.00	19.00
Provision for doubtful Advance	55.00	38.00
Provision for Long Term Agreements	33.00	33.00
Provision for stock obsolences	32.00	27.00
Provision for statutory claims	30.00	17.00
Accumulated carried forward loss to the extent of set off	2945.00	2622.00
	3500.00	**3031.00**
Net amount	**15761.52**	**15194.52**
Reversal of deferred tax liability [Note No.44]	0.00	0.00
Net Deferred tax liability [Note No.44]	**15761.52**	**15194.52**

i) The deferred tax asset available on unused tax loss has not been recognised as there is no certainity that future adequate taxable profit available against which unused tax loss can be utilised. This has been adjusted to the extent of Rs.2945 Lakh of deferred tax liability recognisable in statement of profit and loss during the year as it is relating to the same taxable authority and same period. Also refer Note No.44.

Description	As at 31.03.2021	As at 31.03.2020
18. Other non-current liabilities		
Net employee defined benefit liabilities - Gratuity	**2200.93**	**2199.25**
19. Dues to preference share holder		
Opening Balance	27000.00	27000.00
Increase/(decrease) during the year	0.00	0.00
Closing balance	**27000.00**	**27000.00**

Note

1. The preference shareholders have no voting rights.
2. The Government of India had released earlier in the year 2006-07 Rs.27000 Lakh (for financial restructuring Rs. 25000 Lakh and Caustic Soda Plant recommissioning Rs. 2000 Lakh) against allotment of 8% Non-Cumulative Redeemable Preference Shares, thereby broadening the capital base as per the revival scheme. The 8% Preference Shares were allotted to Government of India by the Board on 28th January, 2008, redeemable @ 20% commencing from 4th year with last redemption in the 8th year (ie.2015-16). At the request of the Company, Government of India had extended the commencement of redemption from financial year 2011-12 to financial year 2015-16 @ 25% each year. At the request of the Company, the Government of India, had granted further extension of redemption, subject payment of interest @ 1.5 % pa, on the total amount of Rs.27000 Lakh and an amount of Rs.405 Lakh has been provided in the books of accounts during the year. Further interest @1 % is payable for default in repayment and accordingly interest amount of Rs.270 Lakh has been provided during the year.

Description	As at 31.03.2021	As at 31.03.2020
20. Trade payables		
Current - Trade Payables		
i) Outstanding dues of micro and small enterprises	21.03	94.94
ii) Outstanding dues of other than micro and small enterprises	2230.00	3517.94
	2251.03	**3612.88**
Amount due to Micro, Small and Medium enterprises:		
a) i) Principal amount remaining unpaid as at the end of each accounting year	21.03	94.94
ii) Interest due thereon	0.00	0.00
iii) Interest due and payable for the period of delay in payment	0.00	0.00
iv) Interest accrued and remaining unpaid	0.00	0.00
v) Interest due and payable even in succeeding years	0.00	0.00

b) Dues to Micro, Small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. All the dues to them are paid within due date and there is no overdue amount as on the closing date.

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
21. Other Current financial liabilities		
Current maturities of Long term debt:		
Current maturities of Govt loan	**8187.29**	**8679.49**
Total Borrowings	15882.38	24561.88
Less: Amount clubbed under “other current financial liabilities	8187.29	8679.49
Other payables	0.00	0.00
Non-current Borrowings (Net)	7695.09	15882.39
Aggregate Secured loans	0.00	0.00
Aggregate Unsecured loans	15882.38	24561.88

Note:

i) There is a continuing default in repayment of loan from Government of India since the year 2009-10 and the overdue amount towards principal is Rs.30778.08 Lakh (previous year Rs.23654.58 Lakh) and for interest accrued is Rs.26972.25 Lakh (previous year Rs.21623.35 Lakh), these amounts are shown under 'Other Current Liabilities'. Rs.8,187.29 Lakh (previous year Rs.8679.49 Lakh) maturing in next 12 months is shown under Other Current financial Liabilities as 'current maturity of long-term borrowings'. The Company has during the year repaid loan overdue Principal amounts of Rs.1556.00 Lakh (previous year Rs.2685.00 Lakh).

Description	As at 31.03.2021	As at 31.03.2020
22. Short Term Provisions		
Opening		
i) for Employee Benefits (Leave encash.)	370.65	307.57
ii) for Employee remuneration	20.81	20.81
iii) for Statutory Claims	60.10	0.00
iv) for Interest to others-PS	4185.00	3510.00
v) for Penal Interest	1032.06	1032.06
Sub-total	**5668.62**	**4870.44**
Arising during the year		
i) for Employee Benefits (Leave encash.)	201.92	370.65
ii) for Employee remuneration	0.00	0.00
iii) for Statutory Claims	0.00	60.10
iv) for Interest to others-PS	675.00	675.00
v) for Penal Interest	0.00	0.00
Sub-total	**876.92**	**1105.75**
Utilised		
i) for Employee Benefits (Leave encash.)	256.43	307.57
ii) for Employee remuneration	0.00	0.00
iii) for Statutory Claims	54.02	0.00
iv) for Interest to others-PS	0.00	0.00
v) for Penal Interest	182.06	0.00
Sub-total	**310.45**	**307.57**
Closing		
i) for Employee Benefits (Leave encash.)	316.15	370.65
ii) for Employee remuneration	20.81	20.81
iii) for Statutory Claims	6.08	60.10
iv) for Interest to others-PS	4860.00	4185.00
v) for Penal Interest	850.00	1032.06
Total	**6053.04**	**5668.62**

During the year the Holding Company has made provision in respect of Damages/ Penalty/Penal interest and the total cumulative provision is given below.

a. Interest (1.5 %) on Preference Share (Rs.270 Crore) postponement of redemption for 4 year Rs.405 lakhs.

b. Interest on default in repayment of Preference Share Capital @ 1 % Rs.270 lakhs per year.

Total impact on account of the above is Rs.675 Lakhs per year.

Description	As at 31.03.2021	As at 31.03.2020
23. Net employee defined benefit liabilities		
Net employee defined benefit liabilities - Gratuity	**77.31**	**79.14**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Rs. in Lakh

Description	As at 31.03.2021	As at 31.03.2020
24. Other current liabilities		
i) Loan overdue- Loan from Government of India	30778.08	23654.58
ii) Advances from customers	415.11	420.46
iii) Deposits from Vendors / Customers	199.36	275.93
iv) Interest accrued but not due (on GoI Loan)	2790.87	2843.56
v) Interest accrued and due (on GoI Loan)	26972.18	21623.35
vi) Statutory Liabilities	544.19	494.13
vii) Employee related liabilities	125.54	253.84
viii) Payroll Recoveries Payable	37.25	11.85
ix) Other Liabilities	1104.56	1926.52
Others - total	**62967.14**	**51504.22**

Rs. in lakh

Description	Year ended 31.03.2021	Year ended 31.03.2020
25. Revenue from operations - Sale of products (Manufactured)		
Revenue disaggregation by class of products		
Phenol	21037.77	19875.83
Acetone	17577.08	7062.72
Hydrogen Peroxide	822.53	1361.13
H. E. of Cumene	1150.69	1205.92
Cumox Oil	569.73	495.63
Sale value of Products	**41157.80**	**30001.23**
26. Other income		
Direct income		
Facility charges from ISRO	0.00	230.00
Sale of Scrap	36.88	0.48
Sub-total	**36.88**	**230.48**
Interest income on		
On Call and Term Deposits (Gross)	702.87	649.95
On Advances and Deposits with KSEB and others	21.38	26.08
On loan to Subsidiary Company	63.62	63.63
Delayed payment & Finance charges from trade receivable	41.66	8.96
Sub-total	**829.53**	**748.62**
Other non-operating income		
Estate Rent	53.16	55.13
Transport, Water, Electricity,etc. recoveries	2.83	5.29
Sale of Tender Forms	0.11	0.24
Exchange rate Diff - Gain	0.00	0.94
Creditors written back	0.00	182.12
Excess provision written back	936.23	0.00
Interest on GoI Loan interest waived	0.00	758.97
Provision for Impairment written back	0.00	0.00
Profit on Sale of Assets	15.96	162.18
Miscellaneous Income	52.86	59.49
Sub-total	**1061.15**	**1224.36**
Total	**1927.56**	**2203.46**
Reversal of Excess Provision w/ back include the following:		
1. Excess provision written back-GAIL LNG	790.96	0.00
2. Reversal of excess provision for DPC of EPS (Rasayani)	91.02	
3. Reversal of excess provision for doubtful debts	1.11	0.00
4. Provision no longer required in various cases	53.14	182.12
Total	936.23	182.12

1. Miscellaneous income relating to 2019-20 Rs.5.04 lakhs has been incorrectly accounted due to error as such the comparative amount for the year 2019-20 is restated as per Ind As 8 .
(a) Nature of the prior perid error : Miscellaneous Income
(b) Amount of correction : Rs.5.04 lakhs
(c) Financial line item affected: Note No.26 (Miscellaneous Income)

Rs. in lakh

Description	Year ended 31.03.2021	Year ended 31.03.2020

2. Miscellaneous income relating to 2018-19 Rs.3.78 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2020.
(a) Nature of the prior perid error : Miscellaneous Income
(b) Amount of correction : Rs.3.78 lakhs
(c) Financial line item affected: Note No.26 (Miscellaneous Income)

Description	Year ended 31.03.2021	Year ended 31.03.2020
27. Cost of raw material and components consumed		
Inventory at the beginning of the year	515.89	574.87
Add: Purchases	20870.28	19622.88
Less: inventory at the end of the year	1281.06	515.89
Cost of raw material and components consumed	**20105.11**	**19681.86**
28. Changes in Inventories of Finished Goods and WIP		
(Increase) / Decrease in inventory		
Inventories at the beginning of the year		
(i) Stock-in-Process	835.12	789.40
(ii) Stock for Captive consumption	138.14	89.68
(iii) Main Products	952.58	1109.08
(iv) By Products	97.13	9.89
Sub-total	**2022.97**	**1998.05**
Inventories at the end of the year		
(i) Stock-in-Process	960.65	835.12
(ii) Stock for Captive consumption	87.91	138.14
(iii) Main Products	900.63	952.58
(iv) By Products	19.21	97.13
Sub-total	**1968.40**	**2022.97**
Changes in Inventories of finished goods and work in progress	**54.57**	**(24.92)**
29. Employee benefits expense		
a) Salary, Wages and allowances	**3370.44**	**3679.77**
b) Company's contribution to Provident Fund and Other funds	**336.64**	**506.39**
c) Gratuity payment including premium for Group Gratuity-cum-Life assurance scheme	**201.43**	**232.63**
d) Provision for Leave Encashment	**266.09**	**354.52**
e) Staff welfare expenses		
Medical amenities	86.48	131.43
Canteen and Nutrition amenities	258.94	271.63
Other welfare expenses	49.72	89.59
Sub-total	**395.14**	**492.65**
Voluntary Retirement benefits(VRS &VSS)	0.00	0.00
	4569.74	**5265.96**
30. Finance costs		
Interest:		
On Fixed Loans (Govt. Loan)	5296.14	5601.78
On Other Loans	0.00	0.00
Interest - Others	30.82	4.82
	5326.96	5606.60
Bank charges	9.50	19.74
Total finance costs	**5336.46**	**5626.34**
31. Depreciation and amortization expense		
Depreciation of tangible assets	115.56	126.83
Amortization of intangible assets	5.23	1.93
	120.79	**128.76**
32. Other expenses		
Consumption of Stores and Spares		
i) Catalyst and Chemicals	367.49	190.86
ii) Consumable stores	257.56	413.59
iii) Packing materials	360.34	281.32
	985.39	**885.77**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Rs. in lakh

Description	Year ended 31.03.2021	Year ended 31.03.2020
Utilities		
Power	1766.28	1742.38
Fuel	5162.90	4317.03
Water	214.52	234.29
	7143.70	**6293.70**
Repairs & Maintenance:		
Building	109.19	91.99
Plant and Machinery	195.43	344.22
Other Assets	160.51	252.76
	465.13	**688.97**
Administration Expenses:		
Rent	17.02	34.92
Insurance	213.27	242.51
Rates and taxes	393.50	558.82
Consultancy charges	72.00	162.37
Payment to Auditors:		
For Statutory audit	4.00	2.00
For Income tax audit	0.90	1.30
For GST audit	0.50	0.40
For Limited Review	1.60	1.40
For Reimb. of Expenses	0.85	0.75
Other expenses:		
Power for Township	16.87	24.24
Water for Township	18.26	15.65
Security Expenses	237.62	256.43
Advertisement Expenses	5.21	0.51
Hire of Vehicles Expenses	23.82	27.44
Loss on Sale / Disposal of Assets	4.09	53.55
Other Misc. Exp.	122.60	237.77
	1132.11	**1620.06**
Selling and distribution expenses:		
Cash Discount	786.44	606.12
Other Selling expenses	0.06	0.00
	786.50	**606.12**
Provisions:		
Provision for Doubtful Debts	40.80	17.09
Provision for Doubtful Advances	58.01	57.26
Provision for Stock Obsolescence	0.00	92.19
Provision for Statutory claims	44.04	58.71
Provision for Penal interest	675.00	675.00
Provision for Unidentified assets	16.79	1.66
Provision for doubtful receipt	4.04	5.11
	838.68	**907.02**
Total	**11351.51**	**11001.64**

Notes:

1. An amount of Rs.1.33 lakhs short provided towards security arrangement during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated as per Ind As 8

(a) Nature of the prior perid error : Security expenses short provided

(b) Amount of correction : Rs.1.33 lakhs

(c) Financial line item affected: Note No.32 (security expense)

2 An amount of Rs.14.08 lakhs short provided towards rates and taxes during the year 2017-18 & 2018-19 due to error as such opening retained earnings as on 01.04.2020 is restated as per Ind As 8.

(a) Nature of the prior perid error : Rates and Taxes

(b) Amount of correction : Rs.14.08 lakhs

(c) Financial line item affected: Note No.32 (Rates and Taxes)

33 EMPLOYEES BENEFIT PLAN:

A. Provision for leave encashment

The Company has provision of Rs.1420.24 Lakh (previous year Rs.1409.82 lakh) for leave encashment as on 31st March, 2021, as per the Ind AS-19 based on Actuarial Valuation and the unpaid amount of leave encashment claims submitted by the employees.

B. Provident fund

Employees receive benefits from the provident fund managed by the Company upto 30th June 2018. From 1st July 2018 onwards the Company has transferred the Provident fund accounts of all employees to Employees Provident Fund Organisation (EPFO) and managed by EPFO. The employee and employer each make monthly contributions to the Provident Fund/Pension Fund plan equal to 12% of the employees' salary/wages.

C. Gratuity

Gratuity plan is governed by the Payment of Gratuity Act, 1972 and employee who has completed five years of service is entitled to gratuity and the level of benefits provided depended on the member's length of service and salary at retirement age. The Employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Trust through an Annuity Scheme maintained with Life Insurance Corporation of India (LIC). The balance fund available with LIC is Rs.625.73 lakh (Previous year Rs. 15.34 lakh) and depoist with ICICI Bank Rs.0.25 lakh (Previous year Rs. NIL)

All dues on account of gratuity of Rasayani unit and Kochi unit employees relieved upto 31.03.2021 have been paid and there are no further dues.

Rs. in Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
1. Funded Status of the plan		
Present value of funded obligations	2278.24	2278.39
Fair value of plan assets	(625.98)	(15.34)
Net Liability (Asset)	**1652.26**	**2263.05**
2a. Profit and loss account for current period		
Current Service Cost	78.41	90.90
Past Service cost and loss/gain on curtailments and settlement	0.00	0.00
Net Interest cost	123.02	141.73
Total included in 'Employee Benefit Expense' (P&L)	**201.43**	**232.63**
2b. Other Comprehensive Income for the current period		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	68.22	56.82
Due to change in demographic assumption	0.00	-0.34
Due to experience adjustments	(24.18)	(126.07)
Return on plan assets excluding amounts included in interest income	(12.94)	(1.01)
Amounts recognized in Other Comprehensive Income	**31.10**	**181.54**
3. Reconciliation of defined benefit obligation		
Opening Defined Benefit Obligation	2278.38	2396.55
Transfer in/(out) obligation	0.00	0.00
Current service cost	78.41	90.90
Interest Cost	123.02	141.73
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	68.22	56.82
Due to change in demographic assumption	0.00	(0.34)
Due to experience adjustments	(24.18)	126.07
Past Service Cost	0.00	0.00
Loss(gain) on curtailments	0.00	0.00
Liabilities Extinguished on settlement	0.00	0.00
Liabilities assumed in an amalgamation in the nature of purchase	0.00	0.00
Exchange diffeences on foreign plans	0.00	0.00
Benefits paid	(245.61)	(533.35)
Closing defined benefit Obligation	2278.24	2278.38
4. Reconciliation of plan Assets		
Opening value of plan assets	15.34	14.33
Transfer in (out) plan assets	0.00	0.00
Expenses deducted from the fund	0.00	0.00
Inerest Income	0.00	0.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Rs. in Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
Return on plan assets excluding amounts included in interest income	12.94	1.01
Assets distributed on settlements	0.00	0.00
Contributions by employer	597.70	0.00
Assets acquired in an amalgamation in the nature of purchase	0.00	0.00
Exchange rate differences on foreign plans	0.00	0.00
Benefits paid	0.00	0.00
Closing value of plan assets	**625.98**	**15.34**
5. Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	2263.05	2382.23
Transfer in (out) obligation	0.00	0.00
Transfer (in) out plan assets	0.00	0.00
Employee benefits Expense as per Annexure 2	201.43	232.63
Amounts recognized in other comprehensive income	31.10	181.54
	2495.58	2796.40
Benefits paid by the company	(245.62)	(533.35)
Benefits settled (Rasayani Unit)	0.00	0.00
Contributions to plan assets	(597.70)	0.00
Closing provision in the books of accounts	1652.26	2263.05
Reconciliation of Assets Ceiling		
Opening Value of Assets Ceilng	0.00	0.00
Interest on Opening Value of Assets Ceiling	0.00	0.00
Loss/Gain on Assets due to Surplus/Deficit	0.00	0.00
Closing Value of Plan Assets Ceiling	0.00	0.00
6. Composition of the Plan assets		
Government of India Seccurities	0%	0%
State government seccurites	0%	0%
High Quality Corporate Bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of Insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	**100%**	**100%**
7. Bifurcation of liability as per schedule III		
Current liability	77.30	79.13
Non - Current liability	1574.96	2183.92
Net Liability	**1652.26**	**2263.05**
8.Principle acturial assumptions		
Discount Rate	5.60%	6.25%
Salary Growth rate	7.00%	7.00%
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	5.60% p.a	5.60% p.a

Rs. in Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
9. Maturity Profile of Defined Benefit Obligation		
	Cash Flows Rs. In lakh	Distribution (%)
Year 1 Cash Flow	496.37	16.3%
Year 2 Cash Flow	555.11	18.2%
Year 3 Cash Flow	232.34	7.6%
Year 4 Cash Flow	244.12	8.0%
Year 5 Cash Flow	164.59	5.4%
Year 6 to Year 10	688.50	22.6%

The future accrual is not considerd in arriving at the above cash flows
The expected contribution for the next year is Rs 77.31 Lakh.
The Weighted Average Duration as at valuation date is 4.43 years.

