हिन्दुस्तान ऑर्गेनिक केमिकल्स लिमिटेड
HINDUSTAN ORGANIC CHEMICALS LIMITED
(भारत सरकार का उद्यम A Govt. of India Enterprise)
पंजीकृत /निगमित कार्यालय & फैक्टरी Registered / Corporate Office and Factory
अम्बलमुगल AMBALAMUGAL - 682 302,
एरणाकुलम जिला, केरल, भारत ERNAKULAM DIST., KERALA, INDIA
दूरभाष Phone : 0484-2720911-13, 2720844
वेब Web: www.hoclindia.com, ई-मेल e-mail : kochi@hoclindia.com

स्वच्छ भारत
एक कदम स्वच्छता की ओर

आई एस ओ An ISO 9001, 14001, 45001 & 50001 यूनिट Unit

HOC/BSE/Annual Report 2026

27th August, 2026

BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400 001

Sir/ Madam,

Scrip Code: 500449

**<u>Sub: 65th Annual Report of HOCL for the FY 2025-26</u>**

The 65th Annual Report of HOCL for the financial year 2025-26 including Notice of AGM, Director's report, financial statements and other reports & schedules is enclosed herewith.

The Annual Report is also available on the website of the company at https://hoclindia.com/uploads/userfiles/HOCL%20Annual%20Report%202025-26(1).pdf

Kindly take the above information on records.

Thanking you.

**Yours faithfully,**
**For Hindustan Organic Chemicals Ltd.,**

Subramonian H

Digitally signed by Subramonian H
Date: 2026.08.27 18:02:26 +05'30'

**Subramonian H**
**Company Secretary & Compliance Officer**

# HINDUSTAN
## ORGANIC CHEMICALS
## KOCHI

# ANNUAL REPORT

# 2025-26

# HINDUSTAN ORGANIC CHEMICALS LIMITED [CIN L99999KL1960GOI082753]

**AUDITORS**

STATUTORY AUDITORS

**M/s Balan & Company.**
Chartered Accountants, Kochi

**SECRETARIAL AUDITORS**

**S Basu & Associates**
Company Secretaries, Kolkata

**INTERNAL AUDITORS**

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

**COST AUDITORS**

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

**Bankers**

**State Bank of India**
**ICICI Bank Ltd.**

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

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

## CONTENTS



**OTHER LOCATIONS:**

**MUMBAI**

Hindustan Organic Chemicals Limited
Office No. 1007, 10th Floor
V – Times Square, Plot No.3
Sector 15, CBD Belapur, Navi Mumbai-400 0614 MH
Tel No.022-27575268

**New Delhi**

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

**SUBSIDIARY COMPANY**

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

## BOARD OF DIRECTORS

| | |
|---|---|
| Shri Sangram Kumar Mishra [DIN:11337117] | Chairman & Managing Director (w.e.f 08.10.2025) |
| Shri Sajeev B [DIN: 09344438] | Chairman & Managing Director (till 31.05.2025) |
| Shri Yogendra Prasad Shukla [DIN: 09674122] | Director (Finance) (w.e.f 04.07.2022) and Chairman & Managing Director (i/c) (w.e.f 31.05.2025) |
| Shri Manoj Sethi [DIN: 00301439] | Govt. Nominee Director (w.e.f 22.11.2023) |
| Shri Subodh Kumar (DIN: 11193532) | Non-official Independent Director (w.e.f 21.05.2025) |
| Shri Vinay Kumar Sharma (DIN: 03604125) | Non-official Independent Director (till 04.06.2025) |
| Smt. Sarita Gena (DIN: 11898194) | Non-official Independent Director (w.e.f 18.08.2026) |
| Ms Vandana (DIN: 11259725) | Govt. Nominee Director (w.e.f 10.06.2025) |

## KEY MANAGERIAL PERSONNEL

| | |
|---|---|
| Shri Sangram Kumar Mishra | Chairman & Managing Director (w.e.f 08.10.2025) |
| Shri Yogendra Prasad Shukla | Director (Finance & CFO) |
| Shri Subramonian H | Company Secretary |

