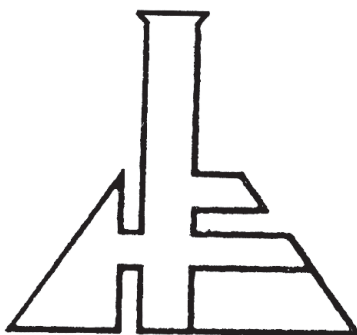


34th
ANNUAL REPORT
2016 - 2017



HINDUSTAN FLUOROCARBONS LIMITED

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BOARD OF DIRECTORS

Shri S B Bhide Chairman	HOCL Nominee (From 08.03.2016)
Shri T S Gaikwad Managing Director	From 01.01.2008
Shri J N Suryawanshi Director	HOCL Nominee (From 03.09.2015 up to 03.08.2016)
Shri.Sanjeeva Narayan Special Director	BIFR Nominee (From 04.02.2015 upto 30.11.2016)
Shri.Dinesh Kumar Director	Govt. of India Nominee (From 24.06.2016 upto 09.08.2017)
Ms.Pushpa Trivedi Director	HOCL Independent Nominee (From 28.10.2016)
Shri.Rajkishore Das Independent Director	(From 13.02.2017)
Shri Dharmendra Kumar Madan Director	Govt. of India Nominee (From 09.08.2017)
Mrs. Rajani. K Company Secretary	(From 19.05.2011)

AUDITORS

M/s. K.S. Ramakrishna & Co.
Chartered Accountants
5-9-22/38/2, Adarsh Nagar,
Hyderabad - 500 063.

BANKERS

State Bank of Hyderabad,
Gunfoundry, Hyderabad.

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032.

REGISTERED OFFICE

303, Babukhan Estate,
Basheerbagh, Hyderabad – 500 001

WORKS

Rudraram PO, Kandi Mandal,
Sangareddy Dist - 502 329. Telangana State

AUDIT COMMITTEE (A.C) OF THE BOARD

SHRI J N SURYAWANSHI	Director, Member (From 09.11.2015 up to 03.08.2016)
SHRI.SANJEEVA NARAYAN	Director, Member (From 25.05.2015 up to 30.11.2016)
SHRI S B BHIDE	Chairman, Member (From 08.03.2016 up to 10.11.2016)
SHRI DINESH KUMAR	Director, Member (From 08.08.2016 up to 09.08.2017)
SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
MS.PUSHPA TRIVEDI	Director, Member (From 11.11.2016)
SHRI.RAJKISHORE DAS	Director, Chairman (From 27.02.2017)
MRS. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011)

**CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY
DEVELOPMENT COMMITTEE (CSR&SD):**

SHRI. J N SURYAWANSHI	Director Member (From 09.11.2015 up to 03.08.2016)
SHRI. T S GAIKWAD	Director, Member (From 23.05.2013 up to 09.02.2017)
SHRI. SANJEEVA NARAYANA	Director Member (From 09.11.2015 up to 30.11.2016)
SHRI. DINESH KUMAR	Director, Member (From 08.08.2016 up to 09.08.2017)
SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
MS. PUSHPA TRIVEDI	Director, Chairman (From 10.02.2017)
SHRI. S B BHIDE	Chairman, Member (From 10.02.2017)
MRS. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011)

SHARE TRANSFER COMMITTEE

SHRI J N SURYAWANSHI	Director Member (From 09.11.2015 up to 03.08.2016)
SHRI S B BHIDE	Chairman, Chairman (From 08.03.2016)
SHRI. T S GAIKWAD	MD, Member (From 12.08.2011)
MRS. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011)

NOMINATION AND REMUNERATION COMMITTEE:

SHRI SANJEEVA NARAYANA	Director Member (From 09.11.2015 up to 30.11.2016)
SHRI S B BHIDE	Director Member (From 08.03.2016)
SHRI DINESH KUMAR	Director, Member (From 08.08.2016 up to 09.08.2017)
SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
MS. PUSHPA TRIVEDI	Director, Member (From 10.02.2017)
SHRI. RAJKISHORE DAS	Director, Chairman (From 27.02.2017)
MRS. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011)

**34TH ANNUAL GENERAL MEETING NOTICE**

Notice is hereby given that the 34th Annual General Meeting of the Members of Hindustan Fluorocarbons Limited will be held on Monday the 25th September, 2017 at 3.00 P.M. at Press Club, Deshodharaka Bhavan, Bashirbagh, Hyderabad - 500 001 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2017 and Balance Sheet as on that date together with reports of the Directors' and the Auditors' thereon.
2. To approve the remuneration of the Statutory Auditors of the Company, appointed by the Comptroller and Auditor General of India for the financial year 2017-18.