Particulars	As at 31.03.2021	As at 31.03.2020
10.Sensitivity to key assumptions		
Discount Rate Sensitivity		
Increase by 0.5 %	2225.37	2230.08
(% change)	-2.32%	-2.09%
Decrease by 0.5%	2333.87	2327.62
(% change)	2.44%	2.19%
Salary Growth rate Sensitivity		
Increase by 0.5 %	2303.18	2302.67
(% change)	1.09%	1.10%
Decrease by 0.5%	2251.70	2249.84
(% change)	-1.16%	-1.22%
Withdrawal rate(W R) Sensitivity		
W. R x 110%	2280.95	2278.95
(% change)	0.12%	0.06%
W. R x 90%	2275.61	2275.92
(% change)	-0.12%	-0.08%

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if the two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any

Appendix A: Break-up of defined benefit obligation — Rs. in Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
Vested	2,269.01	2,276.09
Non-vested	9.23	2.30
Total	**2,278.24**	**2,278.39**

Appendix B: Age wise distribution of defined benefit obligation

Age (In years)	DBO	
	As at 31.03.2021	As at 31.03.2020
Less than 25	-	-
25 to 35	16.61	33.64
35 to 45	208.81	178.54
45 to 55	923.87	808.63
55 and above	1128.95	1257.58
Accrued gratuity for Left Employees	-	-
Total	**2278.24**	**2278.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Appendix C: Past service wise distribution of defined benefit obligation

Age (In years)	DBO	
	As at 31.03.2021	As at 31.03.2020
0 to 4	3.75	1.61
4 to 10	61.17	61.37
10 to 15	165.53	105.50
15 and above	2047.79	2109.91
Accrued gratuity for Left Employees	-	-
Total	**2278.24**	**2278.39**

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 31.03.2021	As at 31.03.2020
Discount rate	5.60% p.a	6.25% p.a
Salary Growth rate	7.00% p.a	7.00% p.a
Rate of Return on Plan Assets	5.60% p.a	6.25% p.a
Demographic Assumptions		

Withdrawal rates p.a (Table 10)

Particulars	As at 31.03.2021	As at 31.03.2020
Age Band		
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

Particulars	As at 31.03.2021	As at 31.03.2020
Age (In years)		
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.

34 PROPERTY, PLANT AND EQUIPMENT

a) Originally the Rasayani unit of the Company was in possession of land admeasuring 1012.355 acres (as per revenue records). Out of the said land 251 acres were sold to BPCL and 20 acres were sold to ISRO during the year 2017-18, 38.687 acres were sold to BPCL in the year 2018-19. In the year 2019-20, 85.27 acres of land sold to BPCL and in 2020-21, 0.386 acre was sold to IOCL (Petrol pump area). Out of the balance land of 65.840 acres, 22.717 acres has been idenitified as encroached, 32.547 acres in possession of MIDC, MSEB, HIL, MES etc, and 10.576 acres of public road, considered at Nil value. The said encroachment has been determined on the basis of the survey carried out by the company through M/s. The Geo Tek vide their report dated April 24, 2019. The balance 551.172 acres (Previous year 551.558 acres) of land has been revalued at the ready recknor rate or the agreed rate of sale to BPCL valuing to Rs.827.57 Crore (Previous year Rs. 828.26 Crore).

b) As per the communication received from Municipal commissioner Panvel, regarding the actual area of plot No.11 & 12 of survey No.738 on which there is a public road passing through and thereby the total area of Panvel land available for sale has reduced from 8 acre to 7.09 acre. Accordingly the reserve price (fair value) has been reduced to Rs.158 crore. Further HOCL has applied for NOC from govt. of Maharashtra for sale of land which is yet to be received.

c) The company is in the process of implementation of the Govt. Approved restructuring plan vide order dated May 22, 2017, the company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbured land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

35 INVESTMENT

a) The Company has an investment of Rs.1106.00 lakh (previous year Rs.1106.00 lakh) in the equity share of subsidiary company M/s. Hindustan Fluorocarbons Ltd. (HFL) which is under BIFR since 1994. The net worth of the Company based on its latest audited balance sheet as at 31st March, 2021 is negative. Market value of the shares (face value Rs.10) as on 31.03.2021 was Rs.7.54 (Previous year Rs.2.93). Provision has been made in the books towards diminution in the value of these investments amounting to Rs.272.08 (Previous year Rs.781.94 lakh). Government of India has decided to close down M/s.HFL as per CCEA decision on 29.01.2020. An amount of Rs.73.70 crore has been released by Government of India as interest free loan to meet the VRS expenses and for clearing dues to Bank and suppliers.

b) During the year 2007-08, the Modified Draft Rehabilitation Scheme (MDRS) for revival of subsidiary - Hindustan Flurocarbon Ltd. (HFL) was approved by BIFR for implementation. As part of implementation of MDRS, HOCL had waived interest of Rs.2260.26 lakh accumulated on loan given to HFL and converted the unsecured loan amounting to Rs.2744.07 lakh as Zero Coupon Loan (ZCL), into secured loan by on HFL creating first charge on immovable property (land 84.31 acre valued to the extent of Rs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2035.25 lakh as per Govt. rate) in favour of HOCL. This loan was payable in 7 equal annual instalments commencing from 2010-11, aggregating to Rs.2744.07 (Previous year Rs.2744.07) which has become due and payable in full. Further, the Company had given loans to HFL aggregating to Rs. 453.01 (Previous Year Rs. 453.01) 10.25% to 14.50% which has become payable in full. This loan is also secured by first charge on the HFL immovable property. A provision has been made for the shortfall in the security to the extent of Rs.2122.34 lakh including interest as on 31st March, 2021 (Previous year Rs. 2064.34 lakh)

c) The company has entered into an agreement on 16.10.2006 to lease the school infrastructure facilities to M/s.Mahatma Education Society (MES) for managing the school for a period of 30 years. The management of MES in order to start professional courses has constructed new buildings and facilities in the premises in contravention of the terms of agreement. The company has sent a notice for termination as per the tems of the agreement to M/s.MES. M/s.MES has filed a petition challenging the termination notice in the Dist. Magistrates Court Alibag. MES has filed petition in the Bombay High Court for appointment of Arbitrator in the dispute between HOCL and MES. The District Court has granted stay pending the final disposal of the Arbitration petition of MES. Company has filed a petition to vacate the stay granted by the District Court in the Bombay High Court.

36 EARNING PER SHARE

Earnings per share has been calculated as follows:	As at 31.03.2021	As at 31.03.2020
Net Profit/(Loss) after Tax (Rs. in lakh)	1547.18	(9474.95)
Weighted average number of equity shares	67173100	67173100
Nominal Value per equity share (Rs.)	10.00	10.00
Basic / Diluted Earning per equity share (Rs.)	2.30	(14.11)

37 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.

38 BALANCE CONFIRMATION

Balances of trade receivables, trade payables, loans, advances, other current assets and borrowings are subject to confirmation / reconciliation and subsequent adjustments except in cases where confirmation has been received.

39 Contingent Liabilities & Commitments **Rs. in lakh**

i) Contingent Liabilities

	As at 31.03.2021	As at 31.03.2020
a) Claims against the Company not Acknowledged as debts:		
i) Income Tax Claims	492.49	563.72
ii) Excise duty / Service tax	104.63	104.63
iii) Gratuity for School teachers	75.31	75.31
iv) Other claims (P&A - Legal cases)	272.90	272.90
v) Rental claim Harchandrai House	5863.85	5594.75
vi) JNPT lease rent	2974.52	2974.52
vii) Penal interest on Govt. Loans	5940.71	4687.52
viii) Interest on interest on Govt. Loan	32981.28	28128.35
	48705.69	**42401.70**
b) Bank Guarantees issued from Banks	150.07	682.75
Guarantees given on behalf of the Subsidiary Company	0.00	603.00
ii) Commitments:		
Estimated amount of Contracts remaining to be executed on capital account and not provided for:	88.63	23.49

a) Claims against the Company not Acknowledged as debts:

i) Income Tax Claims: Rs.492.49 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

AY 2002-03: Rs.70.50 Lakh, AY 2011-12 Rs.121.42 Lakh and AY 2017-18: Rs.300.57 Lakh.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

ii) Excise duty / Service tax

The Company has ongoing disputes with Central excise authorities relating to the period 2006-07, amounting to Rs.104.63 Lakh. Company has filed Appeals at various Tribunals.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

iii) Gratuity for School teachers

Case filed by the teaching staff of HOC Rasayani School for the period upto March 1997, pending before Bombay High Court (Rs.75.31 Lakh).

iv) Other claims (P&A - Legal cases): Rs.272.90 Lakh.

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

b) ESI corporation has raised a demand for contribution during the period from 01.04.1992 to 31.10.1992 amounting to Rs.2.17 lakh. The matter is pending with ESI Court, Ernakulam, as desired by the ESI Court we had applied for exemption from ESI Act to the Govt. of India, hence no liability is created and a contingent liability to that extend is provided.

c) The Company had invited open tender for work of construction of “Civil and Structural works for Construction of Plant Building, Technical Service Building, R&D Building, etc of PU System House Project. Company had issued the Work Order to M/s Shetusha Engineers & Constructions Pvt. Ltd. (SECPL). On account of delay and other shortcomings in the completion, company had deducted Liquidated damages. SECPL objected for the said deductions and filed an Arbitration Application before the Hon’ble High Court, Mumbai. Later the M/s SECPL had unconditionally withdrawn the said Arbitration Application from the Court. Further, M/s SECPL had filed Suit before the Hon’ble High Court, Mumbai against the Company for passing the Decree against the Company towards payment of Rs.113.35 Lakh including interest.

d) The Company invoked the peformance gurantee given by M/s Vakharia Construction Company, Mumbai (VCC) to whom civil contracts had been alloted as the contract works were not completed as per the terms of the work order. The matter was referred to arbitration and later went to the High Court. The court ordered the company to deposit Rs.12 lakhs and M/s VCC is allowed to withdraw the amount on submission of bank gurantee. The appeals filed before the Hight Court were dismissed. Now M/s VCC raised demand for bank gurantee commission paid to the bank and interest at the rate of 18% as the money decree passed by the Trial Court in favour of VCC was stayed due to filing civil application by the company. The liability estimated on this is Rs.39.38 lakhs and the matter is pending before court of law and accordingly shown under contigent liabilities.

v) Rental claim Harchandrai House Rs.5863.85 Lakh

As the company has not vacated the office premises taken on lease from M/s Harchandrai & Sons as per their notice they initiated legal proceedings and stopped to accept the lease rent. The company vacated the office premises during the year 2014. The rent not accepted by the landlord till the vacation of the office premises amounting to Rs.580.80 lakhs has been provided in the accounts. Landlords filed the Mesne Profit Application before Small Causes Court, Mumbai for Mesne profit for the period from 01/06/2000 to till the possession of the said premises. The Mense profit application is pending for hearing and the company is of the opinion that no provision is required as there is uncertainities in crystaliation of demand at this stage of litigation and accordingly the estimated amount is shown as contingent liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

vi) JNPT lease rent: Rs.2974.52 Lakh

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land alloted to the company for setting up Liquid Tank Farm on lease basis along with assets of the company 'as is where is basis'. The JNPT raised a demand of Rs.4124 lakhs towards lease rentals and other charges. The company has instituted arbitral proceedings and Arbitral Tribunal issed the awared in favour of the company. The assets of the company valued as per the MoU at Rs.1638.50 lakhs and same is agreed . The undisputed amount of lease rent payable by the Company to JNPT was computed on a mutual understanding between the Parties on the basis of arbitral award is Rs. 805.13 lakhs, water charges 0.65 Lakh, way leave charges Rs.297.09 Lakhs and Service tax of way leave charges Rs.46.61 lakhs. The company has shown balance amount of demand of JNPT after adjusting undispute lease rental paid as contingent liability since the appeal filed against the arbitral awards pending for hearing before High Court and the company is of the opinion that no provision is required as there is uncertainities in crystatlisation of demand at this stage of litigation.

vii) Interest at higher rate on Govt. Loans: Rs.5940.71 Lakh and Interest on defaulted interest Govt. Loan 32981.28.

The Government of India reserves the right to raise the rate of interest in respect of loans granted to the company, in case of default of repayment of principal on the due date and also charge interest at rate on default in any of the payment of interest due. As there is default in payment of principal loan as well as interest due thereon, the company, in anticipation that the Government of India may demand higher rate on principal and interest on interest outstanding, arrived the additional interest liability and shown as contingent laibility. As per the balance confirmation given by the Government of India, the interest at the higher rate and interest on defualted interest have not been included.

viii) The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular and retired employees and not acknowledged as debts is not ascertainable.

b) Bank Guarantees issued Rs.150.07 Lakh

The Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.146.44 lakh, BPCL Rs.3000 lakh, OMPL Rs.300 lakh GAIL Rs.870 lakh and Rs.3.63 Lakh to others. The company does not expect any outflow in respect of the above.

Contingent liability and commitments has been shown against bank guarantees issued to KSEB Rs.146.44 lakh and others Rs.3.63 lakh only.

c) Letter of Credit issued

The company has issued a Letter of Credit in favour of UOP LLC, USA for import of SPA Catalyst for USD 606800 and the payment has been made.

II) Estimated amount of Contracts remaining to be executed on capital account and not provided for: Rs.23.49 Lakh

Work order issued for the following contracts.	Rs. in lakh
a) Tally implementation (Balance amount)	13.18
b) 2x15 KVA UPS for Phenol plant	21.61
c) Laying water supply pipeline to township	9.75
d) Restoration charge/Licence fee/performance guarantee for road cutting permission from concerned authorities	14.66
e) 60T Weigh bridge	18.05
e) EPAPX system	5.23
f) 132 KW FLP motor	6.16
Total	88.64

40 Disclosure relating to error or omission as per Ind AS 8

The following expenditure/income had been incorrectly accounted during the year 2020-21 due to error. The comparative expenditure/income in the financial statement of the year 2019-20 have been restated to correct the errors. The effect of the restatement on the financial statement is summarised below.

(**Rs. In lakh)**

	As at 31.03.2021	As at 31.03.2020
Increase in Other Income (Refer Note 26)	5.04	-
Increase in Employee Expenses (Refer Note 29)	-	(6.74)
Decrease in Other Expenses (Refer Note 32)	-	33.13
Increase in depreciation and amortisation (Refer Note 31)		(1.22)
Increase in Other Expenses (Refer Note 32)	(1.33)	(24.22)
Decrease in Other Expenses (Refer Note 32)		7.17
Decrease in deferred tax expense (Note No.17 & P&L A/c.)		2,069.00
Total	**3.71**	**2,077.12**
Income tax laiblity		-
(Increase)/decrease in Equity	3.71	2,077.12
(Increase)/decrease in Earning Per Share	0.01	3.09
(Increase)/decrease in Diluted Earning Per Share	0.01	3.09

1. The rates and taxes Rs.14.08 lakhs relating the period up to 31.03.2019 has been incorrectly accounted during the earlier financial years up to 31.03.2019 due to error.
2. Miscellaneous Income Rs.3.78 lakhs relating to the period up to 31.03.2019 has been incorrectly accounted during earlier financial year up to 31.03.2019 due to error

The effect of restatement on the financial statement is summarised below:

Opening retained earnings as on 01.04.2020	(1,01,096.65)
Add: decrease in rates and taxes (Note No.32)	(14.08)
Less: Decrese in other income (Note No.26)	3.78
Reinstated retained earnings as on 01.04.2020	(1,01,106.95)

Work order issued for the following contracts.	Rs. in lakh
a) Tally implementation (Balance amount)	13.18
b) 2x15 KVA UPS for Phenol plant	21.61
c) Laying water supply pipeline to township	9.75
d) Restoration charge/Licence fee/performance guarantee for road cutting permission from concerned authorities	14.66
e) 60T Weigh bridge	18.05
e) EPAPX system	5.23
f) 132 KW FLP motor	6.16
Total	**88.64**

41 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 lakh

Sr. No.	Name of the Related Party Relationship	Relationship	Details of Transaction	Amt. of Transaction during 2020-21	Outstanding at the end of the year (31.03.2021)	Amt. of Transaction during 2019-20	Outstanding at the end of the year (31.03.2020)
1	Hindustan Flurocarbon Ltd. (HFL)	Subsidiary company with 56.43% share holding.	Interest on loan given to HFL	63.62	4157.60	63.63	4099.59
2a	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Purchase of Raw materials (LPG, Benzene, FO, H2 & LNG)	21389.53	945.93	26134.71	1606.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Sr. No.	Name of the Related Party Relationship	Relationship	Details of Transaction	Amt. of Transaction during 2020-21	Outstanding at the end of the year (31.03.2021)	Amt. of Transaction during 2019-20	Outstanding at the end of the year (31.03.2020)
2b	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Finished Goods (H2O2)	22.28	22.33	38.25	23.27
2c	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Rasayani land	0.00	0.00	13718.56	0.00
3	ISRO	Controlled by Government of India.	Transfer of C.N.A/ N2O4 plant-Reim. of Operational Expenses & Utility Charges	0.00	0.00	369.00	0.00
4a	Indian Oil Corporation Limited	Controlled by Government of India.	Purchase of Raw materials (Benzene)	1825.19	0.00	1164.07	0.00
4b	Indian Oil Corporation Limited	Controlled by Government of India.	Sale of Rasayani land (Petol pump area)	75.00	0.00	0.00	0.00
5	FACT	Controlled by Government of India.	Purchase of Raw materials (Sulphuric acid)	12.66	0.00	10.13	2.48
Trust constituted by the Company							
6	HOCL Group Gratuity Trust	-do-	Investment and interest on investment	610.89	626.23	1.01	15.34

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

	Short-term employee benefits	Post-term employee benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
2020-21						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. S.B. Bhide, CMD	32.35	4.41	0.00	0.00	0.00	36.76
Shri. C.P. Bhatia, DF (upto 05.11.20)	20.94	2.35	0.00	0.00	0.00	23.29
B.Remuneration to Other Directors						
i) Govt. Nominee Directors						
Ms. Alka Tiwari, AS&FA	0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS	0.00	0.00	0.00	0.00	0.00	0.00
ii) Independent Directors						
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)						
Nil	0.00	0.00	0.00	0.00	0.00	0.00
C. Key Managerial Personnel						
Mrs. Susheela S. Kulkarni, CS	27.82	3.51	0.00	0.00	0.00	31.33
Mr. P.O. Luise, CFO (From 06.11.20)	10.00	1.28	0.00	0.00	0.00	11.28
	91.11	**11.55**	**0.00**	**0.00**	**0.00**	**102.66**
2019-20						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. S.B. Bhide, CMD	43.83	4.14	0.00	0.00	0.00	47.97
Shri. C.P. Bhatia, DF (from 7.8.19)	21.16	2.74	0.00	0.00	0.00	23.90
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Ms. Alka Tiwari, AS&FA	0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS	0.00	0.00	0.00	0.00	0.00	0.00
ii) Independent Directors						
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)						
Ms. Pushpa Trivedi, NOID	0.30	0.00	0.00	0.00	0.00	0.30
Mr. Mukesh Pareek, NOID	1.40	0.00	0.00	0.00	0.00	1.40
Ms. Lata Alker, NOID	1.40	0.00	0.00	0.00	0.00	1.40
C. Key Managerial Personnel						
Mrs. Susheela S. Kulkarni, CS	27.20	3.34	0.00	0.00	0.00	30.54
Mr. P.O. Luise, CFO (upto 9.8.19)	7.18	0.96	0.00	0.00	0.00	8.14
	102.47	**11.18**	**0.00**	**0.00**	**0.00**	**113.65**