## AUDIT COMMITTEE W.E.F. 19.08.2026

**Smt. Sarita Gena**
Non-Official Independent Director
Chairman

**Ms Vandana**
Non-Executive, Govt. Nominee Director
Member

**Shri Subodh Kumar**
Non-Official Independent Director
Member

**Shri Subramonian H**
Secretary

## NOMINATION & REMUNERATION COMMITTEE W.E.F. 19.08.2026

**Shri Subodh Kumar**
Non-Official Independent Director
Chairman

**Ms Vandana**
Non-Executive, Govt. Nominee Director
Member

**Smt. Sarita Gena**
Non-Official Independent Director

**Shri Subramonian H**
Secretary

## STAKEHOLDER RELATIONSHIP COMMITTEE W.E.F. 19.08.2026

**Smt. Sarita Gena**
Non-Official Independent Director
Chairman

**Shri Yogendra Prasad Shukla**
Executive Director
Member

**Shri Subodh Kumar**
Non-Official Independent Director
Member

**Shri Subramonian H**
Secretary

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE W.E.F. 19.08.2026

**Shri Subodh Kumar**
Non-Official Independent Director
Chairman

**Shri Yogendra Prasad Shukla**
Executive Director
Member

**Smt. Sarita Gena**
Non-Official Independent Director
Member

**Shri Subramonian H**
Secretary

## Energy Management System (EnMS) Policy

(Incorporating the requirements of ISO 50001:2018)

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

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

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

Sd/-

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

## INTEGRATED MANAGEMENT SYSTEM POLICY

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

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

Sd/-

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

# CHAIRMAN'S MESSAGE

My Dear Shareholders,

The year under review holds special significance for all of us at HOCL. In 2025, we proudly mark 65 years of our journey as an organization built for purpose, resilience, passion and the collective efforts of generations of HOCL and all our stakeholders. More than a milestone of longevity, it is an opportunity to reflect on the values that have guided us since the beginning — integrity, respect, responsible growth and creating value for every stakeholder.

Having assumed the reins of the Company, a year ago, I consider this as my privilege and honour to present to you all the 65th Integrated Annual Report for the financial year 2025-26 of your company. I would like to sound an optimistic tone that the years ahead will mark a positive phase in your company's journey, with encouraging improvements in its overall performance driven by various initiatives and strategic measures being undertaken.

**NAVIGATING A CHALLENGING YEAR**

The year under review unfolded against the backdrop of geopolitical uncertainty. Despite a challenging global economic environment, your Company demonstrated remarkable resilience and operational strength, delivering a stable and encouraging performance in the financial year 2025–26.

The Company's ability to withstand these external challenges reflects the soundness of its strategic direction, the disciplined execution of its plans, and the unwavering dedication and commitment of its employees. These achievements reaffirm our focus on strengthening the Company's long-term sustainability and creating enhanced value for our shareholders and other stakeholders.

**PERFORMANCE HIGHLIGHT**

HOCL has only one functioning unit located at Ambalamugal, Ernakulam District in the state of Kerala which is commonly known as Kochi Unit. The Kochi unit is engaged in manufacture of Phenol, Acetone and Hydrogen Peroxide. Capacity utilization of main products (Phenol and Acetone) of Kochi Unit has improved extensively during the year. Phenol plant and Hydrogen Peroxide plant at Kochi achieved 99% and 98% capacity utilization during year ended 31.03.2026. Statistically, your company has achieved production of 39645 MT of Phenol, 24724 MT of Acetone and 10195 MT of Hydrogen Peroxide. Despite industry-wide headwinds affecting the performance, our underlying operational performance remained strong.

**GROWTH OPPORTUNITIES**

HOCL supports the Atmanirbhar Bharat in Chemical Sector through indigenous domestic production of key chemicals like Phenol, Acetone & Hydrogen Peroxide which are critical raw material inputs for industries such as pharmaceuticals, paints, resins, laminates, textiles, agrochemicals, plywood etc. Your Company's products cater to wide range of end-use sectors such as dyes & pigments, agrochemicals, pharmaceuticals companies. This assists the organization in obtaining new clients and addressing huge spectrum of their demands. The increasing emphasis on domestic manufacturing, import substitution, and the growth of end-user industries presents significant opportunities for the Company to strengthen its market position, expand its product portfolio, and enhance long-term value creation.

**PROPOSED NEW INITIATIVES**

The technology used by the company for the production of Cumene is old technology compared to the competitors in the market. Therefore, we will focus on modernizing the existing Cumene plant with advanced technology with minimum modifications to the existing facilities, along with debottlenecking of the Phenol plant to enhance operational efficiency and capacity utilization.

**SAFETY, HEALTH AND ENVIRONMENT**

In the areas of Health, Hygiene and Environment, the company continued to carry out periodic medical examination, as well as statutory requirements of fitness check-up for employees. In alignment with our commitment to environmental protection and sustainability, HOCL has undertaken several proactive initiatives to minimize its ecological footprint and promote environmental awareness. HOCL organized 'a tree in the name of mother' campaign at the Township of the company as part of its commitment towards environmental protection and sustainable development. We are proud to report that the level of pollutants emitted from our factory and the surrounding areas continue to remain well within the permissible limits prescribed by regulatory authorities. As part of its environmental stewardship initiatives, HOCL conducted various awareness programmes, competitions and cleanliness drives under the Swachh Bharat initiative. Plant premises were beautified with the active participation of employees, fostering a strong sense of ownership and responsibility toward environmental conservation. Extending its efforts beyond the plant premises, HOCL also organized cleanliness activities in nearby schools and public roads to enhance community awareness and encourage sustainable environmental practices. The more details pertaining to safety, health and environment is provided in the Directors report.