SPECIAL BUSINESS:

3. **To consider and if thought fit to pass the following resolution as ordinary resolution with or without modifications:**

"RESOLVED THAT Shri.Dharmendra Kumar Madan, Director of Department of Chemicals and Petro Chemicals who was appointed as GOI Nominee Director under Article 77 of the Article of Association on 9th August, 2017 and who holds office up to the date of this Annual General Meeting be and is hereby appointed Director of the Company.

RESOLVED FURTHER THAT the certified true copies of any of these resolutions may be furnished, filed or uploaded, as may be

required, under the signature of any of the Directors of the Company."

4. **To consider and if thought fit to pass the following resolution as ordinary resolution with or without modifications:**

"RESOLVED THAT Ms. Pushpa Trivedi, Independent Director of Hindustan Organic Chemicals Limited who was appointed as HOCL Women Independent Director under Article 77 of the Article of Association on 28th October, 2016 and who holds office up to the date of this Annual General Meeting be and is hereby appointed Director of the Company.

RESOLVED FURTHER THAT the certified true copies of any of these resolutions may be furnished, filed or uploaded, as may be required, under the signature of any of the Directors of the Company."

5. **To consider and if thought fit to pass the following resolution as ordinary resolution with or without modifications:**

"RESOLVED THAT Shri. Rajkishore Das was appointed as Independent Director under Article 77 of the Article of Association on 13th February, 2017 and who holds office up to the date of this Annual General Meeting be and is hereby appointed Director of the Company.

RESOLVED FURTHER THAT the certified true copies of any of these resolutions may be furnished, filed or uploaded, as may be required, under the signature of any of the Directors of the Company."

**By order of the Board of Directors
Of Hindustan Fluorocarbons Ltd.,**

**Sd/-
(RAJANI.K)
COMPANY SECRETARY**

PLACE: HYDERABAD

DATE : 14.08.2017

**Regd.Office
303, Babukhan Estate,
Basheerbagh, Hyderabad – 500 001.**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HRS. BEFORE THE MEETING.
2. Members/Proxies should bring their admission slip duly filled in at the meeting.
3. The Register of Members and Shares Transfer Books of the company will remain closed from Tuesday the 19th September, 2017 to Monday the 25th September, 2017 (both days inclusive).
4. Share transfer documents and all correspondence relating thereto and members who hold shares in physical form are requested to notify immediately any changes in their addresses should be addressed to the Registers and Transfer Agents of the company.
5. The company, consequent upon the introduction of the depository system (DS) entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The members, therefore, have the option of holding and dealing in the shares of the company in electronic form through NSDL and CDSL.
6. Members, who hold shares in the dematerialized form, are requested to bring their depository account number for identification.
7. Members are requested to bring their copy of Annual Report at the meeting, as the same will not be distributed again as a measure of economy.
8. An Explanatory statement pursuant to Section 102(2)(a) of the Companies Act, 2013 in respect of the Resolution set out against item no. 3,4 &5 of the notice are enclosed.
9. **Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the company at least 10 days before the AGM so that the same can be suitably replied.**
10. **Procedure and instructions for e-voting:**
 - i. Remote e-voting: In compliance with 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 the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
 - (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of



- your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email csraghavad@gmail.com with a copy marked to evoting@karvy.com. The scanned image

of the above mentioned documents should be in the naming format " **Corporate Name_Event No.**"

- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
 - i. E-Voting Event Number , User ID and Password is provided in the Attendance Slip.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
 - II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Other instructions:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Premkumar Nair, (Unit: Hindustan Fluorocarbons Limited) of Karvy Computer share Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 22nd September, 2017 (9.00 A.M. IST) and ends on 24th September, 2017 (5.00 P.M. IST).