Note:

In the ordinary course of its business, the Company enters into transactions with other Government controlled entities (not included in the list above). The Company has transactions with other Government-controlled entities,including but not limited to the followings:

Sales and purchases of goods and ancillary materials; Rendering and receiving of services; Receipt of dividends; Loans and advances; Depositing and borrowing money; Guarantees and Uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government controlled entities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note-42 Financial Instruments :

42 a. Financial Instrument

A Fair Values hierarchy :

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

B Financial assets and liabilities measured at fair value-recurring fair value measurements:

Rs. In Lakh

	As at 31st March, 2021				As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets :								
Loans	-	-	2066.14	2066.14	-	-	2041.50	2041.50
Trade Receivables	-	-	240.82	240.82	-	-	786.23	786.23
Investments	833.92	-	5.00	838.92	324.06	-	5.00	329.06
Cash and cash equivalents	-	-	3286.97	3286.97	-	-	2367.48	2367.48
Bank balances other than Cash			11532.78	11532.78			7998.00	7998.00
Other Financial Assets	-	-	393.43	393.43	-	-	265.96	265.96
Total Financial assets	**833.92**	**-**	**17,525.14**	**18,359.06**	**324.06**	**-**	**13,464.17**	**13788.23**
Financial liabilities								-
Non Cumulative Preference share	-	-	27000.00	27000.00	-	-	27000.00	27000.00
Borrowings	-	-	7695.09	7695.09	-	-	15882.38	15882.38
Trade payables	-	-	2251.03	2251.03	-	-	3612.88	3612.88
Other current financial liabilities	-	-	8187.29	8187.29	-	-	8679.49	8679.49
Total Financial liabilities	**-**	**-**	**45,133.41**	**45,133.41**	**-**	**-**	**55,174.75**	**55174.75**

42b. Categories of Financial Instruments

A Fair Values hierarchy : **Rs. In Lakh**

	As at 31st March, 2021				As at 31st March, 2020			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets :								
Loans	-	-	2066.14	2066.14	-	-	2041.50	2041.50
Trade Receivables	-	-	240.82	240.82	-	-	786.23	786.23
Investments	-	-	838.92	838.92	-	-	329.06	329.06
Cash and cash equivalents	-	-	3286.97	3286.97	-	-	2367.48	2367.48
Bank balances other than Cash	-	-	11532.78	11532.78	-	-	7998.00	7998.00
Other Financial Assets	-	-	393.43	393.43	-	-	265.96	265.96
Total Financial assets	-	**-**	**18,359.06**	**18,359.06**	-	**-**	**13,788.23**	**13,788.23**
Financial liabilities				-				-
Non Cumulative Preference share	-	-	27000.00	27000.00	-	-	27000.00	27000.00
Borrowings	-	-	7695.09	7695.09	-	-	15882.38	15882.38
Trade payables	-	-	2251.03	2251.03	-	-	3612.88	3612.88
Other current financial liabilities	-	-	8187.29	8187.29	-	-	8679.49	8679.49
Total Financial liabilities			**45,133.41**	**45,133.41**			**55,174.75**	**55,174.75**

Note No. 43 Financial risk management

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company but as company balance in foreign currency hence comapny is not exposed to foreign currecncy exchange rate risk

b) Interest rate risk

The Company's investments are primarily in subsidiary through quoted equity share and unquated equity share of other entity therefore none of the investment activity is generating interest out of the investment. Hence, the Company is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets. comapny generating revenue for individually in excess of 10% or more of the Company's revenue for the year ended March 31, 2021 from the below mention customer.

Name of customer	Amt of revenue	% of total revenue
Pooja Petro Chemicals	9876.54	24%
Ramesh Kumar & Company	7557.16	18%
Sonkamal Enterprises P Ltd	5601.60	14%

Geographic concentration of credit risk

Geographical concentration of trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets is allocated based on the location of the customers.

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, continuosly monitoring forecast and actual cash flow and by matching the maturiy profiles of financial assets and liabilties.

Note No.44 Deferred Tax **Rs. in Lakh**

For the Year 2020-21	Opening Balance 01.04.2020	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2021
<u>**Deferred Tax Liability**</u>				
Excess Provision W/back	1,643.00	-	-	1,643.00
Provision for impairment W/Back	450.00	-	-	450.00
VRS Expense Allowable u/s 35DDA of the Income Tax Act	938.00	469.00	-	1,407.00
Revaluation of land in Fair Value	19,466.52	-	431.00	19,897.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,044.00)	-	(12.00)	(4,056.00)
Fair Value of Investment in HFL	(228.00)		148.00	(80.00)
	18,225.52	**469.00**	**567.00**	**19,261.52**

For the Year 2020-21	Opening Balance 01.04.2020	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2021
Deferred Tax Asset				
Depreciation	52.00	22.00	-	74.00
Provision for Leave Encashment	132.00	77.00	-	209.00
Voluntary Retirement Benefits (VRS/VSS)	91.00	-	-	91.00
Provision for Doubtful Debts	19.00	12.00	-	31.00
Provision for Doubtful Advances	38.00	17.00	-	55.00
Provision for Long Term Agreements	33.00	-	-	33.00
Provision for Obsolescence	27.00	5.00	-	32.00
Provision for Statutory claims	17.00	13.00	-	30.00
Accumulated Income tax loss to the extent of deferred tax liability	2,622.00	323.00	-	2,945.00
	3,031.00	**469.00**	**-**	**3,500.00**
Net Deferred tax liability	**15,194.52**	**-**	**567.00**	**15,761.52**

Rs. in Lakhs

For the Year 2019-20	Opening Balance 01.04.2019	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2020
Deferred Tax Liability				
Excess Provision W/back	1,369.00	274.00	-	1,643.00
Provision for impairment W/Back	450.00	-	-	450.00
VRS Expense Allowable u/s 35DDA of the Income Tax Act	469.00	469.00	-	938.00
Revaluation of land in Fair Value	20,022.52	-	(556.00)	19,466.52
Reversal of deferred tax liability on disposal of revalued of PPE	(1,191.00)	-	(2,853.00)	(4,044.00)
Fair Value of Investment in HFL			(228.00)	(228.00)
	21,119.52	**743.00**	**(3,637.00)**	**18,225.52**
Deferred Tax Asset				
Depreciation	33.00	19.00	-	52.00
Provision for Leave Encashment	29.00	103.00	-	132.00
Voluntary Retirement Benefits (VRS/VSS)	91.00	-	-	91.00
Provision for Doubtful Debts	14.00	5.00	-	19.00
Provision for Doubtful Advances	19.00	19.00	-	38.00
Provision for Long Term Agreements	33.00	-	-	33.00
Provision for Stock Obsolescence	-	27.00	-	27.00
Provision for Statutory claims	-	17.00	-	17.00
Accumulated Income tax loss to the extent of deferred tax liability	2,069.00	553.00	-	2,622.00
	2,288.00	**743.00**	**-**	**3,031.00**
Net Deferred tax liability	**18,831.52**	**-**	**(3,637.00)**	**15,194.52**

45 Notes to Statement of Profit and Loss and Other Comprehensive Income

a) The Company has elected to continue with the carrying value for all its Property, Plant and Equipment as of April 1, 2016 measured under Indian GAAP as deemed cost as of April 1, 2016 (transition date) except Freehold Land where fair value (circle rate) has been considered as deemed cost.

b) Under Indian GAAP, the Company measured financial assets at cost. As at the transition date, the company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101. All the financials liabilities have been carried at amortized cost and such differences have been appropriately addressed.

c) The Company recognises costs related to its post-employment defined benefit plan on an actuarial basis both under Indian GAAP and Ind AS. Under Indian GAAP, the entire cost including actuarial gains and losses and return on planned assets are charged to profit or loss. Under Ind AS, actuarial gains and losses and return on planned assets recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

d) Consequential sum of the adjustments carried out in the other comprehensive income net of tax implications thereon.

46 The operations of the Company were scaled down during the first three weeks of the year. The Company was in lock down for 24 days and thereby a decrease in production. The financial impact on account of Covid 19 pandemic was a) Reduction in Turnover: Rs.44.58 crore and b) consequent loss: Rs.14.71 crore. As per our current assessment, no significant Impact on tangible assets, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor the changes in future economic conditions. The Management does not see any risk in the ability to continue as a going concern and meeting its liabilities as and when they fall due. However the actual Impact of Covid-19 on the Company's financial statements may differ from that estimated.

47 Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015- as per Regulation 17(1)(b), the chairman being an executive director, at least half of the board of Directors should be comprised of Independent Directors. Currently, the Company does not have required number of Independent Directors on its board. Accordingly there is consequent non-compliance of Regulations 18,19 and 20 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015.

48 Board recommended to implement salary revision of employees w.e.f. 25.01.2021 subject to the approval of Ministry of Chemicals and Fertilizers. The impact of salary revision from 25.01.2021 to 31.03.2021, if approved, will be Rs.78.35 Lakh. Since no final approval has been received no adjustment in accounts is required as on 31.03.2021.

49 The standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 11.06.2021.

50 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
Director / Addl. Secretary (Chemicals)
DIN 01664091

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

Sd/-
Mrs. Susheela S. Kulkarni
Company Secretary

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
CA. Toly T. Kappen
Partner
Membership No.219867
UDIN: 21219867AAAADX1793

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

CONSOLIDATED ACCOUNTS

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 2021

The preparation of Consolidated Financial Statements of Hindustan Organic Chemicals Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 June 2021.

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 2021 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 and Auditor General of India

Sd/-
Place: Mumbai **(P. V. Hari Krishna)**
Date: 09 August 2021 **Principal Director of Audit (Shipping), Mumbai**

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Hindustan Organic Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Hindustan Organic Chemicals Limited (the "Company") and its subsidiary, (the Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated Loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Going Concern

4. We draw attention to the material uncertainty related to going concern to the audit opinion of the financial statement of M/s Hindustan Fluorocarbons Limited, a subsidiary of the Holding Company issued by independent firm of Chartered Accountants vide its report dated May 24, 2021 reproduced as under:

   "Attention is drawn to Note No. 37 (Note No 47 in Consolidated Financial Statement) to the Notes to Accounts, wherein there is disclosure regarding the decision of the Cabinet Committee on Economic Affairs to close the operations of the Company which has been communicated to them through letter dated 29th Jan, 2020 from Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Govt. of India vide File No.51015/06/2019 together with timelines for implementation of the said directions, the process of which is being initiated by the Board and already taken certain steps in this regard up to the year ended 31.03.2021, while following up on the balance steps to be taken up for completion of this process. Accordingly, there is an existence of a material uncertainty which had impacted the Going Concern and Company is no longer a Going concern."

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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

ii	**Excess Kerala Value Added tax Input Credit Refund Receivable** The Company is claimed refund of excess in input tax credit on purchases of raw materials and consumables from the Kerala Commercial Tax Department. The total refund due as on March 31, 2021 for the periods 2006-07, 2007-08, 2011-12, 2012-13, 2015-16 and 2016-17 is Rs.680.87 lakhs. The Company has filed refund claim applications in Form No.21B and 21CC with Assessing Authority for each year as per the Act, which is pending before assessing authority for further process/completion of the assessment. The amounts involved is being material to these financial statements and dependent on decision of the assessing authority.	Our audit procedures included the following: ▪ Analyzed the relevant provisions of the Kerala Value Added Tax Act and Rules there under, to ascertain the claim of refund is prima facie acceptable by the authority. ▪ Reviewed the records and documents submitted to the Assessing Authority for claiming the refund and also the related correspondence received from the Assessing Authority. ▪ Reviewed the working/calculations of refund amount claimed.
iii	**Estimation of Provision & Contingent Liabilities** The Company is involved in litigations, both for and against the Company, comprising of tax matters, legal compliances and other disputes. The Company assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its advisors and consultants. This involves a high level of management Judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	Our audit procedures included the following: ▪ We evaluated and tested the Company's processes and controls for monitoring of claims, litigations, disputes, compliances and assessment thereof for determining the likely outcome. ▪ We read the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. ▪ We discussed with the management, including the Company's internal tax experts and head of legal matters to understand the basis of management's judgements and estimates. ▪ We read the minutes of the board meetings, and tested the Company's legal expenses to determine the completeness of claims, disputes and litigations. ▪ We tested the adequacy of disclosures in the consolidated financial statements. ▪ We also obtained necessary representation from the management in regard to the provisioning and disclosures in respect of the claims and Litigations.

Emphasis Matter

6. (i) Although no significant impact of Covid-19 pandemic has been noted on the financial and operational results, except for first quarter of the year ended 31st March 2021, the continuing Covid-19 epidemic could result in consequences on the external economic environment. A definitive assessment of the said impact on the company is highly uncertain and being dependent on the evolving situation can be undertaken only after the situation stabilizes. Also refer Note No.46 to the Notes to the consolidated financial statement.

   (ii) The company is in the process of implementation of the Govt. approved restructuring plan. Sale of unencumbered land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation. In view of this the financial statements have been prepared on going concern basis. Also refer Note No. 34 (c) to the Notes to consolidated financial statement.

Our opinion is not modified in respect of these matters

7. We also draw attention to the following Emphasis Matter to the audit opinion of the financial statement of M/s Hindustan Fluorocarbons Limited, a subsidiary of the Holding Company issued by independent firm of Chartered Accountants vide its report dated May 24, 2021 reproduced as under:

   i) "We draw attention to Note No.38 (Note No 48 in Consolidated Financial Statement) to the Notes to Accounts as regards Management's evaluation of COVID-19 impact on the future performance of the Company in the light of decision to close the operations of the Company as per the decision of the Govt. Our opinion is not modified in this regard."

   ii) "We draw attention to Note No. 26 (Note No 48 in Consolidated Financial Statement) in the Notes to Accounts regarding the case filed by one party against the Company wherein the Hon'ble High Court has given stay on disposal of the assets of the Company; this may affect the process of closure of the Company as directed by the Govt. of India. Our opinion is not modified in this regard."

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

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

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

10. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and those Charged with Governance for the consolidated financial statements

12. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

13. In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

14. The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

15. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

16. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

17. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
18. We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
19. 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.
20. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

21. We did not audit the standalone financial statements/ information of subsidiary whose financial statements is included in the consolidated financial statements of the Company. The financial statements/financial information of the subsidiary reflects total assets of Rs. 7600.97 lakhs as at 31st March 2021 and total revenue of Rs.616.81 lakhs and total comprehensive loss of Rs. 2532.07 lakhs for the year ended on that date, as considered in the consolidated financial statements.
22. This financial statements/information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect the subsidiary and our report in terms of section 143(3) and (11) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of its auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

24. As required by Section 143(3) of the Act, based on our audit we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
    e) As per the notification no. G.S.R. 463(E) dated June 05, 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly, we are not required to report whether any director(s) are disqualified in terms of provisions contained in said section.
    f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note no. 39 to the consolidated financial statements;
        ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
25. As required by the directions and sub directions issued by the office of the Comptroller & Auditor General of India under section 143 (5) of the Act, we give in the **"Annexure A"** a statement on the matters referred in those directions.
26. Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015- as per Regulation 17(1)(b), the chairman being an executive director, at least half of the board of Directors should be comprised of Independent Directors. Currently, the Company does not have required number of Independent Directors on its board. Accordingly, there is consequent non-compliance of Regulations 18,19 and 20 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 (Refer Note 50 to Consolidate Financial Statements).

For *BSJ & Associates*
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
TOLY T KAPPEN
Partner (Membership No. 219867)
UDIN: 21219867AAAADY3553

Place: Ernakulam
Date: 11, June 2021

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 25 under 'Report on Other Legal and Regulatory Requirements' section of our report even date)

AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021 AS PER THE DIRECTION AND SUB-DIRECTION OF THE COMPROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (5) OF COMPANIES ACT, 2013

A. Direction

Sl. No.	C & AG Direction	Comments of Statutory Auditors	
		Holding Company	Subsidiary Company
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of accounts along with financial implications if any may be stated	The year under report all accounting transactions except Fixed Assets register are maintained/ processed through Taly ERP and HRM Software System. Consolidation of accounts of Head office and Kochi Unit is being prepared using MS Office. Fixed Assets Register is maintained in MS Office-Excel. No instances of processing of accounting transactions outside the IT system	As per the information, explanations and records produced for our verification, the Company has a system in place to process all the accounting transactions through IT system and there are no instances of processing of accounting transactions outside the IT system;

Sl. No.	C & AG Direction	Comments of Statutory Auditors	
		Holding Company	Subsidiary Company
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	There is no such instances during the year under audit	There are no instances of any restructuring of existing loan availed by the Company or cases of waiver/write off of debts/loans/interest made by a Lender to the Company on account of company's inability to repay the loan;
3	Whether funds (grants/ subsidy etc) received or receivable for specific schemes from central/ state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the case of deviations.	No. The company has not received any fund for specific scheme from central or state agencies.	As per the information, explanations and records produced for our verification, during the year under review, as a part of closure direction given by GoI, an amount of Rs.77.20 was granted by GoI 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 and as at year ended 31.03.2021, an amount of Rs.73.70 Crores was released as Interest Free Loan to the Company for the said purpose. Out of this released amount, as at 31.03.2021, an amount of Rs.52.37 Crores was utilized towards implementation of VRS/VSS, payment of salaries/wages/statutory dues of employees, wage revision arrears, suppliers dues, repayment of entire Working Capital loan, Water & Electricity Dues as well as salaries/ wages of skeletal staff. Balance amount is yet to be utilized for the process, which is going on.

