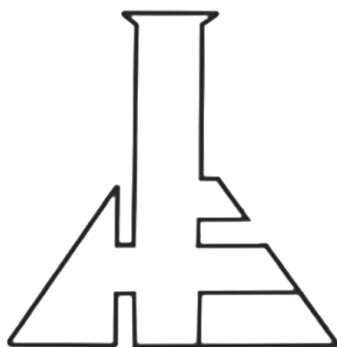


36th
ANNUAL REPORT
2018 - 2019



HINDUSTAN FLUOROCARBONS LIMITED

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BOARD OF DIRECTORS

Shri S B Bhide Chairman	HOCL Nominee (w.e.f 08.03.2016)
Shri T S Gaikwad Managing Director	From 01.01.2008
Shri. Dharmendra Kumar Madan Director	Govt. of India Nominee (w.e.f. 09.08.2017)
Shri Mukesh Pareek Independent Director	HOCL Independent Nominee (w.e.f. 13.02.2019)
Shri Lata Alker Independent Director	HOCL Independent Nominee (w.e.f. 09.08.2019)
Shri Chander Prakash Bhatia Director	HOCL Nominee (w.e.f. 09.08.2019)
Ms.Pushpa Trivedi Independent Director	HOCL Independent Nominee Director (w.e.f. 28.10.2016 upto 14.06.2019)
Shri.Rajkishore Das Independent Director	HOCL Independent Nominee Director (w.e.f. 13.02.2017 upto 01.04.2019)
Ms S Krithika Company Secretary	(w.e.f 12.08.2019)
Mrs. Rajani. K Company Secretary	(From 19.05.2011 upto 26.06.2019)

AUDITORS

SARATH & ASSOCIATES

Chartered Accountants (FRN: 005120S)
4th Floor, Maas Heights, 8-2-577/B,
Rd No.8, Banjara Hills, Hyderabad - 500 034.

BANKERS

State Bank of India
Gunfoundry, Hyderabad.

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Karvy Fintech 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**Reconstituted w.e.f. 11.03.2019**

SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
Ms. PUSHPA TRIVEDI	Director, Member (From 11.11.2016 upto 14.06.2019)
SHRI.RAJKISHORE DAS	Director, Chairman (From 27.02.2017 upto 01.04.2019)
SHRI MUKESH PAREEK	Director, Member (From 13.02.2019)
Ms. S. KRITHIKA	Secretary to the Committee (From 12.08.2019)
Ms. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011 upto 26.06.2019)

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

SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
Ms. PUSHPA TRIVEDI	Director, Chairman (From 10.02.2017 upto 14.06.2019)
SHRI. S B BHIDE	Chairman, Member (From 10.02.2017)
Ms. S. KRITHIKA	Secretary to the Committee (From 12.08.2019)
Ms. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011 upto 26.06.2019)

SHARE TRANSFER COMMITTEE

SHRI S B BHIDE	Chairman, Chairman (From 08.03.2016)
SHRI. T S GAIKWAD	MD, Member (From 12.08.2011)
Ms. S. KRITHIKA	Secretary to the Committee (From 12.08.2019)
MRS. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011 upto 26.06.2019)

NOMINATION AND REMUNERATION COMMITTEE:

SHRI S B BHIDE	Director Member (From 08.03.2016)
SHRI.DHARMENDRA KUMAR MADAN	Director, Member (From 14.08.2017)
Ms. PUSHPA TRIVEDI	Director, Member (From 10.02.2017 upto 14.06.2019)
SHRI. RAJKISHORE DAS	Director, Chairman (From 27.02.2017 upto 01.04.2019)
Ms. S. KRITHIKA	Secretary to the Committee (From 12.08.2019)
MRS. RAJANI. K, CS	Secretary to the Committee (From 20.06.2011 upto 26.06.2019)



Notice of the 36th Annual General Meeting

Notice is hereby given that the 36th Annual General Meeting of the Members of Hindustan Fluorocarbons Limited will be held on Tuesday the 24th September, 2019 at 3.00 P.M. at Press Club, Deshodharaka Bhavan, Basheerbagh, Hyderabad - 500 001 to transact the following business:

Ordinary Business:

Item No. 1 – To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2019 and the reports of the Directors' and the Auditors' thereon.