**ISO CERTIFICATION**

As part of the safety improvements, many positive measures have been undertaken by the organization to ensure safety of the plant and personnel. HOCL Kochi Unit is certified for IMS (Integrated Management System) which is comprising of Quality Management System (ISO-9001), Environment Management System (ISO-14001) and Occupational Health and Safety Management System (ISO 45001). Company is also certified for Energy Management System (ISO-50001). All the products of HOCL are certified by BIS.

**INDUSTRIAL RELATIONS**

People have been a great strength in your company. The overall Industrial relationship continued to be peaceful and cordial during the year and no strike or lockout took place during the year.

**CORPORATE GOVERNANCE**

The Company continued to comply with the various requirement of Corporate Governance. The details in this regard form part of the Directors Report.

Company has substantially complied with the Guidelines on Corporate Governance for CPSEs laid down by Department of Public Enterprises and regularly submits reports to the Government. Company also complies with the applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**HINDUSTAN FLUOROCARBONS LIMITED (HFL) – SUBSIDIARY COMPANY**

Your company has one subsidiary company namely; Hindustan Fluorocarbons Limited [HFL]. Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals vide No. P. 51015/06/2019-Ch. III dated 29-01-2020 informed the decision of Cabinet Committee on Economic Affairs [CCEA], directed closure of Hindustan Fluorocarbons Limited. As part of closure activities, HFL has been delisted from the stock exchange during this year.

**FUTURE OUTOOK**

The Business in Chemical Indutry is rapidly undergoing changes. More and more focus on core business activity and shift away from non-core business activity will change the structure of the industry. The product mix of your company gives an added advantage due to wide range of applications encompassing various sectors in the industries.

Recovery experience from the first quarter of this year is positive signal. We have excellent people and we are confident of turning around HOCL. The Company will continue to focus on enhancing its productivity and operational performance thereby strengthening the long-term growth. We are very optimistic about the future outlook.

**ACKNOWLEDGEMENT**

I would like to record our sincere appreciation for the confidence bestowed in us by the shareholders, customers, suppliers and employees who had extended their support and co-operation during the year. I would also like to record my gratitude for the guidance and support extended by our Administrative Ministry, Board Members, Statutory/Govt. Auditors/other auditors and all the agencies concerned.

I am confident that, guided by our shared vision and strengthened by our collective commitment, we will continue to achieve new milestones of success. Together, we will build a stronger and more resilient HOCL while contributing meaningfully to a sustainable future for our stakeholders, our communities, and the nation.

Date: 18.08.2026

Place: Kochi, Kerala

Sd/-

**Sangram Kumar Mishra**

Chairman and Managing Director

DIN: 11337117

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

## NOTICE

**Notice** is hereby given that the 65th Annual General Meeting ("AGM") of the members of Hindustan Organic Chemicals Limited ("HOCL/Company") will be held on Friday, 25th September, 2026 at 03:30 PM [IST] through Video Conference/Other Audio-Visual Means ("VC/OAVM") facility to transact the following businesses:

ORDINARY BUSINESS:

**ITEM NO. 1**

To consider, approve and adopt the Audited standalone and consolidated financial statements of the company comprising the Balance Sheet as on 31st March, 2026, the profit & loss account for the year ended on that date, cash flow statements, schedules, and notes to accounts attached thereto, together with director's report and the auditor's report along with the report of Comptroller and Auditor General of India (CAG) and to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31.03.2026, together with the Directors' Report and the Auditors' Report thereon and report of the Comptroller and Auditor General of India be and are hereby considered, approved and adopted."

**ITEM NO. 2**

To appoint Shri Manoj Sethi (DIN:00301439), JS&FA, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India who retires by rotation and being eligible for re-appointment and to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT Shri Manoj Sethi (DIN: 00301439) JS&FA, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India, who retires by rotation and being eligible, be and is hereby reappointed, as Govt. Nominee Director."

**ITEM NO. 3**

To authorize the Board of Directors to fix remuneration to be paid to the Statutory Auditors as and when appointed by Comptroller & Auditor General of India for the financial year 2026-27 in terms of provisions of section 139(5) read with Section 142 of the Companies Act, 2013 and, to consider and, thought fit, to pass the following resolution, as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration to the Statutory Auditors of the Company as and when appointed by the Comptroller and Auditor General of India for the financial year 2026- 27."