B. Sub-direction

1	State areas of land under encroachment and briefly explain the steps taken by the Company to remove encroachments.	As per the information and explanation available to us, in Rasayani Unit, land admeasuring 22.717 acres is under encroachment as per the report of survey conducted by M/s The Geo Tek dated April 24, 2019. Also there is public road constructed in 10.576 acres of land and its value considered as Nil. 32.547 Acres of land is given to Maharashtra Industrial Development Corporation, Maharashtra State Electricity Board, Hindustan Insecticides Limited, and Mahatma Education Society. We have been informed that the company has taken up matter before the Ministry and is in the process of necessary action for the recovery of encroached land.	Not reported

For *BSJ* & *Associates*
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
TOLY T KAPPEN
Partner (Membership No. 219867)
UDIN: 21219867AAAADY3553

Place: Ernakulam
Date: 11, June 2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 24 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report even date)

Report on the Internal Financial Controls

under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hindustan Organic Chemicals Limited ("the Company") and its subsidiary, which is incorporated in India, as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the revised consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Group.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For *BSJ* & *Associates*
Chartered Accountants
(Firm's Registration No.010560S)

Sd/-
TOLY T KAPPEN
Partner (Membership No. 219867)
UDIN: 21219867AAAADY3553

Place: Ernakulam
Date: 11, June 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
ASSETS			
I. Non Current assets			
a) Property, Plant and equipment	3a	13,447.26	17,166.13
b) Investment Property	3b	87.93	87.93
c) Intangible assets	3c	22.53	188.29
d) Financial Assets			
(i) Investments	4	5.00	5.00
(ii) Loans	5	-	-
e) Other Non-current Assets	6	498.12	729.52
Total Non current Assets		**14,060.84**	**18,176.87**
Current assets			
Inventories	7	5,347.58	5,036.36
Financial assets			
(i) Trade Receivables	8	371.61	1,241.85
(ii) Cash and cash equivalents	9a	3,304.59	2,367.83
(iii) Bank balances other than (ii) above	9b	11,535.88	8,001.06
(iv) Loans	10	30.88	6.24
Other current assets			
a) Interest and Other receivables	11	502.74	269.66
b) Property, Plant and Equipments held for sale	3d	1,03,936.66	98,750.80
c) Deposits, Advances and Other Receivables	12	4,953.32	3,569.76
Total Current Assets		1,29,983.26	1,19,243.56
Total Assets		**1,44,044.10**	**1,37,420.43**
EQUITY AND LIABILITIES			
1. Equity			
a) Equity Share capital	13	6,726.96	6,726.96
b) Other equity			
(i) Securities Premium	14a	4,838.57	4,838.57
(ii) Retained Earnings	14b	(1,03,480.98)	(1,03,744.00)
(iii) Other comprehensive Income	14c	95,009.17	93,914.92
Total Other Equity		**(3,633.24)**	**(4,990.51)**
Total Equity		**3,093.72**	**1,736.45**
Non Controlling interest		**(3,164.05)**	**(2,060.83)**
2. Liabilities			
Non-current liabilities:			
a) Financial liabilities (Net)			
i) Borrowings	15	7,695.09	15,882.38
b) Provisions (Long term)	16	1,133.76	1,915.12
c) Deferred Tax liabilities	17	15,841.52	15,422.52
d) Net employee defined benefit liabilities	18	2,200.93	2,199.25
Total Non-current liabilities		**26,871.30**	**35,419.27**
Current liabilities:			
a) Financial liabilities			
(i) Dues to preference share holder	19	27,000.00	27,000.00
(ii) Borrowings	19a	7,370.00	505.25
(iii) Trade payables	20	2,307.93	3,784.22
(iv) Other financial liabilities	21	8,236.36	8,716.45
b) Provisions (Short term)	22	6,285.42	6,191.30
c) Net employee defined benefit liabilities	23	77.31	79.14
d) Other current liabilities	24	**65,966.11**	**56,049.18**
Current Liabilities - Total		**1,17,243.13**	**1,02,325.54**
Total equity and liabilities		**1,44,044.10**	**1,37,420.43**
Significant Accounting Policies	2		
Notes to the Financial Statements	1&3-52		

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
Director / Addl. Secretary (Chemicals)
DIN 01664091

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

Sd/-
Mrs. Susheela S. Kulkarni
Company Secretary

Sd/-
P.O. Luise
Chief Financial Officer

Sd/-
CA. Toly T. Kappen
Partner
Membership No.219867
UDIN: 21219867AAAADY3553

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from operations:			
Revenue from operations-Sale of products	25	41,508.48	33,133.69
Other Income	26	2,130.07	2,144.14
Total Income		**43,638.55**	**35,277.83**
Expenses:			
Cost of Materials Consumed	27	20,275.68	20,984.88
Changes in Inventories of Finished Goods and WIP	28	145.23	95.80
Employee Benefits Expenses	29	6,788.41	6,476.41
Finance Costs	30	5,361.86	5,762.71
Depreciation and amortization expenses	31	290.23	277.07
Other Expenses	32	11,655.04	11,461.89
Total expenses		**44,516.45**	**45,058.76**
Profit / (Loss) before exceptional items and tax		**(877.90)**	**(9,780.93)**
Less: Exceptional items		-	-
Profit / (Loss) before tax		(877.90)	(9,780.93)
(1) Current tax		-	-
(2) Deferred tax		-	-
Tax expenses:		0.00	0.00
Profit / (Loss) for the period		**(877.90)**	**(9,780.93)**
Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss		-	-
a) Revaluation of Plant, property & equipments	14c	1,631.02	(2,916.56)
Deferred Tax expenses	14c	(419.00)	3,409.00
b) Changes in defined benefit plan	14c	(58.74)	(213.29)
c) Financial Instruments through OCI at amortised cost		-	3.22
Other Comprehensive Income for the year, net of tax		**1,153.28**	**282.37**
Total Comprehensive Income for the year		**275.38**	**(9,498.56)**
Net profit attributable to			
a) Owners of the Company		203.98	(9,622.67)
b) Non controlling interest		(1,081.88)	(158.26)
Other Comprehensive income attributable to			
a) Owners of the Company		1,174.62	303.61
b) Non controlling interest		(21.34)	(21.24)
Total Comprehensive income attributable to			
a) Owners of the Company		1,378.60	(9,319.05)
b) Non controlling interest		(1,103.22)	(179.51)
Earnings per equity share (in Rupees)			
Basic (Face value of Rs. 10 each)		(1.31)	(14.56)
Diluted (Face value of Rs. 10 each)		(1.31)	(14.56)
Significant Accounting Policies	2		
Notes to the Financial Statements	1&3-52		

For and On Behalf of Board of Directors

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S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
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As per our report of even date attached
For *BSJ & Associates*
Chartered Accountants
FRN: 010560S

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Company Secretary

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Chief Financial Officer

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CA. Toly T. Kappen
Partner
Membership No.219867
UDIN: 21219867AAAADY3553

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Statement of Changes in Equity for the year ended 31st March, 2021

(₹ in Lakhs)

A. Equity Share Capital

Particulars	Equity shares of INR 10 each	
	Nos.	Rs. In Lakhs
Issued, subscribed and fully paid		
At 1st April 2019	67173100	6,726.96
Changes during the period	-	-
At 31 March 2020	67173100	6,726.96
Changes during the period	-	-
At 31st March 2021	67173100	6,726.96

B. Statement of Changes in Other Equity for the year ended 31st March, 2021 Rs. in Lakh

Description	Other Comprehensive Income	Securities Premium	Retained earnings	Total Other Equity
As at 1st April 2019	1,07,351.11	4,838.57	(1,07,839.90)	4,349.78
Profit for the period as restated	-		(9,622.66)	(9,622.66)
Profit on sale of Land	-		13,718.56	13,718.56
Other comprehensive income- revaluation of assets	(2,916.56)			(2,916.56)
Other comprehensive income - cost of sale on revalued assets	-			-
Reserve transferred to Retained earning on sale of land	(13,718.56)			(13,718.56)
Other comprehensive income- Deferred Tax Liabilities	3,409.00			3,409.00
Other comprehensive income - remeasurement of fair value of defined benefit obligation	(213.29)			(213.29)
Financial instruments through OCI at amortised cost	3.22			3.22
As at 31st March 2020	**93914.92**	**4838.57**	**(103744.00)**	**(4990.51)**
Profit for the period as restated			203.98	203.98
Profit on sale of Land			59.04	59.04
Other comprehensive income- revaluation of assets	1,631.02			1,631.02
Other comprehensive income - cost of sale on revalued assets	-			-
Reserve transferred to Retained earning on sale of land	(59.04)			(59.04)
Other comprehensive income- Deferred Tax Liabilities	(419.00)			(419.00)
Less : Diminution of Investment during the year (HFL)	-			-
Other comprehensive income - remeasurement of fair value of defined benefit obligation	(58.74)			(58.74)
Financial instruments through OCI at amortised cost	-			-
As at 31st March 2021	**95,009.17**	**4,838.57**	**(1,03,480.98)**	**(3,633.24)**

The accompanying notes are an integral part of these financial statements

Nature and purpose of reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

Retained Earnings

The balance held in this reserve is the accumulated retained profit and is permitted to be distributed to shareholder as part of dividend.

Other Comprehensive Income

The company has chosen to recognise land at revalued model through other comprehensive income.

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
Samir Kumar Biswas
Director / Addl. Secretary (Chemicals)
DIN 01664091

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

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Membership No.219867
UDIN: 21219867AAAADY3553

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period	(877.90)	(9,780.93)
Adjustments for :		
Depreciation/Loss on impairment of Assets	294.32	330.62
Profit(-) / Loss on sale of Assets	(15.96)	36.91
Interest Income	(817.73)	(654.11)
Interest & Finance Charges	6,100.48	6,301.34
Income from investment	(179.82)	(153.80)
Changes in defined Employee benefit plan-other comprehensive income	(80.08)	(237.02)
Effect of measurement of financial instrumet at amortised cost	-	-
Operating Cash Flows before Working Capital changes (A)	**4,423.31**	**(4,156.99)**
Adjustments for		
(Increase)/Decrease in Inventories	(311.22)	256.45
(Increase)/Decrease in Trade & Other Receivables	(1,713.96)	(2,021.88)
Increase/(Decrease) in Trade Payables & Other Liabilities	(1,460.34)	(2,212.72)
Cash Generated from Operations (Working Capital Changes) (B)	**(3,485.52)**	**(3,978.15)**
Net Cash flow from Operating activities (1) (A+B)	937.79	**(8,135.14)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(20.91)	(87.02)
Sale of fixed assets - Assets held for sale	71.92	15,682.69
Interest Income	584.50	654.11
Income from investment property	179.82	153.80
Net Cash flow from / (used in) Investing activities (2)	**815.33**	**16,403.58**
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/Decrease in Secured Loans	(600.00)	(1,319.00)
Increase/Decrease in Unsecured Loans	(980.63)	(1,366.01)
Increase/Decrease in Unsecured Loans (Net of Repayments)	6,864.75	147.79
Effect of measurement of financail instrumet at amortised cost	-	5.71
Interest Paid	(6,100.48)	(6,500.43)
Net cash used in financing activities (3)	(816.36)	**(9,031.94**
Net Increase Decrease in Cash and Cash Equivalents (1+2+3)	936.76	(763.51)
Cash & cash equivalents at the beginning of the period	2,367.83	3,131.34
Cash & cash equivalents at the end of the period	**3,304.59**	**2,367.83**
Cash & cash equivalents as per above comprise of following		
a) Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	107.39	2.17
Saving Account	171.00	141.19
Deposits with original maturity of less than three months	3,025.28	2,222.78
b) Cash on Hand	0.92	1.69
Total	**3,304.59**	**2,367.83**

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

For and On Behalf of Board of Directors

Sd/-
S.B. Bhide
Chairman & Managing Director and CEO
DIN 05323535

Sd/-
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Director / Addl. Secretary (Chemicals)
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Partner
Membership No.219867
UDIN: 21219867AAAADY3553

Place: Navi Mumbai
Date: 11.06.2021

Place: Ernakulam
Date: 11.06.2021

Notes to the Consolidated Financial statements for the period ended 31st March, 2021

1. Corporate Information

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

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statement

“These financial statements are prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 (`Act') (to the extent notified). The IND AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

Derivative financial Instrument

Defined Benefit Plans – Plan Assets

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

Significant accounting estimates, assumptions and judgements

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

Estimates and assumptions

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

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Taxes

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

Employee benefits

i. Short-term obligations

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

ii. Other long-term employee benefit obligations

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

iii. Post-employment obligations

“The Company operates the following post-employment schemes:

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

(b) Defined contribution plans such as provident fund.

iv. Defined benefit plans

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

v. Defined contribution plans

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

i. Gratuity

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

Pension and gratuity obligations

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

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

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

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

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

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

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

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

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

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

Fair value measurement of financial instruments

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

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use, on the basis of technical assessment. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet 31.03.2019.

Impairment of financial assets

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

Impairment of non-financial assets

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

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

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

2.2 Summary of significant accounting policies

a) Current versus Non-Current classification

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

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

All other assets are classified as non-current.

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

liability is current when:

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

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Revenue recognition

The Company earns revenue primarily from manufacturing chemical product.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

As the Company is engage only in chemical manufacturing business and operating from single location only therefore disaggregates revenue based on geography location and industrial vertical are not require.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of product

Revenue from the sale of prduct is recognised when the significant risks and rewards of ownership of the product have passed to the buyer. Revenue from the sale of product is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, and volume rebates..

Rendering of services

Income from services are recognized as and when the services are rendered.

Interest income

Interest income from a financial asset is recognised using effective interest rate method. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental income arising from operating lease on investment properties is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

c) Property, Plant and Equipment

Items of Property, plant and equipment including Capital-work in-progress are stated at cost (except land valued at fair value), net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives as prescribed in schedule II of Companies Act,2013. All other repair and maintenance costs are recognised in statement of profit or loss as an when incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

The management's considered view is that estimated useful lives as per the Schedule II of the Companies Act, 2013 are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company reviews the useful life of the Property, plant & equipment and Intangible asset as at the end of each reporting period and these reassessment may result in change in depreciation expenditure in future period.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives of Property, plant and equipment

Intangible assets: Amortisation over a period of 5 years.

Items of fixed assets that have been retired from active use and are held for disposal are valued at lower of their net book value or net realisable value."

Investment Properties

The company uses the carrying value as the deemed cost of investment properties. Investments in property that are not intended to be occupied substantially for use by, or in the operations of the company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

The company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Property, plant and equipment held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale transactions rather than through continuing use.This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Leasehold improvements over the period of lease

Leasehold Land:

Lease premium paid on leasehold land is amortised over the life of the lease.The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

"i) Intangible assets consisting of computer software, SAP licence cost and Tally ERP cost are amortised over a period of 5 years on straight line basis (SLM) from the date of acquisition.

ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition,intangible assets with definite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. Research costs are expensed as an when incurred. -Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset."

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Foreign Currency Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets

h) Fair value measurement

"The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantageous market must be accessible by the Company.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities"

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

i) Leases

"The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition."

Company as a lessee

"A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term."

Company as a lessor

"Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease."

j) Inventories

(i) Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi-finished products and finished products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

(iii) By-products are valued at estimated net realizable value.

(iv) Trading goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale."

k) Impairment of non-financial assets

"The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event,it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of 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.

m) Financial instruments

"A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss."

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

"b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method."

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has designated certain debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument,excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit andloss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

"A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

the rights to receive Cash flows from the asset have expired, or

the company has transferred its rights to receive Cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay."

Impairment of financial assets

"In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits,trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

e) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables and Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial Instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral Held or Other credit enhancements that are integral to the contractual terms. financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount."

n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts,financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised inthe statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis,to realise the assets and settle the liabilities simultaneously.

o) Derivative financial instruments

Initial recognition and subsequent measurement,The Company uses derivative financial instruments, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits,as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r) Taxes

Current income tax

"Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.Deferred tax liabilities are recognised for all taxable temporary differences, except:When the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction thatis 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 eitherin OCI or directly in equity.

s) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Export Benefits:

"Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'."

u) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Contingent Liability and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise.When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.Contingent liabilities and contingent assets are reviewed at each balance sheet date.

w) Share-Based Payments:

Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102, Share-Based Payment. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

x) Errors and Omissions of earlier period:

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

Recent Accounting Pronouncements

The Ministry of Corporate Affairs through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified the following new and amendments to Ind AS which the company has applied as they are effective for annual period that begins on or after April 1, 2020

Ind AS 103: Business Combination

Definition of term “business” has been substituted with “an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Accordingly, providing goods or services to customers has been added. This amendment is necessary because every business involves providing goods or services to the customers. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 107 and Ind AS 109: Financial Instrument

Hedge accounting is a method of accounting where entries to adjust the fair value of a security and its opposing hedge are treated as one. Hedge accounting attempts to reduce the volatility created by the repeated adjustment to a financial instrument’s value, known as fair value accounting or mark to market. This reduction in volatility is done by combining the instrument and the hedge as one entry, which offsets the opposing movements. For hedging relationships to which an entity applies an entity shall disclose (a) the significant interest rate benchmarks to which the entity‘s hedging relationships are exposed (b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform (c) how the entity is managing the process to transition to alternative benchmark rates (d) a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and (e) the nominal amount of the hedging instruments in those hedging relationships.

Following temporary exceptions have also being provided from applying specific hedge accounting requirements a) For assessing highly probable requirement for cash flow hedges b) Reclassifying the amount accumulated in the cash flow hedge reserve c) Assessing the economic relationship between the hedged item and the hedging instrument d) Designating a component of an item as a hedged item. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 116: Leases

Due to the COVID- 19, and thereafter the lockdown in India, many businesses have been shut or partially opened resulting into adverse impact on Revenue & Cash flow. Accordingly, the lease payment has been affected and the businesses are demanding the rent concession from their vendors. If the below mentioned conditions are fulfilled, then entity treat the Rent concession without lease modification. (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (b) any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and (c) there is no substantive change to other terms and conditions of the lease. There is no impact in the financial statement of the company as this Ind AS Is not applicable.

Ind AS 1 and 8: Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors

A new definition of material has been introduced by this amendment, this is more refined and also most expected by the industry, some of the examples of circumstances have also been provided for more clarity.

Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured: –

a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear
b) information regarding a material item, transaction or other event is scattered throughout the financial statements
c) dissimilar items, transactions or other events are inappropriately aggregated;
d) similar items, transactions or other events are inappropriately disaggregated; and
e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity`s general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity ‘s own circumstances.

The primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyses the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

The Company has duly considered the changes in definition of ‘materiality’ for presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors.

Ind AS 10 Events after the Reporting Period

A paragraph 21 of the Ind AS 10 have been substituted, in the amendment any non-adjusting events that could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements which provide financial information about a specific reporting entity have been added.

Accordingly, the following disclosure to be provided

a) the nature of the event; and
b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

The company duly considered the aforesaid amendment for the preparation, disclosure and presentation of financial statements.

Ind AS 34 Interim Financial Reporting

Consequential amendment and accounting of restructuring plan.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

A management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period

a) started to implement the restructuring plan; or
b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring.

This amendment is not applicable to the company.