Item No. 2 – To re-appoint Shri. Dharmendra Kumar Madan (Din: 07924171) as per GOI orders, who retires at this AGM and being eligible offers himself for re-appointment

Item No. 3 – To approve the remuneration of Rs.1,15,000/- to be paid as statutory audit fees to M/s. Sarath & Associates, Chartered Accountants, Hyderabad (Firm Registration Number [0051205]) appointed as Statutory Auditor by C&AG for the Financial Year 2019-20 and to authorise and to ratify the actions of the Board of Directors of the Company to fix the other fees, if any, payable to the Statutory Auditors of the Company, for the Financial Year 2019-20

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

**Sd/-
(T.S. Gaikwad)
Managing Director**

PLACE : HYDERABAD

DATE : 30.07.2019

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

**NOTES:**

1. **A MEMBER/SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting Rights may appoint a single person as proxy, who shall not act as proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable

2. Shareholders may contact the Company's Registrar & Transfer Agent at the following address :

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

Ph: Tel: +9140-67162222, 67161511, Fax: +9140-23420814. Members can also correspond with the RTA at their email id: damodar.kedlaya@karvy.com

Company [through RTA] will be sending communications with respect to below mentioned important points along with this 36th 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**
3. The Register of Members and Shares Transfer Books of the company will remain closed from Wednesday the 18th September, 2019 to Tuesday the 24th September, 2019 (both days inclusive).
4. Shareholders/Proxies should bring their attendance slip, duly filled in, at the meeting.
5. 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.3] as per RTA's letter attached to this 36th AGM Notice.
6. Shareholders, who hold shares in the dematerialised form, are requested to bring their depository account number for identification.
7. As per Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, electronic copies of the Annual Report 2018-2019 and the Notice of the 36th AGM are sent to all members whose email addresses are registered with the Company/ Depository Participants(s). For members who have not registered their email addresses, physical copies of the Annual Report 2018-2019 and the Notice of the 36th AGM are sent in physical mode.
8. All documents referred to in the accompanying Notice and Explanatory statement shall be open for inspection at the Registered Office of the Company during the office hours on all working days up to the date of the Annual General Meeting of the Company.
9. Voting through electronic means
- I. 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 Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting) and Mr. Raghavendar Rao Depuru, M/s. Ahalada Rao.V & Associates, Practicing Company Secretary to act as a Scrutinizer for e-voting process to ensure it is conducted in a fair and transparent manner.

A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(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)]:
- E-Voting Event Number, User ID and Password is provided in the Attendance Slip.
 - 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:**
- 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.Prem Kumar Nair, (Unit: Hindustan Fluorocarbons Limited) of Karvy Fintech 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 – 040-67162222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- 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).
 - The remote e-voting period commences on 21st September, 2019 (9.00 A.M. IST) and ends on 23rd September, 2019 (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, 2019, 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.
 - 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, 2019.
 - In case a person has become a Member of the Company after 17th August, 2019 i.e the date considered for dispatch of AGM Notice but on or before the cut-off date i.e., 17th September, 2019, he/she may obtain the User ID and Password in the manner as mentioned below :
 - 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
 - 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.
 - C. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. The Facility for Voting at meeting venue shall be decided by the company through “Ballot Paper”
 - D. The shareholders/members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - E. The “ remote e- voting “ end time shall be 5:00 p.m. on the date preceding the date of Annual General Meeting.
 - F. M/s. Ahalada Rao & Associates Company Secretaries have been appointed as the Scrutinizer for providing facility to the members/ shareholders of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

“Declaration of Results”

- a) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer’s report of the total votes cast in favour or

against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- b) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.hoclindia.com and on the website of CDSL e-Voting immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed, details of the voting results as required under Regulation 44(3) of the Listing Regulations.
- c) The map for location of venue of AGM is given below.:



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

**Sd/-
(T.S. Gaikwad)
Managing Director**

**PLACE : HYDERABAD
DATE : 30.05.2019**

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



CHAIRMAN'S SPEECH



Dear Shareholders,

I extend my hearty welcome to you to this 36th 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, 2019 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 ₹ 478.07 lakhs as against the net loss of ₹ 482.65 lakhs of the previous year. During the year, the sales turnover (net) was ₹ 3886.03 lakhs as against ₹ 3685.36 lakhs in the previous year. CFM-22 sale quantity was 1056 MT as against 1165 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 94% capacity utilization as against 100% in the previous financial year.

2. FUTURE OUTLOOK DIVERSIFICATION:

In consistence with vision company is making continues efforts to develop Glass filled and Glass+MoS₂ filled with Modified PTFE; development of micro fine PTFE powder for lubrication application with suspension grade PTFE and development of blends of non- ODS gases by importing.

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.