SPECIAL BUSINESS:

**ITEM NO. 4**

Appointment of Shri Sangram Kumar Mishra (DIN 11337117) as Chairman and Managing Director.

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

**"RESOLVED THAT** pursuant to the provisions of section 149,152 and any other applicable provisions of Companies Act 2013 and rules made there under, read with articles of association and regulation 17 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 (Listing regulations) (including any statutory modifications) or re-enactment thereof for the time being in force), the Articles of Association of the company, Shri Sangram Kumar Mishra who was appointed as Chairman and Managing Director vide Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals order No. P-51011/01/2021-CH-III dated 06.10.2025 w.e.f. the date of assumption of charge of the post till date of superannuation i.e. 30.06.2030, or until further orders, whichever is earlier be and is hereby appointed as Chairman & Managing Director of the company subject to any further order(s) issued by the Government of India regarding the terms and conditions of his appointment and he shall not be liable to retire by rotation".

**ITEM NO: 5**

**Appointment of Smt. Sarita Gena (DIN: 11898194) as Non-Official Part-time Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder, Regulation 17 (1C) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and read with Articles of Association of the Company and applicable regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Sarita Gena (DIN 11898194) who was appointed as part time Non-Official Director (Independent Director) vide Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals order dated 14.08.2026 vide Order No. P-53013/8/2019-CHEM.III-CPC-Part(1), be and is hereby appointed as a part time Non-official Independent Director on the Board of the Company for a period of three (3) years effect from 18.08.2026 till 13.08.2029 or until further orders whichever is earlier and she shall be not liable to retire by rotation."

**ITEM NO. 6**

**Ratification of the remuneration of the Cost Auditor for the financial year 2026-27**

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

**"RESOLVED THAT,** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration payable amounting to Rs. 50,000/- plus GST as a total fees for the audit of cost accounts and records of the Company and to issue compliance certificates thereof and to give cost audit report for the year 2026-27 and for assistance in & e-filing of cost audit reports related XBRL e-forms in respect of Kochi unit products of the Company for the financial year ending 31st March, 2026 to Ms/. R M Bansal & Co, Cost Auditors of the company for the FY 2026-27."

By Order of the Board of Directors

Sd/-
**Subramonian H**
Company Secretary
[ACS 28380]

Date: 19.08.2026
Place: Kochi, Kerala

**Notes:**

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No.10/2022 dated December 28, 2022, General Circular No.09/2023 dated September 25, 2023, General Circular No.09/2024 dated September 19, 2024 and General Circular No.03/2025 dated September 22, 2025 (collectively referred to as "MCA Circulars") allowed the companies to conduct their Annual General Meetings ("AGM") through VC/ OAVM till further orders. Hence, in compliance with the provisions of the Companies Act, 2013 ("ACT"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, various MCA Circulars and SEBI Circulars, the 65th AGM is being held through VC/OAVM. For this purpose, necessary arrangements have been made by the Company in association with NSDL and instructions for the process to be followed for attending, participating and voting in the AGM through VC/OAVM is forming part of this notice. The proceedings of the AGM will be deemed to be conducted at the registered office of the Company.
2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and proxy need not to be a member of the Company. However, the 65th AGM of the Company is being held pursuant to MCA/SEBI circulars through VC/OAVM and the physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxy by the members will not be available for the 65th AGM of the Company and hence proxy form, attendance slips are not annexed to this notice.
3. Participations of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of Companies Act, 2013.
4. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote E-voting. The said resolution/ Authorization shall be sent to the Scrutinizer through e-mail to bhavya@legalcrew.co.in with a copy marked to cs@hoclindia.com.
5. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 read with Rules notified thereunder in respect of special business are appended to this notice.
6. Pursuant to section 139(5) of the Companies Act, 2013, the statutory auditors of the Company are to be appointed or re- appointed by the Comptroller and Auditor General of India (CAG), Government of India. In pursuance of Section 142 of the Companies Act, 2013 the remuneration to the statutory auditors shall be fixed by the Company in the AGM or in such manner as the Company in general meeting may determine. The statutory auditor of the Company for the year 2026-27 is yet to be appointed by the CAG. Accordingly, the members may authorize the Board to fix an appropriate remuneration to the statutory auditors for the FY 2026-27.
7. Shareholders are requested to intimate immediately as and when there is any change in their addresses registered with the Company, their PAN, KYC details to the Bigshares Services (P) Ltd. Company's RTAs. For submitting KYC related information including updation of PAN, address etc., Members may access relevant KYC forms at https://www.hoclindia.com/form-download.
8. The Register of Members and Share Transfer Books of the Company will remain closed **from Saturday, 19th September, 2026 to Friday, 25th September, 2026 (both days inclusive).**
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM. All documents referred to in the notice, if any, will be available for electronic inspection without payment of any fee by the members from the date of circulation of this notice up to the date of 65th AGM. Members desiring inspection of such documents can send their request in writing to cs@hoclindia.com.
10. In compliance with Section 108 of the Act, read with the corresponding rules and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODRR") the Company has provided a facility to its members to exercise their votes electronically through the ("e-voting") facility provided by the NSDL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e- voting section which forms part of this notice. Boards of Directors have appointed ASKBN & Company, Practicing Company Secretaries, as the scrutinizer to scrutinize the e-voting in a fair and transparent manner.
11. The voting rights of the members shall be proportionate to the shares held by them in the paid-up equity share capital of the company as on the cut – off date i.e. **Friday, 18th September, 2026.** A person who is not a member as on the cut-off date is requested to treat this notice for information only.
12. The remote e-voting would commence on **Tuesday, 22nd September, 2026 (9:00 a.m. IST) and ends on Thursday, 24th September, 2026 (5:00 p.m. IST)**. During the period, members holding shares either in physical or dematerialized form as on cut-off date (record date) i.e as on 18th September, 2026 may cast their votes electronically. The e-voting module will be disabled by the NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast.
13. The facility for the voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on resolutions through remote e-voting and are not otherwise barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
14. The cut-off date for sending 65th AGM notice & Annual Report is 21st August, 2026. Any person who acquires shares of the Company and becomes a member of the Company after sending of the notice and holding shares as of the cut-off date may obtain login ID and password by sending a request at evoting@nsdl.com or at cs@hoclindia.com. For login/e-voting method, shareholders shall refer instruction portion given in this notice.
15. In compliance with MCA/SEBI circulars, the 65th Annual Report FY 2025-26, the notice of 65th AGM and instructions for e-voting are being sent only through electronic vote to those members whose email addresses are registered with the Company/ depository participant(s) as on the cut-off date i.e. 21st August, 2026. Physical copy of the AGM notice along with Annual Report FY 2025-26 shall be sent to those members who request for the same.
16. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants and members