- During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2017, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 18th September, 2017.
 - e. In case a person has become a Member of the Company after 18th August, 2017 i.e the date considered for dispatch of AGM Notice but on or before the cut-off date i.e., 18th September, 2017, he/she may obtain the User ID and Password in the manner as mentioned below :
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 Example for NSDL:
 MYEPWD <SPACE> IN12345612345678
 Example for CDSL:
 MYEPWD <SPACE> 1402345612345678
 Example for Physical:
 MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to einward.ris@karvy.com.
11. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and issued a circular on 21st April, 2011.
- Section 20 of the Companies Act, 2013 provides service of documents under "Certificate of Posting" as one of the accepted mode of service where as the Department of Posts has recently discontinued the postal facility under "Certificate of Posting" vide Letter Dated 23.02.2011, the Information Technology Act, 2000 also permits service of documents etc., in electronic mode.
- Hence, the service of documents of a company can be made through Electronic mode. So, we request all the members to register their email id's by sending email along with names, DP id's & Folio Number to the following Mail ID:hflshareholders@gmail.com

**By order of the Board of Directors
Of Hindustan Fluorocarbons Ltd.,**

**Sd/-
(RAJANI.K)
COMPANY SECRETARY**

**PLACE: HYDERABAD
DATE : 14.08.2017**

**Regd.Office
303, Babukhan Estate,
Basheerbagh, Hyderabad – 500 001.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2)(a) OF THE COMPANIES ACT, 2013.****Item No.3**

Shri.Dharmendra Kumar Madan, Director of Department of Chemicals and Petrochemicals was appointed by Gol in terms of Article 77 of the Articles of Association of the Company as its Nominee on the Board of Directors of the Company w.e.f.09.08.2017. Shri.Dharmendra Kumar Madan holds office till the date of ensuing Annual General Meeting by virtue of Section 161 of the Companies Act, 2013 read with Article 77 of the Articles of Association of the Company, and is eligible for re-appointment.

None of the Directors of the company except Shri.Dharmendra Kumar Madan in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of the share holders.

Item No.4

Ms.Pushpa Trivedi, Independent Director Hindustan Organic Chemicals Limited was appointed by HOCL Women Independent Director in terms of Article 77 of the Articles of Association of the Company as its Nominee on the Board of Directors of the Company w.e.f. 28.10.2016. Ms.Pushpa Trivedi holds office till the date of ensuing Annual General Meeting by virtue of Section 161 of the Companies Act, 2013 read with Article 77 of the Articles of Association of the Company, and is eligible for re-appointment.

None of the Directors of the company except Ms.Pushpa Trivedi in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of the share holders.

Item No.5

Shri. Rajkishore Das was appointed by Gol in terms of Article 77 of the Articles of Association of the Company as its Independent Director on the Board of Directors of the Company w.e.f. 13.02.2017. Shri. Rajkishore Das holds office till the date of ensuing Annual General Meeting by virtue of Section 161 of the Companies Act, 2013 read with Article 77 of the Articles of Association of the Company, and is eligible for re-appointment.

None of the Directors of the company except Shri. Rajkishore Das in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of the share holders.

**By order of the Board of Directors
Of Hindustan Fluorocarbons Ltd.,**

**Sd/-
(RAJANI.K)
COMPANY SECRETARY**

PLACE: HYDERABAD

DATE : 14.08.2017

**Regd.Office
303, Babukhan Estate,
Basheerbagh, Hyderabad – 500 001.**



CHAIRMAN'S SPEECH



Dear Shareholders,

I extend my hearty welcome to you to this 34th Annual General Meeting of your Company. I am sure, you must have received the Directors' Report and Audited Annual Accounts of the Company for the year ended 31st March, 2017 and with your permission I take them as read.

I now proceed to share with you briefly the performance of the company and our activities.

1. OPERATIONS AND OVERALL PERFORMANCE

Your Company has incurred a net loss of Rs.488.55 lacs from operations as against the net loss of Rs. 1111.39 lacs of the previous year. During the year, the sales turnover (net) was Rs.3383.51 lacs as against Rs. 3527.38 lacs in the previous year. CFM-22 sale quantity was 1111 MT as against 1116 MT in the previous year and balance quantity was used as feed stock to manufacture of PTFE. Quality of all company's products continued

to be well accepted by our customers. Company has achieved 95% capacity utilization as against 96% in the previous financial year.

2. FUTURE OUTLOOK. DIVERSIFICATION:

In consistence with vision company is making continues efforts to develop Fluoro Specialty Chemicals and in addition to this company is going to focus on various filled grades

3. SAFETY, ENVIRONMENT & ISO CERTIFICATION'

The company continued to lay emphasis on the consciousness about safety among the employees and periodic reviews of safety measures have enabled the company once again to maintain safe operations during the year.

Management is maintaining strictly all the required environmental norms and quality systems as per ISO 9001:2008