New Standards or Other Amendments Issued but not yet Effective:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

NOTE 3 - FIXED ASSETS

(₹ In Lakhs)

Sl. No. / Item	Description	GROSS BLOCK					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
		As at 01.04.2020	Additions	Deletions	Adj.	As at 31.03.2021	Up to 01.04.2020	Deletions	Provided during the year	Adj.	Up to 31.03.2021	As on 31.03.2021	As on 31.03.2020
a.	**Property, Plant and equipment**												
1	Land and Land Development	12957.65	1102.98	0.00	-3054.83	11005.80	0.00	0.00	0.00	0.00	0.00	11005.80	12957.65
2	Buildings	1588.84	0.00	0.00	-306.32	1282.52	991.26	0.00	23.00	-164.28	878.33	404.19	569.22
3	Plant and Equipment	32325.69	1.96	0.44	-7403.43	24923.78	28546.51	0.44	83.48	-5896.78	22965.77	1958.01	3546.18
4	Furniture, Fixtures and Equipments	204.44	3.53	0.00	-93.20	114.77	185.08	0.00	0.93	-80.61	102.43	12.34	22.33
5	Vehicles	117.98	0.00	0.00	0.00	117.98	106.02	0.00	0.84	0.00	107.70	10.28	11.12
6	Office Equipment	736.69	9.60	31.99	-43.17	671.13	679.95	27.51	7.31	-42.36	614.53	56.60	59.58
7	Library Books	13.47	0.00	0.00	0.00	13.47	13.43	0.00	0.00	0.00	13.43	0.04	0.04
	Sub-total	47944.76	1118.07	32.43	-10900.95	38129.45	30522.25	27.95	115.56	-6184.03	24682.19	13447.26	17166.12
8	Assets held for disposal	122865.38	528.04	59.51	10900.95	110177.37	57.09	0.41	0.00	6184.03	6240.71	103936.66	98750.80
	Total	**170810.14**	**1646.11**	**91.94**	**0.00**	**148306.82**	**30579.34**	**28.36**	**115.56**	**0.00**	**30922.90**	**117383.92**	**115916.92**
b)	**Investment property - Land**	16.71	0.00	0.00	0.00	16.71	0.00	0.00	0.00	0.00	0.00	16.71	16.71
	- Building	136.89	0.00	0.00	0.00	136.89	65.67	0.00	0.00	0.00	65.67	71.22	71.22
	Total	**153.60**	**0.00**	**0.00**	**0.00**	**153.60**	**65.67**	**0.00**	**0.00**	**0.00**	**65.67**	**87.93**	**87.93**
c)	**Intangible assets**	654.50	8.90	0.00	0.00	663.40	466.20	0.00	174.67	0.00	640.87	22.53	188.29
	G. Total (a + b + c)	**171618.24**	**1655.01**	**91.94**	**0.00**	**149123.82**	**31111.21**	**28.36**	**290.23**	**0.00**	**31629.44**	**117494.38**	**116193.14**

1. During the year there is no change in the management estimates of the useful life for various class of Property, plant and equipments and Intangible assets.
2. Kochi unit of the Holding Company had given 1.03 acre of land to M/s. Sterling Gas Limited as operating lease under cancellable lease agreement. Investment properties are distinguished from owner occupied property based on area covered under lease agreement and the value of investment has been determined using pro-rata basis.
3. The holding Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which 46594 Sq. ft. consisting of 55 flats has been earmarked as investment property for letting out.
4 .In the books of subsidiary company, land included in asset held for disposal is revalued as per Ind AS and the original land value before Ind AS revaluation is Rs.59 Lakhs. The other assets above are only optional for Ind AS valuation method of adoption and the subsidiary Company has adopted the cost method. Factory land of 126.13 acres is located at Rudraram P.O., Kandi Mandal, Sangareddy Dist. Telangana State and land is freehold in which built up area is 6.72 acres and balance is vacant land. HOCL is secured part of land to the extent of 84.31 acres and part of the land i.e., 15.11 acres which was secured by SBI got vacated with ROC on 15.12.2020 based on the NOC given by SBI.

(₹ In Lakhs)

Amounts recognised in profit or loss for investment properties	31.03.2021	31.03.2020
Rental income including contingent rent	24.94	32.72
Direct operating expenses from property that generated Rental Income	6.97	8.73
Direct operating expenses from property that did not generate rental income	0.00	0.00
Income from investment properties before depreciation	**17.97**	**23.99**
Depreciation	2.17	2.17
Income from investment properties	**15.80**	**21.82**
Fair value of investment property (Land)		
Investment property-Sterling Gas Ltd	94.52	84.48
Investment property-Township	338.29	336.04
Total	**432.81**	**420.52**

Estimation of fair value:

The fair value of investment property has been determined by an external independent property valuer having professional qualification. The fair value determined by Govt. has been used to determine fair value of investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Description of the Non-Current Assets	Facts and Circumstances of the sale	Manner of disposal	Timing of disposal	NET BLOCK As on 31.03.2021	NET BLOCK As on 31.03.2020
Land	Closure of Rasayani unit of Holding company and disposal of assets.	Direct sale of 152 acres of land to BPCL and balance through NBCC.	Within 12 months	102149.66	98625.83
Buildings		E-auction through MSTC	-do-	207.19	65.15
Plant and Equipment		-do-	-do-	1565.46	58.87
Furniture, Fixtures and Equipments		-do-	-do-	13.53	0.95
Office Equipments-Computers		Handing over to JNPT	-do-	0.81	0.00
Total				103936.66	98750.80

Rs. in Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
Financial Assets		
4. Investments		
Investment stated at Cost:		
Investments in Equity instruments in Joint Venture		
Subsidiary - Unquoted:		
Investment in Unquoted Equity Shares of Kerala Enviro Infrastucture Ltd.		
(50000 Unquoted Equity Shares @ Rs.10/-)	5.00	5.00
Less :- Provision for impairement in value of investment	0.00	0.00
	5.00	5.00
Total Non-Current Investments	**5.00**	**5.00**
Aggregate amount of quoted investments (Market Value)	0.00	0.00
Aggregate amount of quoted investments (Cost)	0.00	0.00
Aggregate amount of unquoted investments	0.00	0.00
Aggregate amount of provision for impairment		
Total Non-Current Investments	**0.00**	**0.00**
5. Loans (Non-current asset)		
(A) Security Deposit		
a. Unsecured, Considered good	0.00	0.00
b. Doubtful	3.06	3.06
Less: Allowance for doubtul security deposit	-3.06	-3.06
	0	0
(B) Sundry loans		
Loans to employees		
a. Unsecured, Considered good	0.00	0.00
Total loans	**0.00**	**0**
6. Other Non-Current Assets		
i) Deposits with customs, MSEB, KSEB, BSNL, Rent deposit & Registrar HC.	498.12	624.15
Sub-total	498.12	624.15
ii) Other Deposits	0.00	105.37
Total	**498.12**	**729.52**

Rs. in Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
7. Inventories		
a. Raw materials and components	1293.11	582.73
b. Work in progress	960.65	913.28
c. Finished goods	1007.75	1200.35
e. Store and spares	2488.57	2788.50
Less; Allowances for obsolescence *	-402.50	-448.50
	2086.07	2340.00
Total	**5347.58**	**5036.36**

* In the books of holding company, Allowances for stores obsolesence are made at 50% of the Slow moving items above five years.
In the books of Subsidiary company:

Particulars	As at 31.03.2021	As at 31.03.2020
8. Trade receivables		
Current		
Secured	0.00	0.00
Considered good - Unsecured	371.61	1241.85
Credit impaired	1474.13	1465.78
Less: Allowance for doubtul trade receivable	-1474.13	-1465.78
Total	**371.61**	**1241.85**

i) In the books of holding company, Allowance is made in the accounts for trade receivables which in the opinion of the management are considered credit impaired. The Company is consistently following the practice of creating allowance for those trade receivables which remain outstanding for more than three years or doubtful of recovery.
ii) In the books of subsidiary company balance standing to the debit/credit of parties is subject to confirmation by them and review by the Company.
iii) In the books of Subsidiary company, Debts over due for a period exceeding six months includes towards case filed in High Court of Andhra Pradesh, which is pending amounting to Rs.129.16 Lakhs (Previous year Rs 129.16 lakhs)

The disclosure of movement as required under Indian Accounting Standard 37

Allowance for doubtful Trade receivables		
Provision at the beginning of the year	1465.78	2571.84
Provisions made during the year	40.79	15.65
Released during the year *	32.44	1121.71
Provision at the end of the year	**1474.13**	**1465.78**

* During the year the holding company has written off trade receivables to the tune of Rs. 32.44 Lakh for which allowance has already been created.

Particulars	As at 31.03.2021	As at 31.03.2020
9a. Cash and cash equivalents		
Balances with banks (of the nature of cash and cash equivalents):		
Current accounts	107.39	2.17
Saving Account *	171.00	141.19
Deposits with original maturity of less than three months	3025.28	2222.78
Cash on Hand	0.92	1.69
Total	**3304.59**	**2367.83**

* Balance in Saving account of the Holding company is earmarked for the rental dues of Harchandrai House as per the direction of Small Causes Court, Mumbai.

Particulars	As at 31.03.2021	As at 31.03.2020
9b. Other Bank balances		
Fixed Deposit against LC/BG	5029.59	3903.06
Fixed deposit for maturity of more than three months but less than 12 month	6506.29	4098.00
Total	**11535.88**	**8001.06**

In the books of Subsidiary company, Margin money deposits are subject to first charge/ lien to secure the company's cash credit loan and term loan with a maturity period of upto 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
10. Loans (Current asset)		
(A) Loans to employees		
a. Unsecured, Considered good	30.88	6.24
	30.88	**6.24**
(B)Advance to Suppliers		
Doubtful	65.00	65.00
Less: Allowance for doubtul doubtful advance	65.00	65.00
	0.00	**0.00**
Total loans	**30.88**	**6.24**

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

Particulars	As at 31.03.2021	As at 31.03.2020
11. Interest and other receivables		
Current		
(A) Interest receivable		
a. Unsecured, Considered good		
Accrued Interest on Deposits	**502.74**	**269.51**
Accrued interest on Advance	106.08	106.08
Less: Provision for Doubtful Receipt	106.08	106.08
	0.00	**0.00**
Accrued Income from Township	5.53	5.53
Less : Allowances	5.53	5.53
	0.00	0.00
Total	**0.00**	**0.00**
C) Miscellaneous advance recoverable		
a. Unsecured, Considered good		
b. Doubtful	0.00	0.15
Less: Allowance for doubtful other financial assets	0.00	0.00
	0.00	0.15
Total	**0.00**	**0.15**

Subsidiary Company Hindustan Fluorocarbons Ltd has created mortgage in favour of the Holding Company on 84.31 acre of land at Rudraram Vill, Medak Dist., Telengana state towards zero coupon loan Rs.2744.07 lakhs outstanding and the interest bearing loan of Rs.453.01 lakhs and interest accrued thereon amounting to Rs.960.52 lakhs.

The Subsidiary company had outstanding Govt. plan loan of Rs.3.60 Cr. availed for manufacture of MPTFE and Rs.13.20 Cr. availed for refurbishment of the Plant @11.5% p.a. and both the loans repayable in 5 annual installments commencing from F.Y. 2015-16. The Company had repaid Rs.1.00 Crore with interest of Rs.24.92 lakh during the month of March, 2017 and accordingly principal and interest outstandings were adjusted. The instalment due for F.Y. 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 amounting to Rs.1,580.00 lakh shown in Note-21 under the head 'Other Financial liabilities being Govt. Plan Loan current maturities of long term debt'. The company had received Letter No. P.51015/06/2019-CH III(Vol.II) dated 29.01.2020 on closure of the subsidiary company in which interest on Rs. 1580 Lakhs will be freezed up to 31.03.2019. Hence interest has not been charged for the year 2020-21.

Particulars	As at 31.03.2021	As at 31.03.2020
12. Deposits, advances and other receivables		
(i) Deposits with the Collectorate of Central Excise and Customs	7.52	10.00
Less : Allowances	2.89	2.90
Sub-total	**4.63**	**7.10**
(ii) Statutory receivables - Duties & Taxes	1477.10	2850.45
Less :- Allowances	4.29	4.29
Sub-total	**1472.81**	**2846.16**
(iii) Advances to suppliers		
- Considered good	217.12	342.70
- Considered doubtful	0.00	0.91
Less: Allowances for doubtful	1.44	2.35
Sub-total	**215.68**	**341.26**
(iv) Deposits - Gratuity, EMD , Rent etc.	3002.68	18.34
(v) Prepaid Expenses	205.03	197.73
(vi) Other Advances Recoverable	27.61	46.70
(vii) Accrued income on Employee Advances	24.88	112.47
(viii) Recoverable form Employees	60.41	60.41
Sub-total	**317.93**	**417.31**
Less:Allowances	60.41	60.41
	257.52	356.90
Total	**4953.32**	**3569.76**

In the books of holding company gratuity deposit of Rs.625.98 Lakh in LIC/ICICI Bank towards Employees Group Gratuity Fund Trust created against Gratuity liability.

Description	As at 31.03.2021 Nos.	As at 31.03.2021 Rs. In lakh	As at 31.03.2020 Nos.	As at 31.03.2020 Rs. In lakh
13. Share Capital				
Authorised Share Capital				
Equity Shares of Rs. 10 each				
Opening Balance	100000000	10000.00	100000000	10000.00
Increase/(decrease) during the year	0.00	0.00	0.00	0.00
Closing balance	100000000	10000.00	100000000	10000.00
Issued equity capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening balance	67173100	6717.31	67173100	6717.31
Add: Paid-up amount on shares forfeited	0.00	9.65	0.00	9.65
Increase/(decrease) during the year	0.00	0.00	0.00	0.00
Total - Equity share capital	**67173100**	**6726.96**	**67173100**	**6726.96**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31.03.2021 No. of shares	As at 31.03.2021 % Holding	As at 31.03.2020 No. of shares	As at 31.03.2020 % Holding
Equity shares of INR 10 each fully paid: The Government of India	39481500	58.78%	39481500	58.78%

During the year 2010-11, the Company forfeited 193000 shares of Rs.10 each (Rs.5 paid up) for non payment of allotment and call monies and the amount paid towards application money in respect of these forfeited shares has been transferred to "Share's Forfeiture Account".

Rs. In lakh

Description	As at 31.03.2021	As at 31.03.2020
14. Other equity		
a) Securities Premium Reserve		
Opening balance	4,838.57	4,838.57
Increase/(decrease) during the year	-	-
Closing balance	**4,838.57**	**4,838.57**
b) Retained Earnings		
Opening balance	(1,03,744.00)	(1,07,839.90)
Add: Profit for the year	203.98	(9,622.66)
Add: Fair value of land sold	59.04	13,718.56
Closing balance	**(1,03,480.98)**	**(1,03,744.00)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Description	As at 31.03.2021	As at 31.03.2020
		Rs. In lakh
c) Other comprehensive income		
i) Revaluation of Property, plant & Equipments		
Opening balance	94,143.82	1,07,369.93
Add: Revaluation during the year	1,631.02	(2,916.56)
Less : Cost of sale of revalued assets	-	-
Less: Reserve transferred to Retained Earning	(59.04)	(13,718.56)
Add : Reversal of Deferred Tax liability on account of sale	12.00	2,853.00
Add/Less : Deferred Tax liability on account of revaluation during the year	(431.00)	556.00
Closing balance	**95,296.80**	**94,143.81**
ii) Changes in Employees defined benefits plan		
Opening balance	(228.89)	(18.82)
Less:Re-measurement of defined benefit plan	(58.74)	(213.29)
Add : Financial instruments through OCI at amortised cost	-	3.22
	(287.63)	**(228.89)**
iii) Equity Instrument through Other Comprehensive Income		
Opening balance	-	-
Add: Diminution of Investment during the year (HFL)	-	-
Less : Deferred Tax liability on account of revaluation during the year	-	-
Closing balance	-	-
G. Total	**95,009.17**	**93,914.92**
Total Other Equity	**(3,633.24)**	**(4,990.51)**

Securities Premium Reserve - 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.

15. Borrowings (Non-Current Liability)

Loans from Government of India	7695.09	15882.38
Total	**7695.09**	**15882.38**

Details of Loan from Govt. of India as on 31.03.2021 **(Rs.in Lakh)**

I. Holding Company

Sl. No.	Govt. Sanction No.	Purpose	Date of Sanction Date	Date of drawal	Rate of Interest	No. of installments	Loan Amt. as on 31.03.2021	Instalments due upto 31.03.2021	Total Interest upto 31.03.2021	Interest overdue upto 31.03.2021	Current maturity of loan
								Note No.24 (i)		Note No.24 (v)	Note No.21
1	51/11/2009-Ch.III	For various projects in Kochi unit.	01.12.2009	15.12.2009	11.50%	5	660.00	660.00	857.15	834.90	
2	51/11/2009-Ch.III	-do-	20.01.2010	22-01-2010	11.50%	5	843.00	843.00	1084.72	1066.40	
3	P.51012/01/2012-32	For various projects	12.09.2012	18-09-2012	11.50%	5	1760.00	1760.00	1727.33	1619.20	
4	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	07.09.2015	10-09-2015	11.50%	5	1057.00	1057.00	675.38	607.78	
5	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XXI with GoI guarantee.	22.09.2015	24-09-2015	13.50%	5	1404.00	1404.00	1045.85	947.70	
6	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX & XXI with GoI guarantee.	22.09.2016	27-09-2016	11.00%	5	2461.00	1968.80	1220.79	1082.84	492.20
7	P.51012/4/2013-32-Ch.III	For payment of interest on HOCL Bonds series XX with GoI guarantee.	02.08.2017	07-08-2017	11.00%	5	1057.00	634.20	424.31	348.81	211.40
8	P.51012/4/2013-32-Ch.III	For repayment of principal HOCL Bonds series XX with GoI guarantee.	11.08.2017	14-08-2017	11.00%	5	10000.00	6000.00	3993.15	3300.00	2000.00
9	P.51012/4/2013-32-Ch.III	For repayment of principal and interest on HOCL Bonds series XXI with GoI guarantee.	12.09.2017	19-09-2017	11.00%	5	16392.46	9835.48	6367.96	5409.58	3278.49
10	P.51012/4/2013-32-Ch.III	For payment of statutory dues related to employees and other.	28.09.2017	29-09-2017	11.00%	5	11026.00	6615.60	4249.99	3638.50	2205.20
	Interest on loans repaid the principal upto 31.03.2021								8116.47	8116.47	
	Total						**46660.46**	**30778.08**	**29763.10**	**26972.18**	**8187.29**

Note: The loan amount of Rs.46660.46 lakhs are unsecured loans (Previous year total loan amount was Rs.48216.46 Lakhs out of which Rs.600 lakhs was secured by land held by the company).

II. Subsidiary Company

1 GOI has disbursed loan of Rs.7370 Lakhs on 22-May-2020 for settling the dues of Employees, Creditors and closure of Loans as per decision of CCEA.

2 The company had outstanding plan loan of Rs.360 Lakhs availed for manufacture of MPTFE and Rs. 1320 Lakhs availed for refurbishment of the Plant @11.5% p.a. and both the loans repayable in 5 annual installments commencing from F.Y. 2015-16. The Company had repaid Rs.1.00 Crore with interest of Rs.24.92 lac during the month of March, 2017 and accordingly principal and interest outstandings were adjusted. The instalment due for F.Y. 2015-16,2016-17, 2017-18, 2018-19 and 2019-20 amounting to Rs. 1,580.00 lacs shown in Note-14. Company had received letter no.P.51015/06/2019-Ch.III(Vol.II) dated 29.01.2020 on closure of HFL in which interest on Rs.15.80 crore will be freezed upto 31.03.2019. Hence interest has not been charged for the year 2020-21.