holding shares in physical mode are requested to update their email addresses with the Company's RTA M/s. Big Share Services Pvt. Ltd. at investor@bigshareonline.com or vinod.y@bigshareonline.com to receive the copies of the Annual Report FY 2025-26 and other communications from the Company in electronic mode.

17. Members may also note that the notice of 65th AGM and the Annual Report FY 2025-26 will also be available on the Company's website https://www.hoclindia.com/agm, website of stock exchange i.e. BSE Limited at www.bseindia.com and on the website of the NSDL.

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

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

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

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

22. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail id, mobile number at cs@hoclindia.com on or before Friday, 18th September, 2026. The same will be replied by the company suitably through e-mail.

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

24. Brief resume/Profile of the Directors seeking appointment/re-appointment at AGM, as required under Regulation 36 of SEBI (LODR) Regulations, 2015, is annexed hereto and forms part of the Notice.

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

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

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

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

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

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM is provided by NSDL.

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

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

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

**The remote e-voting period begins on Tuesday, 22nd September 2026 at 09:00 A.M. and ends on Thursday, 24th September, 2026 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 18th September, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 18th September, 2026.**

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

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

**Step 1: Access to NSDL e-Voting system**

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

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

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

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

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

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

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

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

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

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

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

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

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the

Scrutinizer by e-mail to bhavya@legalcrew.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms Pallavi Mhatre at evoting@nsdl.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@hoclindia.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@hoclindia.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@hoclindia.com. The same will be replied by the company suitably.
6. Shareholders who would like to register themselves as Speaker may do so by sending their request in advance at least 7 days prior to AGM mentioning their name, demat account number/folio number, e-mail ID, mobile number at cs@hoclindia.com.

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

**Item No.4: Appointment of Shri Sangram Kumar Mishra (DIN 11337117) as Chairman & Managing Director**

HOCL is a Government Company and as per the Articles of Association of the Company, power to appoint Directors vest with the President of India, through the Administrative Ministry. Accordingly, Ministry of Chemicals and Fertilizers, Department of chemicals and petrochemicals vide order No. P-51011/01/2021-CH-III dated 06.10.2025 appointed Shri Sangram Kumar Mishra as Chairman and Managing Director on the Board of Hindustan Organic Chemicals Limited (HOCL) w.e.f. the date of assumption of charge of the post or till date of superannuation i.e. 30.06.2030, or until further orders, whichever is earlier.

