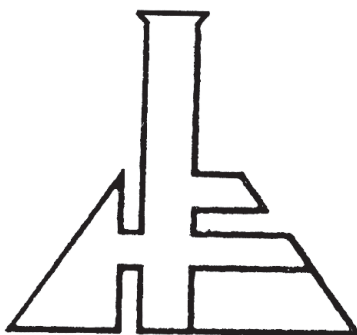


35th
ANNUAL REPORT
2017 - 2018



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.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 India,
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 DINESH KUMAR	Director, Member (From 08.08.2016 up to 09.08.2017)
SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
Dr.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. DINESH KUMAR	Director, Member (From 08.08.2016 up to 09.08.2017)
SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
Dr. 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 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 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)
Dr.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)

**35TH ANNUAL GENERAL MEETING NOTICE**

Notice is hereby given that the 35th Annual General Meeting of the Members of Hindustan Fluorocarbons Limited will be held on Monday the 24th September, 2018 at 3.00 P.M. at Press Club, Deshodharaka Bhavan, Basheerbagh, 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, 2018 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 2018-19.

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

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

PLACE : MUMBAI

DATE : 10.08.2018

**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 18th September, 2018 to Monday the 24th September, 2018 (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. **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.**
9. **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 21st September, 2018 (9.00 A.M. IST) and ends on 23rd September, 2018 (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 17th September, 2018, 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. 17th September, 2018.
- e. In case a person has become a Member of the Company after 10th August, 2018 i.e the date considered for dispatch of AGM Notice but on or before the cut-off date i.e., 17th September, 2018, 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.
10. 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 21-4-2011.

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

11. With reference to the SEBI Circular - "Strengthening the Guidelines and Raising Industry standards for RTA, Issuer Companies and Banker to an Issue – Physical share holders are requested to complete the process of submission of PAN and bank details to exercise the due diligence in specified format which company has shared you over Registered post in one time and two reminders over ordinary post in two times.

BSE has issued a Circular to Listed Companies on July 05, 2018 informing about amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only – Physical Share-holders are requested to convert the physical form into Demat before 05.12.2018 to take care about the transfer of shares in future w.e.f 05.12.2018

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

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

PLACE: MUMBAI

DATE : 10.08.2018

Regd.Office

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



CHAIRMAN'S SPEECH



Dear Shareholders,

I extend my hearty welcome to you to this 35th 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, 2018 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 adopted IND AS accounting for the Financial Year 2017-18 as per the Phase II of MCA guidelines and incurred a net loss of Rs.482.65 lacs from operations as against the net loss of Rs. 633.43 lacs (Rs.488.55 lacs as per IGAAP) of the previous year. During the year, the sales turnover (net) was Rs.3685.36 lacs as against Rs. 3383.51 lacs in the previous year. CFM-22 sale quantity was 1165 MT as against 1111 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 100% capacity utilization as against 95% 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 Pilot scale trials for manufacture of zero ODS refrigerant gas HFC32.

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

4. INDUSTRIAL RELATIONS

Employee relations continued to be cordial throughout the year. Company continued to follow Govt. policy of reservation in recruitment of SC/ST/OBC. During the year there were no strikes or lock outs affecting the production/profitability.

5. CORPORATE GOVERNANCE

Your Company lays emphasis in conducting its affairs within the frame work of policies and guidelines set by the Government in a transparent manner. It is the endeavor of the Company to build trust between share holders, Employees and Customers based on the basic principles of Corporate Governance. The detailed Report on the Corporate Governance as well as Management Discussion Analysis Report is enclosed as a part of the Director's Report. This Report analyses in brief the potentialities of the Company as well as the focus of the Company's business

6. ACKNOWLEDGEMENTS :

I place on record my appreciation and gratitude to all the employees and others who

had extended their support and co-operation during the year to achieve the targeted goals of the Company. In particular I am grateful to various officials of the Govt of India. especially from the Ministry of Chemicals & Fertilizers, Department of Chemicals and Petrochemicals, the Finance Ministry, Ministry of Environment, Forest and Climate Change, Govt. of India, Govt of Telangana, , Promoter Company i.e. HOCL and Board Members. I would like to convey my sincere appreciation to our valued customers, suppliers, Statutory Bodies, Investors, our bankers State Bank of India, Statutory/Govt Auditors etc for the continued support. In conclusion I am fully confident that with the continued support from all of you my urge to place your Company in the pedestal of success will not be unrealistic.

We on our part would continue our efforts to take your Company into the future by meeting the challenges, grabbing the opportunities in our endeavor in the path towards turnaround. We look forward to your continued support in this ongoing process.

In conclusion I am optimistic that the company would attain significant profits in the near future.

Thank you all once again.

Sd/-
(S B BHIDE)
Chairman