Description	As at 31.03.2021	As at 31.03.2020
		Rs. In lakh
16. Provisions (Long term liability)		
Opening		
For Employee's Benefits - Leave encashment and Gratuity	1039.16	1978.73
Diff. in Fixed Assets	3.73	2.07
Provision for CBI Landlord account deposit interest	5.11	0.00
Provision for land Lease premium	0.00	0.00
Sub-total	**1048.00**	**1980.80**
Arising during the year		
For Employee's Benefits - Leave encashment and Gratuity	32.39	34.09
Diff. in Fixed Assets	16.79	1.66
Provision for CBI Landlord account deposit interest	4.04	5.11
Provision for land Lease premium	0.00	0.00
Sub-total	**53.22**	**40.86**
Utilised		
For Employee's Benefits - Leave encashment and Gratuity	-32.54	106.54
Diff. in Fixed Assets	0.00	0.00
Provision for CBI Landlord account deposit interest	0.00	0.00
Provision for land Lease premium	0.00	0.00
Sub-total	**-32.54**	**106.54**
Closing		
For Employee's Benefits - Leave encashment and Gratuity	1104.09	1906.28
Diff. in Fixed Assets	20.52	3.73
Provision for CBI Landlord account deposit interest	9.15	5.11
Provision for land Lease premium	0.00	0.00
Total	**1133.76**	**1915.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. In lakh

Description	As at 31.03.2021	As at 31.03.2020
17. Deferred Tax liabilities		
Description		
a) Deferred Tax Liability		
Excess Provision Written back	1,643.00	1,643.00
Impairment Provision written back	450.00	450.00
VRS Allowance U/s 35DDA of the Income Tax Act	1,407.00	938.00
Fair Value of Land	15,841.52	15,422.52
Fair Value of Investment in HFL	-	-
	19341.52	**18453.52**
b) Deferred Tax Asset		
Depreciaiton	74.00	52.00
Provision for leave encashment	209.00	132.00
Voluntary Retirement Expense	91.00	91.00
Provision for doubtful debts	31.00	19.00
Provision for doubtful Advance	55.00	38.00
Provision for stock obsolences	33.00	33.00
Provision for statutory claims	32.00	27.00
Provision for liability on long term agreement	30.00	17.00
Accumulated carried forward loss to the extent of set off	2,945.00	2,622.00
	3500.00	**3031.00**
	15841.52	**15422.52**
Reversal of deferred tax liability [Note No.44]	**-**	**0.00**
Net Deferred tax liability [Note No.44]	**15,841.52**	**15,422.52**

i) The deferred tax asset available on unused tax loss has not been recognised as there is no certainity that future adequate taxable profit available against which unused tax loss can be utilised. This has been adjusted to the extent of Rs.2945 Lakh of deferred tax liability recognisable in statement of profit and loss during the year as it is relating to the same taxable authority and same period. Also refer Note No.44.

Description	As at 31.03.2021	As at 31.03.2020
18. Net employee defined benefit liabilities - Non current		
Net employee defined benefit liabilities - Gratuity	**2200.93**	**2199.25**
19. Dues to preference share holder		
Opening Balance	27000.00	27000.00
Increase/(decrease) during the year	0.00	0.00
Closing balance	**27000.00**	**27000.00**

Note

1. The preference shareholders have no voting rights.
2. The Government of India had released earlier in the year 2006-07 Rs.27000 lakhs (for financial restructuring Rs. 25000 lakhs and Caustic Soda Plant recommissioning Rs. 2000 lakhs) against allotment of 8% Non-Cumulative Redeemable Preference Shares, thereby broadening the capital base as per the revival scheme of the holding company. The 8% Preference Shares were allotted to Government of India by the Board on 28th January, 2008, redeemable @ 20% commencing from 4th year with last redemption in the 8th year (ie.2015-16). At the request of the Company, Government of India had extended the commencement of redemption from financial year 2011-12 to financial year 2015-16 @ 25% each year. At the request of the Company, the Government of India, had granted further extension of redemption, subject payment of interest @ 1.5 % pa, on the total amount of Rs.27000 lakhs and an amount of Rs.405 lakhs has been provided in the books of accounts during the year. Further interest @1% is payable for default in repayment and accordingly interest amount of Rs.270 lakhs has been provided during the year.

Description	As at 31.03.2021	As at 31.03.2020
19a. Current Borrowings		
Loans repayable On Demand		
Interest free loan from Govt. of India *	7370.00	0.00
From Banks: Secured :		
Cash Credit from State Bank of India	0.00	505.25
Total current Borrowings	**7370.00**	**505.25**
Aggregate Secured loans	7370.00	505.25
Aggregate Unsecured loans	0.00	0.00

Note:

The subsidiary company had closed the cash credit facilities with the funds provided by GOI.

* GOI has disbursed loan of Rs. 7370 lakh on 22.05.2020 to the subsidiary company for settling the dues of employees, creditors and closure of loans as per decision of CCEA

Rs. In lakh

Description	As at 31.03.2021	As at 31.03.2020
20. Trade payables		
Current - Trade Payable		
i) Outstanding dues of micro and small enterprises	25.62	99.53
ii) Outstanding dues of other than micro and small enterprises	2282.31	3684.69
Total	2307.93	3784.22
Amount due to Micro, Small and Medium enterprises:		
Particulars		
a) i) Principal amount remaining unpaid as at the end of each accounting year	25.62	103.82
ii) Interest due thereon	-	-
iii) Interest due and payable for the period of delay in payment	-	-
iv) Interest accrued and remaining unpaid	-	-
v) Interest due and payable even in 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.

Description	As at 31.03.2021	As at 31.03.2020
21. Other Current financial liabilities		
Current maturities of Long term debt:		
Current maturities of Govt loan	8187.29	8679.49
Other payables	49.07	36.96
Employee Salaries and Arrears Payables	0.00	0.00
	8236.36	**8716.45**
Total Borrowings	15931.45	24598.83
Less: Amount clubbed under "other current financial liabilities	8236.36	8716.45
Other payables		
Non-current Borrowings (Net)	7695.09	15882.38
Aggregate Secured loans	0.00	0.00
Aggregate Unsecured loans	15931.45	24598.83

Note:

i) There is a continuing default in repayment of loan from Government of India since the year 2009-10 and the overdue amount towards principal is Rs.30778.08 Lakh (previous year Rs.23654.58 Lakh) and for interest accrued is Rs.26972.25 Lakh (previous year Rs.21623.35 Lakh), these amounts are shown under 'Other Current Liabilities'. Rs.8,187.29 Lakh (previous year Rs.8679.49 Lakh) maturing in next 12 months is shown under Other Current financial Liabilities as 'current maturity of long-term borrowings'. The Company has during the year repaid loan overdue Principal amounts of Rs.1556.00 Lakh (previous year Rs.2685.00 Lakh).

Description	As at 31.03.2021	As at 31.03.2020
22. Provisions (Short term liability)		
Opening		
For Employees' Benefits (Leave and gratuity)	887.27	670.76
For Employees Remuneration	26.87	26.81
For Statutory claims	60.10	0.00
For Interest to others-PS	4185.00	3510.00
For Penal Interest	1032.06	1032.06
Sub-total	**6191.30**	**5239.63**
Arising during the year		
For Employees' Benefits (Leave and gratuity)	-339.50	524.08
For Employees Remuneration	0.00	0.06
For Statutory claims	0.00	60.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. In lakh

Description	As at 31.03.2021	As at 31.03.2020
For Interest to others-PS	675.00	675.00
For Penal Interest	0.00	0.00
Sub-total	**335.50**	**1259.24**
Utilised		
For Employees' Benefits (Leave and gratuity)	0.00	307.57
For Employees Remuneration	0.00	0.00
For Statutory claims	54.02	0.00
For Interest to others-PS	0.00	0.00
For Penal Interest	182.06	0.00
Sub-total	**236.08**	**307.57**
Closing		
i) for Employee Benefits (Leave encash.)	547.78	887.27
ii) for Employee remuneration	21.56	26.87
iii) for Statutory Claims	6.08	60.10
iv) for Interest to others-PS	4860.00	4185.00
v) for Penal Interest	850.00	1032.06
Total	**6285.42**	**6191.30**

During the year the Holding Company has made provision in respect of Damages/Penalty/Penal interest and the total cumulative provision is given below.

a. Interest (1.5 %) on Preference Share (Rs.270 Crore) postponement of redemption for 4 year Rs.405 lakhs.

b. Interest on default in repayment of Preference Share Capital @ 1 % Rs.270 lakhs per year.

Total impact on account of the above is Rs.675 Lakhs per year.

Description	As at 31.03.2021	As at 31.03.2020
23. Net employee defined benefit liabilities - Current		
Net employee defined benefit liabilities - Gratuity	**77.31**	**79.14**
24. Other current liabilities		
i) Loan overdue- Loan from Government of India	32358.08	25234.58
ii) Advances from customers	415.11	424.14
iii) Deposits from Vendors / Customers	199.36	275.93
iv) Interest accrued but not due (on GoI Loan)	2790.87	2843.56
v) Interest accrued and due (on GoI Loan)	27759.72	22410.89
vi) Statutory Liabilities	544.19	527.97
vii) Employee related liabilities	699.95	2111.10
viii) Payroll Recoveries Payable	37.25	11.85
ix) Other Liabilities	1161.58	2209.16
Total	**65966.11**	**56049.18**

Rs. In lakh

Description	Year ended 31.03.2021	Year ended 31.03.2020
25. Revenue from operations - Sale of products (Manufactured)		
Sale of products (Manufactured)		
Phenol	21037.77	19875.83
Acetone	17577.08	7062.72
H2O2	822.53	1361.13
H. E. of Cumene	1150.69	1205.92
Cumox Oil	569.73	495.63
Polytetrafluoroethylene	9.39	53.20
Application Development Customer Support	2.12	43.65
CFM - 22	332.34	3003.46
Tetrafluoroethylene	0.00	0.90
Hydrogenchloride	3.02	31.25
Others	3.81	0.00
Total	**41508.48**	**33133.69**

Rs. In lakh

Description	Year ended 31.03.2021	Year ended 31.03.2020
26. Other income		
Direct income		
Facility charges from ISRO	0.00	230.00
Sale of Scrap	53.11	0.48
Sub-total	**53.11**	**230.48**
Interest income on		
On Call and Term Deposits (Gross)	817.73	654.11
On Advances and Deposits with MIDC,MSEB and others	21.38	26.08
Delayed payment & Finance charges from Trade Receivables	41.66	8.96
Sub-total	**880.77**	**689.15**
Other non-operating income		
Estate Rent	53.16	55.13
Transport, Water, Electricity,etc. recoveries	2.83	5.29
Sale of Tender Forms	0.11	0.24
Exchange rate Diff - Gain	0.00	0.94
Miscellaneous Income	187.90	59.64
Prior Period Income	936.23	0.00
Creditors written back	0.00	182.12
Interest on GoI Loan interest waived	0.00	758.97
Provision for Impairment written back	0.00	0.00
Profit on Sale of Assets	15.96	162.18
Sub-total	1196.19	1224.51
Total	**2130.07**	**2144.14**
Reversal of Excess Provision w/ back include the following:		
1. Excess provision written back-GAIL LNG	790.96	0.00
2. Reversal of excess provision for DPC of EPS (Rasayani)	91.02	0.00
3. Reversal of excess provision for doubtful debts	1.11	0.00
4. Provision no longer required in various cases	53.14	182.12
Total	**936.23**	**182.12**

In the books of holding company

1. Miscellaneous income relating to 2019-20 Rs.5.04 lakhs has been incorrectly accounted due to error as such the comparative amount for the year 2019-20 is restated as per Ind As 8 .

(a) Nature of the prior perid error : Miscellaneous Income

(b) Amount of correction : Rs.5.04 lakhs

(c) Financial line item affected: Note No.26 (Miscellaneous Income)

2. Miscellaneous income relating to 2018-19 Rs.3.78 lakhs has been incorrectly accounted due to error as such the comparative amount has been restated in the opening retained earnings as on 01.04.2020.

(a) Nature of the prior perid error : Miscellaneous Income

(b) Amount of correction : Rs.3.78 lakhs

(c) Financial line item affected: Note No.26 (Miscellaneous Income)

Description	Year ended 31.03.2021	Year ended 31.03.2020
27. Cost of raw material and components consumed		
Inventory at the beginning of the year	582.73	646.77
Add: Purchases	20986.06	20920.84
Less: inventory at the end of the year	1293.11	582.73
Cost of raw material and components consumed	**20,275.68**	**20,984.88**
28. Changes in Inventories of Finished Goods and WIP		
(Increase)/decrease in inventory		
Inventories at the beginning of the year		
(i) Stock-in-Process	913.28	951.38
(ii) Stock for Captive consumption	138.14	89.68
(iii) Main Products	965.08	1158.48
(iv) By Products	97.13	9.89
	2113.63	**2209.43**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. In lakh

Description	Year ended 31.03.2021	Year ended 31.03.2020
Inventories at the end of the year		
(i) Stock-in-Process	960.65	913.28
(ii) Stock for Captive consumption	87.91	138.14
(iii) Main Products	900.63	965.08
(iv) By Products	19.21	97.13
	1968.40	**2113.63**
Changes in Inventories of finished goods and work in progress	**145.23**	**95.80**
29. Employee benefits expense		
a) Salaries and wages	3732.48	4740.29
b) Company's Contribution to Provident Fund	371.26	626.67
c) Gratuity	201.43	232.63
e) Provision for Leave Encashment	266.09	354.52
f) Staff welfare expenses	16.94	522.30
Medical amenities	86.48	0.00
Canteen and Nutrition amenities	258.94	0.00
Other welfare expenses	49.72	0.00
g) Termination benefits	1805.07	0.00
	6788.41	6476.41
Voluntary retirement benefits (VRS & VSS)	0.00	0.00
Total	**6788.41**	**6476.41**
30. Finance costs		
Interest:		
On Fixed Loans	5308.54	5663.36
Interest - Others	40.36	78.71
	5348.90	5742.07
Other Borrowing Cost-Bank charges	12.96	20.64
Total finance costs	**5361.86**	**5762.71**
31. Depreciation and amortization expense		
Depreciation of tangible assets	115.56	275.14
Amortization of intangible assets	174.67	1.93
Total	290.23	277.07
26b. Provision for impairment loss on fixed assets	0.00	0.00
Total	**290.23**	**277.07**
32. Other expense		
Consumption of Stores and Spares		
i) Catalyst and Chemicals	367.49	190.86
ii) Consumable stores	275.02	500.09
iii) Packing materials	360.34	281.32
	1002.85	**972.27**
Utilities		
Power	1869.53	6262.78
Fuel	5162.90	
Water	214.52	234.29
	7246.95	**6497.07**
Repairs & Maintenance:		
Building	109.19	91.99
Plant and Machinery	196.18	347.04
Other Assets	163.41	258.79
	468.78	**697.82**

Rs. In lakh

Description	Year ended 31.03.2021	Year ended 31.03.2020
Administration Expenses:		
Rent	23.75	43.36
Insurance	281.62	293.97
Rates and taxes	406.20	580.57
Consultancy / Professional charges	72.00	200.77
Payment to Auditors: As Auditors		
For Statutory audit	5.65	3.65
For Income tax audit	0.90	1.30
For GST audit	0.50	0.40
For Limited Review	1.60	1.40
For Reimb. of Expenses	0.85	0.75
Other expenses:		
Power for Township	16.87	24.24
Water for Township	18.26	15.65
Security Expenses	257.25	274.85
Advertisement Expenses	5.21	0.51
Hire of Vehicles Expenses	23.82	27.44
Loss on Sale of Assets/Disposal	4.09	53.55
Prior Period Expenses	0.00	0.00
Sundry Balances Written-off	0.00	0.00
Miscellaneous Expenses	250.72	297.61
Corporate Social Responsibility	0.00	0.72
	1369.29	**1820.74**
Selling and distribution expenses:		
Cash Discount	786.44	606.12
Other selling expenes	0.06	0.51
	786.50	**606.63**
Provisions:		
Provision for Doubtful Debts	40.80	17.09
Provision for Stock Obsolescence	0.00	92.19
Provision for Doubtful of recovery (CBI Landlord A/C)	4.04	5.11
Provision for Penal interest	675.00	675.00
Provision for Unidentified assets	16.79	1.66
Provision for statutory claims	44.04	58.71
Long term agreements	0.00	0.00
	780.67	**849.76**
Total	**11655.04**	**11444.29**

Notes:

In the books of holding company

1. An amount of Rs.1.33 lakhs short provided towards security arrangement during the year 2019-20 due to error as such the comparative amount for the year 2019-20 is restated as per Ind As 8

(a) Nature of the prior perid error : Security expenses short provided

(b) Amount of correction : Rs.1.33 lakhs

(c) Financial line item affected: Note No.32 (security expense)

2 An amount of Rs.14.08 lakhs short provided towards rates and taxes during the year 2017-18 & 2018-19 due to error as such opening retained earnings as on 01.04.2020 is restated as per Ind As 8.

(a) Nature of the prior perid error : Rates and Taxes

(b) Amount of correction : Rs.14.08 lakhs

(c) Financial line item affected: Note No.32 (Rates and Taxes)

33 EMPLOYEES BENEFIT PLAN:

A. Provision for leave encashment

The Holding Company has a provision of Rs.1420.24 Lakh (previous year Rs.1409.82Lakh) for leave encashment as on 31st March 2021, as per the Ind AS-19 based on Actuarial Valuation and the unpaid amount of leave encashment claims submitted by the employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B. Provident fund

Holding Comapny: Employees receive benefits from the provident fund managed by the Company upto 30th June 2018. From 1st July 2018 onwards the Company has transferred the Provident fund accounts of all employees to Employees Provident Fund Organisation (EPFO) and managed by EPFO. The employee and employer each make monthly contributions to the Provident Fund/Pension Fund plan equal to 12% of the employees' salary/wages.

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

C. Gratuity

Gratuity plan is governed by the Payment of Gratuity Act, 1972 and an employee who has completed five years of service is entitled to gratuity and the level of benefits provided depends on the member's length of service and salary at retirement age. The Employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Trust through an Annuity Scheme maintained with Life Insurance Corporation of India (LIC). The balance fund of Holding company available with LIC is Rs. 625.73 Lakh (Previous year Rs.15.34 Lakh) and deposit with ICICI Bank Rs.0.25 lakh (Previous year Rs Nil) and of subsidiary company with LIC is Rs. 4.73 Lakh (Previous year 4.40 Lakh)

All dues on account of gratuity of Rasayani unit and Kochi unit employees of Holding company relieved upto 31.03.2021 have been paid and there are no further dues.