The Company has received all statutory disclosures/declarations from him as required under the provisions of Companies Act, 2013. The Board of Director in their meeting held on 13.11.2025 taken on record the Government Order appointing Shri Sangram Kumar Mishra as Chairman & Managing director (CMD) on the Board of HOCL.

As per Articles of Association, though the power to appoint Directors of HOCL vest with Government of India, as per the provisions of Section 152(2) of the Companies Act, 2013, every director shall be appointed by the company in general meeting. Further, as stipulated under Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), approval of the shareholders for the appointment of person on the Board of Public Sector companies (PSUs) shall be taken in the next general meeting. Hence, the Board recommends the resolution set forth in Item No.4 for the approval of members by way of Special Resolution.

Except Shri Sangram Kumar Mishra, none of the Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

In view of the above, it is proposed to obtain approval of shareholders for appointment of Shri Sangram Kumar Mishra as Chairman and Managing Director of the Company, by passing Special Resolution set out at Item No 4. of this Notice.

**Item No.5: Appointment of Smt. Sarita Gena (DIN 11898194) as Non-Official Part-time Independent Director**

HOCL is a Government Company and as per the Articles of Association of the Company, power to appoint Directors vest with the President of India, through the Administrative Ministry. Accordingly, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India vide Office Order no. P-53013/8/2019-CHEM.III-CPC-Part(1) dated 14.08.2026 appointed Smt. Sarita Gena (DIN 11898194), as part time Non-Official Director (Independent Director) on the Board of Hindustan Organic Chemicals Limited (HOCL) for a period of Three (3) years with effect from the date of notification of the appointment order, or until further orders, whichever is earlier.

The Company has received all statutory disclosures/declarations as required under the provisions of Companies Act, 2013. The Board of Director on 19.08.2026 taken on record the Government Order appointing Smt. Sarita Gena as Non-Official Director (Independent Director) on the Board of HOCL w.e.f 18.08.2026 till 13.08.2029 or until further orders whichever is earlier.

As per Articles of Association, though the power to appoint Directors of HOCL vest with Government of India, as per the provisions of Section 152(2) of the Companies Act, 2013, every director shall be appointed by the company in general meeting. Further, as stipulated under Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), approval of the shareholders for the appointment of person on the Board of Public Sector companies (PSUs) shall be taken in the next general meeting. Hence, the Board recommends the resolution set forth in Item No.5 for the approval of members by way of Special Resolution.

Except Smt. Sarita gena, none of the Directors or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in passing the said Special Resolution set out in item no.5 except to the extent of their shareholding in the Company.

**Item No.6: Ratification of remuneration of the Cost Auditor for the financial year 2026-27**

In accordance with the provisions of Section 148 of Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 (“the Rules”) the Company is required to appoint cost auditors to audit the cost records of the Company for the products and services specified under rules issued in pursuance to the above section. Accordingly, the Board of Directors, has appointed M/s. R M Bansal & Co. Cost Accountants as Cost Auditors of the Company to conduct the cost audit of cost records maintained by the company for the FY 2026-27 at a total fee of Rs.50,000/- plus GST and to issue compliance certificate thereof and to give cost audit report for the FY 2026-27 and for assisting in preparation & e-filing of Cost Audit Reports related XBRL e-forms in respect of Kochi unit products for the FY 2026-27.

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

The Board of Directors accordingly recommends the passing of proposed Ordinary Resolution set forth in Item No. 6 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives have any concern or interest, financially or otherwise in passing of the said Ordinary Resolution set out in Item No.6.

**By Order of the Board of Directors**

Sd/-

**Subramonian H**
**Company Secretary**
[ACS 28380]

Place: Kochi, Kerala
Date: 19.08.2026

**ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 65th ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARDS 2 ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA**

**1. Brief profile of Shri Manoj Sethi**

| | |
|---|---|
| DIN | 00301439 |
| Date of Birth & Age | 19.09.1968, 58 |
| Date of original appointment | 22.11.2023 |
| Relationship with Directors/KMP | None |
| Shareholding in the company | None |
| Remuneration proposed to be paid & remuneration last drawn | None |
| Expertise in specific functional area & brief resume | Shri Manoj Sethi is holding MA, LLB. He is currently working as Joint Secretary & Financial Advisor (JS&FA) in Ministry of Chemicals Fertilizers, Govt. of India. |
| List of directorships in other Companies | One (1)<br>The Fertilisers and Chemicals Travancore Limited (FACT) |
| Membership of the committee of other companies | Nil |
| Details of Listed entities from which Director has resigned in the past three years | Nil |
| Terms of appointment | Ministry of Chemicals & Fertilizers, Government of India vide Office Memorandum No.P-51015/12/2014 -CHEM. III- CPC dated 22nd November, 2023 had conveyed appointment of Shri Manoj Sethi Joint Secretary & Financial Advisor (JS&FA), Ministry of Chemicals & Fertilizers as Government Nominee Director in the Board of Hindustan Organic Chemicals Limited (HOCL). The terms and conditions of the appointment is decided by the Ministry. |
| Number of Board Meetings attended during FY 2025-26 | Five (5) Qualification MA, LLB |

**2. Brief Profile of Shri Sangram Kumar Mishra**

| | |
|---|---|
| DIN | 11337117 |
| Date of Birth & Age | 17-06-1970, 56 |
| Date of appointment/assumption of charge | 08.10.2026 |
| Relationship with Directors/KMP | No |
| Share holding in the company | No |
| Remuneration proposed to be paid & remuneration last drawn | No |
| Expertise in specific functional area & brief resume | Shri Sangram Kumar Mishra is an accomplished engineering professional with over three decades of diverse experience in executing mega high value projects spanning the Petroleum, Refining, Petrochemicals, Offshore, LNG, Pipeline, Power, Steel, and Infrastructure sectors. Throughout his career, he has exemplified excellence in leadership, project management, and strategic execution—contributing significantly to the growth of India's energy and other industrial sectors. He is an Electrical Engineering graduate from Utkal University and holds an MBA degree as well. |
| List of directorships in other Companies | One (1)<br>Hindustan Fluorocarbons Limited (HFL) |
| Membership of the committee of other companies | Nil |
| Details of Listed entities from which Director has resigned in the past three years | Nil |
| Terms of appointment | Ministry of Chemicals and Fertilizers, Department of chemicals and petrochemicals vide order No. P-51011/01/2021-CH-III dated 06.10.2025 appointed Shri Sangram Kumar Mishra as Chairman and Managing Director on the Board of Hindustan Organic Chemicals Limited (HOCL) w.e.f. the date of assumption of charge of the post or till date of superannuation i.e. 30.06.2030, or until further orders, whichever is earlier |
| Number of Board Meetings attended during FY 2025-26 | Three (3) |
| Qualification | Electrical Engineering graduate and holds an MBA |

3. **Brief profile of Smt. Sarita Gena**

| | |
|---|---|
| DIN | 11898194 |
| Date of Birth & Age | 26-02-1977, 49 |
| Date of appointment/assumption of charge | 18.08.2026 |
| Relationship with Directors/KMP | No |
| Share holding in the company | No |
| Remuneration proposed to be paid & remuneration last drawn | No |
| Expertise in specific functional area & brief resume | Smt. Sarita Gena is an Accomplished, mission-driven Public Leader and Governance Specialist with over 21 years of dedicated experience directing legislative sessions, macro-level policy execution, and regional development initiatives within administrative frameworks. Proven excellence in public administration, community engagement, and grassroots development. Expert in orchestrating public-private partnerships, cross sector collaborations, and large-scale public initiatives that directly benefit rural economics, public infrastructure, social welfare, and multi-tier institutional governance structures. |
| List of directorships in other Companies | Nil |
| Membership of the committee of other companies | Nil |
| Details of Listed entities from which Director has resigned in the past three years | Nil |
| Terms of appointment | Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India vide its Order No. P-53013/2019 CHEM.III-CPC-Part(1) dated 14.08.2026, appointed Smt. Sarita Gena as part time Non-Official Director (Independent Director) on the Board of Hindustan Organic Chemicals Limited (HOCL) for a period of Three (3) years with effect from the date of notification of the appointment order, or until further orders, whichever is earlier. The date of appointment will be w.e.f 18.08.2026. |
| Number of Board Meetings attended during FY 2025-26 | Not Applicable |
| Qualification | Master of Arts (M.A) in Sociology |

# DIRECTORS REPORT

The Board of Directors presents herewith the 65th Annual Report of your Company along with the Audited Standalone & Consolidated financial statements for the financial year 2025-26.

**1. FINANCIAL PERFORMANCE**

The financial results for the year ended 31.03.2026 with the comparative figures of company's operations for the previous year are as under:

Rs. In Lakhs

| **Particulars** | **2025-26** | **2024-25** |
|---|---|---|
| Revenue from operations | 57,376.13 | 53,586.76 |
| Other Income | 1,926.62 | 2,275.11 |
| **Total** | **59,302.75** | **55,861.87** |
| Expenditure | 61,370.55 | 66,650.12 |
| **Profit/ (loss) before exceptional item & Tax** | **(2,067.80)** | **(10,788.25)** |
| Add: Exceptional items | 681.64 | 50,275.38 |
| **Profit /(Loss) before Tax** | **(1,386.16)** | **39,487.13** |
| Less: Tax expenses/provision | 96.78 | 333.00 |
| **Profit/(Loss) after Tax** | **(1,289.38)** | **39,154.13** |
| **Other Comprehensive Income for the year net of tax** | **477.55** | **(378.44)** |
| **Total Comprehensive Income for the year** | **(811.83)** | **38,775.69** |

**2. 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 31.03.2026 is provided in the Annual Report.

**3. DIVIDEND**

In view of the loss incurred during the current year, the Board of Directors do not recommend any Dividend for the year under review.