Details of Actuarial Valuation of Gratuity Details:

Rs. In Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
1. Funded Status of the plan		
Present value of unfunded obligations	0.00	0.00
Present value of funded obligations	2423.48	3228.56
Fair value of plan assets	-630.71	-19.74
Net Liability (Asset)	**1792.77**	**3208.82**
2a. Profit and loss account for current period		
Current Service Cost	82.73	120.82
Past Service cost and loss/gain on curtailments and settlement	0.00	0.00
Net Interest cost	152.28	202.89
Total included in 'Employee Benefit Expense' (P&L)	**235.01**	**323.71**
2b. Other Comprehensive Income for the current period		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	68.22	56.82
Due to change in demographic assumption	0	-0.34
Due to experience adjustments	24.8	180.54
Return on plan assets excluding amounts included in interest income	-12.94	-1.01
Amounts recognized in Other Comprehensive Income	80.08	236.01
3. Reconciliation of defined benefit obligation		
Opening Defined Benefit Obligation	3228.38	3323.56
Transfer in/(out) obligation	0.00	0.00
Current service cost	82.73	120.82
Interest Cost	152.28	202.89
Components of actuarial gain/losses on obligations:	0.00	0.00
Due to Change in financial assumptions	68.22	56.82
Due to change in demographic assumption	0.00	-0.34
Due to experience adjustments	25.14	180.54
Past Service Cost	0.00	0.00
Loss(gain) on curtailments	0.00	0.00

Rs. In Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
Liabilities Extinguished on settlement	0.00	0.00
Liabilities assumed in an amalgamation in the nature of purchase	0.00	0.00
Exchange diffeences on foreign plans	0.00	0.00
Benefits paid	(245.61)	(533.35)
Closing defined benefit Obligation	3311.14	3350.94
4. Reconciliation of plan Assets		
Opening value of plan assets	19.74	18.45
Transfer in (out) plan assets	0.00	0.00
Expenses deducted from the fund	0.00	0.00
Inerest Income	0.00	0.00
Return on plan assets excluding amounts included in interest income	12.94	1.01
Assets distributed on settlements	0.00	0.00
Contributions by employer	1485.52	150.31
Assets acquired in an amalgamation in the nature of	0.00	0.00
purchase	0.00	0.00
Exchange rate differences on foreign plans	0.00	0.00
Benefits paid	0.00	0.00
Closing value of plan assets	630.71	169.77
5. Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	2263.05	2382.23
Transfer in (out) obligation	0.00	0.00
Transfer (in) out plan assets	0.00	0.00
Employee benefits Expense as per Annexure 2	201.43	232.63
Amounts recognized in other comprehensive income	31.1	181.54
Sub-total	**2495.58**	**2796.4**
Benefits paid by the company	(245.62)	(533.35)
Benefits settled (Rasayani Unit)	0.00	0.00
Contributions to plan assets	-597.7	0
Closing provision in the books of accounts	1652.26	2263.05
Reconciliation of Assets Ceiling		
Opening Value of Assets Ceilng	0.00	0.00
Interest on Opening Value of Assets Ceiling	0.00	0.00
Loss/Gain on Assets due to surplus/Deficit	0.00	0.00
Closing Value of Plan Assets Ceiling	0.00	0.00
6. Composition of the Plan assets	%	%
Government of India Seccurities	0.00	0.00
State government seccurites	0.00	0.00
High Quality Corporate Bonds	0.00	0.00
Equity shares of listed companies	0.00	0.00
Property	0.00	0.00
Special Deposit Scheme	0.00	0.00
Policy of Insurance	100.00	100.00
Bank Balance	0.00	0.00
Other Investments	0.00	0.00
Total	**100.00**	**100.00**
7. Bifurcation of liability as per schedule III		
Current liability	77.3	79.13
Non - Current liability	1574.96	2183.92
Net Liability	1652.26	2263.05
8.Principle acturial assumptions		
Discount Rate	5.60%	6.85%
Salary Growth rate	7.00%	7.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. In Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
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	5.60%	5.60%

9.Expected Cash Flows based on past service liability

	Cash Flows	Distribution(%)
Year 1 Cash Flow	496.37	16.30%
Year 2 Cash Flow	555.11	18.20%
Year 3 Cash Flow	232.34	7.60%
Year 4 Cash Flow	244.12	8.00%
Year 5 Cash Flow	164.59	5.40%
Year 6 to Year 10	688.50	22.60%

The future accrual is not considerd in arriving at the above cash flows
The expected contribution for the next year is Rs 79.14 Lakh.
The Average outstanding term of obligations (years) as at valuation date is 4.64 years

10.Sensitivity to key assumptions

Discount Rate Sensitivity		
Increase by 0.5 %	2225.37	2230.08
(% change)	-2.32%	-2.09%
Decrease by 0.5%	2333.87	2327.62
(% change)	2.44%	2.19%
Salary Growth rate Sensitivity		
Increase by 0.5 %	2303.18	2302.68
(% change)	1.09%	1.10%
Decrease by 0.5%	2251.7	2249.84
(% change)	-1.16%	-1.22%
Withdrawal rate(W R)Sensitivity		
W. R x 110%	2280.95	2278.95
(% change)	0.12%	0.06%
W. R x 90%	2275.61	2275.92
(% change)	-0.12%	-0.08%

A description of methods used for sensitivity analysis and its Limitations:
Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.
Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if the two or more variables are changed simultaneously.
The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any

Appendix A: Break-up of defined benefit obligation Rs. In Lakh

Particulars	As at 31.03.2021	As at 31.03.2020
Vested	2,269.01	2,276.09
Non-vested	9.23	2.30
Total	**2,278.24**	**2,278.39**

Appendix B: Age wise distribution of defined benefit obligation

Age (In years)	DBO (in Rs. in lakh)	
	As at 31.03.2021	As at 31.03.2020
Less than 25	-	-
26 to 35	16.61	33.64
36 to 45	208.81	178.54
46 to 55	923.87	808.63
56 and above	1128.95	1257.58
Accrued gratuity for Left Employees	-	-
Total	**2278.24**	**2278.39**

Appendix C: Past service wise distribution of defined benefit obligation

Age (In years)	DBO (in Rs. in lakh)	
	As at 31.03.2021	As at 31.03.2020
0 to 4	3.75	1.61
4 to 10	61.17	61.37
10 to 15	165.53	105.50
15 and above	2047.79	2109.91
Accrued gratuity for Left Employees	-	
Total	**2278.24**	**2278.39**

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

Particulars	As at 31.03.2021	As at 31.03.2020
Discount rate	5.60% p.a	6.25% p.a
Salary Growth rate	7.00% p.a	7.00% p.a
Rate of Return on plan assets	5.60% p.a	6.25% p.a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Demographic Assumptions

Withdrawal rates p.a

Age Band	As at 31.03.2021	As at 31.03.2020
25 and below	3.00%	3.00%
25 to 35	2.50%	2.50%
35 to 45	2.00%	2.00%
45 to 55	1.50%	1.50%
55 and above	1.00%	1.00%

Mortality rates

Sample rates p.a of Indian Assured Lives Mortality (2012-14)

Age (In years)	As at 31.03.2021	As at 31.03.2020
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.

34 FIXED ASSETS

a) Originally the Holding Company at Rasayani was in possession of land (as per revenue records) admeasuring 1012.355 acres. Out of the said land 251 acres were sold to BPCL and 20 acres were sold to ISRO during the year 2017-18, 38.687 acres were sold to BPCL in the year 2018-19. In the year 2019-20, 85.27 acres of land sold to BPCL and in 2020-21, 0.386 acre was sold to IOCL (Petrol pump area). Out of the said land, 65.840 acres (previous year 66.024 acres) includes 22.717 acres which has been idenitified as encroached, 32.547 acres has been given to MIDC, MSEB, HIL, MES etc, 10.576 acres of public road and hence considered at Nil value. The said encroachment has been determined on the basis of the survey carried out by the company through M/s. The Geo Tek vide their report dated April 24, 2019. The balance 551.558 acres of land has been revalued at the ready recknor rate or the agreed rate of sale to BPCL amounting to Rs. 828.26 crore.

b) As per the communication received from Municipal commissioner Panvel, regarding the actual area of plot No.11 & 12 of survey No.738 on which there is a public road passing through and thereby the total area of Panvel land available for sale has been reduced from 8 acre to 7.09 acre. Accordingly the reserve price (fair value) has been reduced to Rs.158 crore. Further HOCL has applied for NOC from govt. of Maharashtra for sale of land which is yet to be received.

c) The holding company is in the process of implementation of the Govt. Approved restructuring plan vide order dated May 22, 2017, the company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbured land in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

35 INVESTMENT

a) The Holding Company has an investment of Rs.1106.00 Lakh (previous year Rs.1106.00 Lakh) in the equity share of subsidiary company M/s. Hindustan Fluorocarbons Ltd. (HFL) which is under BIFR since 1994. The net worth of the Company based on its latest audited balance sheet as at 31st March, 2020 is negative. Provision has been made during current year towards diminution in the value of these investments amounting to Rs.781.94 Lakh due to the diminution in the market value to Rs.2.93 as on 31.03.2020 (face value Rs.10). Government of India has decided to close down M/s.HFL as per CCEA decision on 29.01.2020.

b) During the year 2007-08, the Modified Draft Rehabilitation Scheme (MDRS) for revival of subsidiary - Hindustan Flurocarbon Ltd. (HFL) was approved by BIFR for implementation. As part of implementation of MDRS, HOCL had waived interest of Rs.2260.26 Lakh accumulated on loan given to HFL and converted the unsecured loan amounting to Rs.2744.07 Lakh as Zero Coupon Loan (ZCL), into secured loan by on HFL creating first charge on immovable property (land 84.31 acre valued to the extent of Rs. 2035.26 Lakh as per Govt. rate) in favour of HOCL. This loan was payable in 7 equal annual instalments commencing from 2010-11, aggregating to Rs.2744.07 (Previous year Rs.2744.07) which has become due and payable in full. Further, the Company had given loans to HFL aggregating to Rs. 453.01 (Previous Year Rs. 453.01) 10.25% to 14.50% which has become payable in full. This loan is also secured by first charge on the HFL immovable property. A provision has been made for the shortfall in the security to the extent of Rs.2070.70 Lakh including interest as on 31st March, 2020 (Previous year Rs. 2007.07 Lakh).

c) The Holding Company has entered into an agreement on 16.10.2006 to lease the school infrastructure facilities to M/s.Mahatma Education Society (MES) for managing the school for a period of 30 years. The management of MES in order to start professional courses has constructed new buildings and facilities in the premises in contravention of the terms of agreement. The company has sent a notice for termination as per the tems of the agreement to M/s.MES. M/s.MES has filed a petition challenging the termination notice in the Dist. Magistrates Court Alibag. MES has filed petition in the Bombay High Court for appointment of Arbitrator in the dispute between HOCL and MES. The District Court has granted stay pending the final disposal of the Arbitration petition of MES. Company has filed a petition to vacate the stay granted by the District Court in the Bombay High Court.

36 EARNING PER SHARE

Rs. In Lakh

Earnings per share has been calculated as follows:	As at 31.03.2021	As at 031.03.2020
Net Profit/(Loss) after Tax (Rs. in Lakh)	(877.9)	(9780.93)
Weighted average number of equity shares	67173100	67173100
Nominal Value per equity share (Rs.)	10	10
Basic / Diluted Earning per equity share (Rs.)	(1.31)	(14.56)

37 SEGMENT REPORTING.

Since the company is manufacturing only Chemicals, there are no separate reportable primary and secondary segments and all the chemicals manufactured by the company are considered to have been representing as single reportable segment. The requirements of Accounting Standard 17 with regard to disclosure of segmental results are therefore considered not applicable to the company.

38 BALANCE CONFIRMATION

Balances of trade receivables, trade payables, loans, advances, other current assets and borrowings are subject to confirmation / reconciliation and subsequent adjustments except in cases where confirmation has been received.

39 Contingent Liabilities & Commitments

Rs. in Lakh

I) Contingent Liabilities	As at 31.03.2021	As at 031.03.2020
a) Claims against the Company not Acknowledged as debts:		
i) Income Tax Claims	492.49	563.72
ii) Excise duty / Service tax	104.63	104.63
iii) Gratuity for School teachers	75.31	75.31
iv) Other claims (P&A - Legal cases)	286.36	286.36
v) Rental claim Harchandrai House	5863.85	5594.75
vi) JNPT lease rent	2974.52	2974.52
vii) Damages on Delayed payment of PF with interest	94.89	94.89
viii) Penal interest on Govt. Loans	5940.71	4687.52
ix) Interest on interest on Govt. Loan	32981.28	28128.35
Sub-total	**48814.04**	**42510.05**
b) Bank Guarantees issued from Banks	164.57	697.25
Guarantees given on behalf of the Subsidiary Company, Hindustan Fluoro-carbons Limited to Financial Institutions and Commercial Banks for securing loans and cash credit facilities.	0.00	603.00
II) Commitments:		
Estimated amount of Contracts remaining to be executed on capital account and not provided for:	88.63	23.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a) Claims against the Company not Acknowledged as debts:

i) Income Tax Claims: Rs.492.49 Lakh

There are various appeals for Assessment years are pending before authorities i.e. ITAT, High Court and other forums. The Holding Company is awaiting for hearing, the details are as follows

AY 2002-03: Rs.70.50 Lakh, AY 2011-12 Rs.121.42 Lakh and AY 2017-18: Rs.300.57 Lakh.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

ii) Excise duty / Service tax

The Holding Company has ongoing disputes with Central excise authorities relating to the period 2006-07, amounting to Rs.104.63 Lakh. Company has filed Appeals at various Tribunals.

The above assessments are under disputes at various appellate authorities. The company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

iii) Gratuity for School teachers

Case filed by the teaching staff of HOC Rasayani School for the period upto March 1997, pending before Bombay High Court (Rs.75.31 Lakh).

iv) Other claims (P&A - Legal cases): Rs.286.36 Lakh.

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

b) ESI corporation has raised a demand for contribution during the period from 01.04.1992 to 31.10.1992 amounting to Rs.2.17 lakh (Holding Company). The matter is pending with ESI Court, Ernakulam, as desired by the ESI Court we had applied for exemption from ESI Act to the Govt. of India, hence no liability is created and a contingent liability to that extend is provided. ESI case of subsidiary company amounting to Rs.13.46 Lakh.

c) The Holding Company had invited open tender for work of construction of “Civil and Structural works for Construction of Plant Building, Technical Service Building, R&D Building, etc of PU System House Project. Company had issued the Work Order to M/s Shetusha Engineers & Constructions Pvt. Ltd. (SECPL). On account of delay and other shortcomings in the completion, company had deducted Liquidated damages. SECPL objected for the said deductions and filed an Arbitration Application before the Hon’ble High Court, Mumbai. Later the M/s SECPL had unconditionally withdrawn the said Arbitration Application from the Court. Further, M/s SECPL had filed Suit before the Hon’ble High Court, Mumbai against the Company for passing the Decree against the Company towards payment of Rs.113.35 Lakh including interest.

d) The Holding Company invoked the peformance gurantee given by M/s Vakharia Construction Company, Mumbai (VCC) to whom civil contracts had been alloted as the contract works were not completed as per the terms of the work order. The matter was referred to arbitration and later went to the High Court. The court ordered the company to deposit Rs.12 lakhs and M/s VCC is allowed to withdraw the amount on submission of bank gurantee. The appeals filed before the Hight Court were dismissed. Now M/s VCC raised demand for bank gurantee commission paid to the bank and interest at the rate of 18% as the money decree passed by the Trial Court in favour of VCC was stayed due to filing civil application by the company. The liability estimated on this is Rs.39.38 lakhs and the matter is pending before court of law and accordingly shown under contigent liabilities.

v) Rental claim Harchandrai House Rs.5863.85 Lakh

The holding company has not vacated the office premises taken on lease from M/s Harchandrai & Sons as per their notice they initiated legal proceedings and stopped to accept the lease rent. The company vacated the office premises during the year 2014. The rent not accepted by the landlord till the vacation of the office premises amounting to Rs.580.80 lakhs has been provided in the accounts. Landlords filed the Mesne Profit Application before Small Causes Court, Mumbai for Mesne profit for the period from 01/06/2000 to till the possession of the said premises. The Mense profit application is pending for hearing and the company is of the opinion that no provision is required as there is uncertainities in crystaliation of demand at this stage of litigation and accordingly the estimated amount is shown as contingent liability.

vi) JNPT lease rent: Rs.2974.52 Lakh

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land alloted to the company for setting up Liquid Tank Farm on lease bais along with assets of the company ‘as is where is basis’. The JNPT raised a demand of Rs.4124 lakhs towards lease rentals and other charges. The company has instituted arbitral proceedings and Arbitral Tribunal issed the awared in favour of the company. The assets of the company valued as per the MoU at Rs.1638.50 lakhs and same is agreed . The undisputed amount of lease rent payable by the Company to JNPT was computed on a mutual understanding between the Parties on the basis of arbitral award is Rs. 805.13 lakhs. The company has shown balance amount of demand of JNPT after adjusting undispute lease rental paid as contingent liability since the appeal filed against the arbitral awards pending for hearing before High Court and the company is of the opinion that no provision is required as there is uncertainities in crystatlisation of demand at this stage of litigation.

vii) Damages on Delayed payment of PF with interest (Subsidiary company): Rs.94.89 Lakh

Damages on delayed payments of Provident fund with interest thereon from 2000 to 2011. Application filed on 14.05.2014 due to pendency of cases, matter could not be reached due to statutory provisions under the Act, Govt. of India have not constituted to hear the pending cases with BIFR.

viii) Interest at higher rate on Govt. Loans: Rs.5940.71 Lakh and Interest on defaulted interest Govt. Loan 32981.28.

The Government of India reserves the right to raise the rate of interest in respect of loans granted to the holding company, in case of default of repayment of principal on the due date and also charge interest at rate on default in any of the payment of interest due. As there is default in payment of principal loan as well as interest due thereon, the company, in anticipation that the Government of India may demand higher rate on principal and interest on interest outstanding, arrived the additional interest liability and shown as contingent laibility. As per the balance confirmation given by the Government of India, the interest at the higher rate and interest on defualted interest have not been included.

ix) The amount of claims in respect of legal cases filed against the Company for labour matters relating to regular and retired employees and not acknowledged as debts is not ascertainable.

x) M/s. Rockwell Industries Ltd has filed a case against the Subsidiary Company for Rs.269.00 lakhs plus interest and Hon’ble High Court of Telangana has given stay on disposal of assets of the Subsidiary Company.

b) Bank Guarantees issued Rs.164.57 Lakh

The Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.146.44 lakh, BPCL Rs.3000 lakh, OMPL Rs.300 lakh GAIL Rs.870 lakh and Rs.3.63 Lakh to others. The company does not expect any outflow in respect of the above.

Contingent liability and commitments has been shown against bank guarantees issued to KSEB Rs.146.44 lakh and others Rs.18.13 lakh only.

c) Letter of Credit issued

The company has issued a Letter of Credit in favour of UOP LLC, USA for import of SPA Catalyst for USD 606800 and the payment has been made.

II) Estimated amount of Contracts remaining to be executed on capital account and not provided for: Rs.23.49 Lakh

Work order issued for the following contracts.	Rs. in lakh
a) Tally implementation (Balance amount)	13.18
b) 2x15 KVA UPS for Phenol plant	21.61
c) Laying water supply pipeline to township	9.75
d) Restoration charge/Licence fee/performance guarantee for road cutting permission from concerned authorities	14.66
e) 60T Weigh bridge	18.05
e) EPAPX system	5.23
f) 132 KW FLP motor	6.16
Total	88.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 Disclosure relating to error or omission as per Ind AS 8

The following expenditure/income had been incorrectly accounted during the year 2020-21 due to error. The comparative expenditure/income in the financial statement of the year 2019-20 have been restated to correct the errors. The effect of the restatement on the financial statement is summarised below.

	As at 31.03.2021	As at 31.03.2020
Increase in Other Income (Refer Note 26)	5.04	-
Increase in Employee Expenses (Refer Note 29)	-	(6.74)
Decrease in Other Expenses (Refer Note 32)	-	33.13
Increase in depreciation and amortisation (Refer Note 31)		(1.22)
Increase in Other Expenses (Refer Note 32)	(1.33)	(24.22)
Decrease in Other Expenses (Refer Note 32)		7.17
Decrease in deferred tax expense (Note No.17 & P&L A/c.)		2,069.00
Total	**3.71**	**2,077.12**
Income tax laiblity		-
(Increase)/decrease in Equity	3.71	2,077.12
(Increase)/decrease in Earning Per Share	0.01	3.09
(Increase)/decrease in Diluted Earning Per Share	0.01	3.09

1. The rates and taxes Rs.14.08 lakhs relating the period up to 31.03.2019 has been incorrectly accounted during the earlier financial years up to 31.03.2019 due to error.
2. Miscellaneous Income Rs.3.78 lakhs relating to the period up to 31.03.2019 has been incorrectly accounted during earlier financial year up to 31.03.2019 due to error

The effect of restatement on the financial statement is summarised below:

Opening retained earnings as on 01.04.2020	(1,01,096.65)
Add: decrease in rates and taxes (Note No.32)	(14.08)
Less: Decrese in other income (Note No.26)	3.78
Reinstated retained earnings as on 01.04.2020	(1,01,106.95)

41 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 lakh

Sr. No.	Name of the Related Party Relationship	Relationship	Details of Transaction	Amt. of Transaction during 2020-21	Outstanding at the end of the year (31.03.2021)	Amt. of Transaction during 2019-20	Outstanding at the end of the year (31.03.2020)
1	Hindustan Flurocarbon Ltd. (HFL)	Subsidiary company with 56.43% share holding.	Interest on loan given to HFL	63.62	4157.60	63.63	4099.59
2a	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Purchase of Raw materials (LPG, Benzene, FO, H2 & LNG)	21389.53	945.93	26134.71	1606.33
2b	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Finished Goods (H2O2)	22.28	22.33	38.25	23.27
2c	Bharat Petroleum Corporation Ltd	Controlled by Government of India.	Sale of Rasayani land	0.00	0.00	13718.56	0.00
3	ISRO	Controlled by Government of India.	Transfer of C.N.A/ N2O4 plant-Reim. of Operational Expenses & Utility Charges	0.00	0.00	369.00	0.00
4a	Indian Oil Corporation Limited	Controlled by Government of India.	Purchase of Raw materials (Benzene)	1825.19	0.00	1164.07	0.00
4b	Indian Oil Corporation Limited	Controlled by Government of India.	Sale of Rasayani land (Petol pump area)	75.00	0.00	0.00	0.00
5	FACT	Controlled by Government of India.	Purchase of Raw materials (Sulphuric acid)	1825.19		10.13	2.48
Trust constituted by the Company							
6	HOCL Group Gratuity Trust	-do-	Investment and interest on investment	610.89	626.23	1.01	15.34

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Rs. in Lakh

	Short-term employee benefits	Post-term employee benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
2020-21						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. S.B. Bhide, CMD	32.35	4.41	0.00	0.00	0.00	36.76
Shri. C.P. Bhatia, DF (upto 05.11.20)	20.94	2.35	0.00	0.00	0.00	23.29
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Ms. Alka Tiwari, AS&FA	0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS	0.00	0.00	0.00	0.00	0.00	0.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Lakh

	Short-term employee benefits	Post-term employee benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
ii) Independent Directors						
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)						
Nil	0.00	0.00	0.00	0.00	0.00	0.00
C. Key Managerial Personnel						
Mrs. Susheela S. Kulkarni, CS	27.82	3.51	0.00	0.00	0.00	31.33
Mr. P.O. Luise, CFO (From 06.11.20)	10.00	1.28	0.00	0.00	0.00	11.28
	91.11	**11.55**	**0.00**	**0.00**	**0.00**	**102.66**
2019-20						
A. Remuneration to Whole time Director, Managing Director and/or Manager:						
Shri. S.B. Bhide, CMD	43.83	4.14	0.00	0.00	0.00	47.97
Shri. C.P. Bhatia, DF (from 7.8.19)	21.16	2.74	0.00	0.00	0.00	23.90
B. Remuneration to Other Directors						
i) Govt. Nominee Directors						
Ms. Alka Tiwari, AS&FA	0.00	0.00	0.00	0.00	0.00	0.00
Shri. Samir Kumar Biswas, JS	0.00	0.00	0.00	0.00	0.00	0.00
ii) Independent Directors						
(Sitting fee paid to NOIDs for attending the Meetings of the Board/Committees)						
Ms. Pushpa Trivedi, NOID	0.30	0.00	0.00	0.00	0.00	0.30
Mr. Mukesh Pareek, NOID	1.40	0.00	0.00	0.00	0.00	1.40
Ms. Lata Alker, NOID	1.40	0.00	0.00	0.00	0.00	1.40
C. Key Managerial Personnel						
Mrs. Susheela S. Kulkarni, CS	27.20	3.34	0.00	0.00	0.00	30.54
Mr. P.O. Luise, CFO (upto 9.8.19)	7.18	0.96	0.00	0.00	0.00	8.14
	102.47	**11.18**	**0.00**	**0.00**	**0.00**	**113.65**

Note:

In the ordinary course of its business, the Company enters into transactions with other Government controlled entities (not included in the list above). The Company has transactions with other Government-controlled entities,including but not limited to the followings:

Sales and purchases of goods and ancillary materials; Rendering and receiving of services; Receipt of dividends; Loans and advances; Depositing and borrowing money; Guarantees and Uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government controlled entities.

Note-42 Financial Instruments

42a.Fair Value measurement hierarchy

A **Level 1 -** Includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV. Company do not have any such investment

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset.

B Financial assets and liabilities measured at fair value-recurring fair value measurements:

Rs. In Lakh

	As at 31st March, 2021				As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets :								
Loans	-	-	30.88	30.88	0.00	0.00	6.24	6.24
Trade Receivables	-	130.79	240.82	371.61	0.00	455.62	786.23	1241.85
Investments	833.92	-	5.00	838.92	0.00	0.00	5.00	5.00
Cash and cash equivalents	-	17.62	3286.97	3304.59	0.00	0.35	2367.48	2367.83
Bank balance other than cash		3.10	11532.78	11535.88	0.00	3.06	7998.00	8001.06
Other Financial Assets	-	2,349.31	393.43	2742.74	0.00	92.07	265.96	358.03
Total Financial assets	833.92	2500.82	15489.88	18824.62	0.00	551.10	11428.91	11980.01
Financial liabilities								0.00
Non Cumulative Preference share	0.00	0.00	27000.00	27000.00	0.00	0.00	27000.00	27000.00
Borrowings	0.00	10698.06	7695.09	18393.15	0.00	505.25	15882.38	16387.63
Trade payables	0.00	56.90	2251.03	2307.93	0.00	171.34	3612.88	3784.22
Other current financial liabilities	0.00	49.07	8187.29	8236.36	0.00	939.47	7776.98	8716.45
Total Financial liabilities	0.00	10804.03	45133.41	55937.44	0.00	1616.06	54272.24	55888.30

42b. Categories of Financial Instrument

A Fair Values hierarchy : Rs. In Lakh

	As at 31st March, 2021				As at 31st March, 2020			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets :								
Loans			30.88	30.88			6.24	6.24
Trade Receivables			371.61	371.61			1241.85	1241.85
Investments			838.92	838.92			5.00	5.00
Cash and cash equivalents			3304.59	3304.59			2367.83	2367.83
Bank balance other than cash			11535.88	11535.88				
Other Financial Assets			2742.74	2742.74			358.03	358.03
Total Financial assets	0	0	**18824.62**	**18824.62**			**3978.95**	**3978.95**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2021				As at 31st March, 2020			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial liabilities								
Non Cumulative Preference share			27000.00	27000.00			27000.00	27000.00
Borrowings			18393.15	18393.15			16387.63	16387.63
Trade payables			2307.93	2307.93			3784.22	3784.22
Other current financial liabilities			8236.36	8236.36			8716.45	8716.45
Total Financial liabilities	**0**	**0**	**55937.44**	**55937.44**	**0.00**	**0.00**	**55888.30**	**55888.30**

Note No. 43 Financial risk management

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company but as company balance in foreign currency hence comapny is not exposed to foreign currecncy exchange rate risk

b) Interest rate risk

The Company's investments are primarily in subsidiary through quoted equity share and unquated equity share of other entity therefore none of the investment activity is generating interest out of the investment. Hence, the Company is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets.

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 fcailities, continuosly monitoring forecast and actual cash flow and by matching the maturiy profiles of financial assets and liabilties.

Note No.44 Deferred Tax

Rs. in Lakh

For the Year 2020-21	Opening Balance 01.04.2020	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2021
Deferred Tax Liability				
Excess Provision W/back	1,643.00	-	-	1,643.00
Provision for impairment W/Back	450.00	-	-	450.00
VRS Expense Allowable u/s 35DDA of the Income Tax Act	938.00	469.00	-	1,407.00
Revaluation of land in Fair Value	19,466.52	-	431.00	19,897.52
Reversal of deferred tax liability on disposal of revalued of PPE	(4,044.00)	-	(12.00)	(4,056.00)
Fair Value of Investment in HFL	-	-	-	-
	18,453.52	**469.00**	**419.00**	**19,341.52**
Deferred Tax Asset				
Depreciation	52.00	22.00	-	74.00
Provision for Leave Encashment	132.00	77.00	-	209.00
Voluntary Retirement Benefits (VRS/VSS)	91.00	-	-	91.00
Provision for Doubtful Debts	19.00	12.00	-	31.00
Provision for Doubtful Advances	38.00	17.00	-	55.00
Provision for Long Term Agreements	33.00	-	-	33.00
Provision for Stock Obsolescence	27.00	5.00	-	32.00
Provision for Statutory claims	17.00	13.00	-	30.00
Accumulated Income tax loss to the extent of deferred tax liability	2,622.00	323.00	-	2,945.00
	3,031.00	**469.00**	**-**	**3,500.00**
Net Deferred tax liability	**15,422.52**	**-**	**419.00**	**15,841.52**

Rs. in Lakh

For the Year 2019-20	Opening Balance 01.04.2019	Recognised in P & L	Recognised in OCI	Closing Balance 31.03.2020
Deferred Tax Liability				
Excess Provision W/back	1,369.00	274.00	-	1,643.00
Provision for impairment W/Back	450.00	-	-	450.00
VRS Expense Allowable u/s 35DDA (Note)	469.00	469.00	-	938.00
Revaluation of land in Fair Value	20,022.52	-	(556.00)	19,466.52
Reversal of deferred tax liability on disposal of revalued of PPE	(1,191.00)	-	(2,853.00)	(4,044.00)
Fair Value of Investment in HFL	-	-	-	-
	21,119.52	**743.00**	**(3,409.00)**	**18,453.52**
Deferred Tax Asset				
Depreciation	33.00	19.00	-	52.00
Provision for Leave Encashment	29.00	103.00	-	132.00
Voluntary Retirement Benefits (VRS/VSS)	91.00	-	-	91.00
Provision for Doubtful Debts	14.00	5.00	-	19.00
Provision for Doubtful Advances	19.00	19.00	-	38.00
Provision for Long Term Agreements	33.00	-	-	33.00
Provision for Stock Obsolescence	-	27.00	-	27.00
Provision for Statutory claims	-	17.00	-	17.00
Accumulated Income tax loss to the extent of deferred tax liability	2,069.00	553.00	-	2,622.00
	2,288.00	**743.00**	**-**	**3,031.00**
Net Deferred tax liability	**18,831.52**	**-**	**(3,409.00)**	**15,422.52**

45. Notes to Statement of Profit and Loss and Other Comprehensive Income

a) The Company has elected to continue with the carrying value for all its Property, Plant and Equipment as of April 1, 2016 measured under Indian GAAP as deemed cost as of April 1, 2016 (transition date) except Freehold Land where fair value (circle rate) has been considered as deemed cost.

b) Under Indian GAAP, the Company measured financial assets at cost. As at the transition date, the company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101. All the financials liabilities have been carried at amortized cost and such differences have been appropriately addressed.

c) Represents Deferred Tax adjustments on the Ind AS transition adjustments. However considering the losses of the company no current tax impact was given.

d) The Company recognises costs related to its post-employment defined benefit plan on an actuarial basis both under Indian GAAP and Ind AS. Under Indian GAAP, the entire cost including actuarial gains and losses and return on planned assets are charged to profit or loss. Under Ind AS, actuarial gains and losses and return on planned assets recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

e) Consequential sum of the adjustments carried out in the other comprehensive income net of tax implications thereon.

46 The operations of the Holding Company were scaled down during the last week of the year. The Company was in lock down for 7 days and thereby a decrease in production. As per our current assessment, no significant impact on tangible assets, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor the changes in future economic conditions. The Management does not see any risk in the ability to continue as a going concern and meeting its liabilities as and when they fall due. However the actual Impact of Covid-19 on the Company's financial statements may differ from that estimated.

47 As per the letter dated 29.01.2020 from the Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals, under which the Subsidiary Company functions, Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 22nd Jan, 2020 had approved the following:

a) Shutting down the operations of the plant/unit of HFL & closure of the Subsidiary Company.

b) Separating the employees (regular and non-regular/adhoc) rendered surplus due to closure of plant through VRS/VSs, after payment of all their outstanding salary/wages and statutory dues, except for skeletal staff required to implement the full and final closure of the company. Employees not opting for VRS/VSS will be retrenched as per the provisions of Industrial Disputes Act, 1947.

c) Grant of interest free loan of Rs.77.20 crore by Govt. of India to Subsidiary Company to be utilized exclusively for closure related expenditure including (a) implementation of VRS/VSs for Subsidiary Company employees, their dues, statutory dues, payment to suppliers /contractors /utilities dues and repayment of SBI working capital loan (b) salary/wages and administrative expenses of Subsidiary Company 's skeletal staff to be temporarily retained for completing the closure of Subsidiary Company for two years.

d) Above interest free loan of Rs.77.20 crore will be repaid by Subsidiary Company to Govt. of India from the sale proceeds of land and other assets of the Subsidiary Company, as and when disposed off and after settling all the liabilities related to closure of the Subsidiary Company.

e) After settlement of all liabilities related to closure of Subsidiary Company and repayment of interest free loan of Rs.77.20 crores, surplus proceeds from disposal of land and other assets, if any, will be used for repayment of Subsidiary Company's outstanding Govt of India (Rs.15.80 crore) and interest thereon, with freezing of interest upto 31.3.2019. Full or part of the principal loan amount (Rs.15.80 crore) and interest thereon upto 31.3.2019 remaining unpaid due to insufficient sale proceeds is to be written off/waived.

f) for facilitating disposal of Subsidiary Company 's land, M/s NBCC (India) Ltd may be appointed as Land Management Agency (LMA) to manage and assist in the land disposal subject to outcome of the decision of Telangana Govt/TSIIC on purchasing land of HFL.

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

In pursuance of the said decision, the Subsidiary Company HFL had received an amount of Rs.73.70 Crores on 26.05.2020 as interest free loan from GoI. As per the above CCEA Order and as at 31.03.2021, 77 employees were relieved and had made payments of Rs.43.23 Cr. towards settlement of employee dues viz. VRS payments, Other payables to Employees including 1997 & 2007 wage revision arrears. Further Company had repaid Working Capital Loan with SBI amounting to Rs.5.15 Cr and satisfaction of charge was filed with ROC and also made payment of dues to Creditors. The total amount utilized upto 31.03.2021 was Rs.52.37 Crores. The balance amount will be utilized for settling the dues of skeletal staff retained and other operating expenditure for completing the closure of the Company. The said process is still going on.

48 As per the letter issued by the Ministry, the Board of Subsidiary Company had initiated the process mentioned above, which includes several components/steps to be taken, which got delayed due to Covid-19 pandemic. Management had initiated the process on getting valuations of various assets to be disposed off in order to determine various elements specified for compliance in accordance with Ind-AS 105 'Non Current Assets held for sale and discontinued operations' Due to above reason, the Subsidiary Company is yet to determine the financial impact due to compliance in progress.

49 The Subsidiary Company had, during the Financial Year 2017-18 had adopted the carrying value of all the assets as deemed cost of Property, Plant and Equipment on the date of transition to Ind AS, except for the Freehold land, where fair value was considered as deemed cost. C&AG during their supplementary audit u/s 143(6)(a) of the Companies Act, 2013 had observed that as per para D7AA of Ind AS-101 on 'First time adoption of Indian Accounting Standards', where there is no change in its functional currency on the date of transition to Ind ASs, a first-time adopter to Ind ASs may elect to continue with the carrying value of 'all' of its Property, Plant and Equipment as at the date of transition measured as per the previous GAAP and use that as its deemed cost at the date of transition. Thus, the option of applying the carrying value on selective basis to some of the items of Property, Plant and Equipment and using fair value for others is not available under the provisions of Ind-AS 101. They further observed that the Subsidiary Company had selectively applied fair valuation to Freehold only, which resulted in overstatement of Property, Plant and Equipment and understatement of negative balance of Other Equity by Rs.29.96 Crores. This was issued as Comment u/s 143(6)(b) during the year 2017-18 as well as in 2018-19 since no corrective action was taken by the Subsidiary Company during that year.

The Subsidiary Company had initiated the process of taking corrective action in the Current Year. Since Circle Rate of land was taken as basis for earlier revaluation as on Ind-AS transition date, which is same during the current year also if done in accordance with Ind AS 16, there would be no new financial impact on the financials. However, the Subsidiary Company's plan to complete these corrective measures during the year 2019-20 got delayed due to Covid 19 pandemic coupled with decision of Cabinet Committee on Economic Affairs (CCEA) described in detail above to shut down the operations of the plant & closure of the Subsidiary Company . The Subsidiary Company is in the process of completing the corrective measures as well as implementing the said closure decision as per the timelines.

50 Non- Compliance of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015- as per Regulation 17(1)(b), the chairman being an executive director, at least half of the board of Directors should be comprised of Independent Directors. Currently, the Company does not have required number of Independent Directors on its board. Accordingly there is consequent non-compliance of Regulations 18,19 and 20 of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015.

51 The Standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 26.06.2020.

52 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and On Behalf of Board of Directors

Sd/- **S.B. Bhide** Chairman & Managing Director and CEO DIN 05323535	Sd/- **Samir Kumar Biswas** Director / Addl. Secretary (Chemicals) DIN 01664091	**As per our report of even date attached** **For *BSJ & Associates*** ***Chartered Accountants*** **FRN: 010560S**
Sd/- **Mrs. Susheela S. Kulkarni** Company Secretary	Sd/- **P.O. Luise** Chief Financial Officer	Sd/- **CA. Toly T. Kappen** Partner Membership No.219867 UDIN: 21219867AAAADY3553
Place: Navi Mumbai Date: 11.06.2021		Place: Ernakulam Date: 11.06.2021

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