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

There was no change in the nature of business of the Company during the FY 2025-26.

**5. SHARES**

There was no change in the equity share capital of the company during the year. The Authorized Share Capital of the company is Rs.370 crores and the paid-up equity capital of the company is Rs.67.27 crores. The company's equity shares are listed in BSE (Scrip ID: 500449). During the period under review, the company has not: (i) bought back any of its securities (ii) issued any sweat equity shares (iii) issued any bonus shares (iv) provided any stock option scheme to employees.

**6. FINANCIAL HIGHLIGHTS**

During the year 2025-26, the company has achieved a Gross Income of Rs.593.02/- crore against Rs.558.61/- crore during the previous year registering an increase of 6.16%.

**7. RESERVES**

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

**8. NUMBER OF MEETINGS OF BOARD**

During the financial year the Six (6) Board Meetings were held on the following dates:

| Sl No. | Board Meeting No. | Date of Board meeting |
|---|---|---|
| 1. | 420 | 08.04.2025 |
| 2. | 421 | 16.05.2025 |
| 3. | 422 | 13.08.2025 |
| 4. | 423 | 13.11.2025 |
| 5. | 424 | 29.01.2026 |
| 6. | 425 | 12.02.2026 |

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

**9. EXTRACT OF ANNUAL RETURN**

Pursuant to sub-section 3(a) of Section 134 of the Companies Act 2013, read with Section 92 (3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return as at March 31, 2026 is available in the website of the company at www.hoclindia.com/annual-return

**10. SUBSIDIARY COMPANY**

Your company has one (1) subsidiary company namely; Hindustan Fluorocarbons Limited [HFL]. Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals vide No. P. 51015/06/2019-Ch. III (Vol.II) dated 29th January, 2020 informed the decision of Cabinet Committee on Economic Affairs, directing closure of HFL, which was approved by the shareholders on 30th March, 2020. The equity shares of HFL has been delisted from BSE w.e.f 06.02.2026. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of subsidiary company in Form AOC-1 is attached as Annexure II to the Board's Report.

**11. RELATED PARTY TRANSACTIONS**

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There were no materially significant transactions with Related Parties during the financial year 2025-26 which were in conflict with the interest of the Company. Suitable disclosures as required under IND AS-24 have been made in Note No.36 of the Notes to the Standalone Financial Statements.

Particulars of contract/arrangements/transactions made with related parties, pursuant to Section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 is appended as Annexure III which forms part of this report.

**12. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion & Analysis report forms part as Annexure IV to the Board's Report.

**13. CORPORATE GOVERNANCE**

HOCL is committed to good Corporate Governance as per the requirements of SEBI Regulations, Companies Act and DPE Guidelines. The details in this regard forms part of Corporate Governance report to the Annual Report. The requisite certificate from the practicing company secretaries confirming with the conditions of Corporate Governance is annexed to the report on Corporate Governance.

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

Department of Public Enterprises [DPE], Government of India, has laid down certain parameters for the purpose of grading the CPSEs on the basis of their compliance with guidelines on Corporate Governance and this report needs to be submitted online on the portal of DPE on Quarterly basis. Company has been complying with the Guidelines on Corporate Governance for CPSEs laid down by DPE and regularly submits reports to the Ministry of Chemicals & fertilizers, Government of India. Applicable grade of 4th Quarter/year ended 31.03.2026 is "Excellent". The requisite certificate from the practicing company secretaries confirming with the conditions of DPE Corporate Governance guidelines is attached to the report on Corporate Governance.

**15. PERFORMANCE EVALUATION OF THE BOARD:**

HOCL is a Central Public Sector Enterprises (Government Company) and the appointment of Directors, both Executive & Non-Executive are made by the Government of India. Therefore, HOCL is not required to laid down any criteria for performance evaluation of the Independent Directors and other Board Members. However, inputs on performance of Independent Directors are being submitted to the administrative Ministry.

**16. KEY MANAGERIAL PERSONNEL:**

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

a) Shri Sangram Kumar Mishra - Chairman & Managing Director [DIN: 11337117]

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

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

**17. DETAILS OF DIRECTORS OR KMP'S WHO WERE APPOINTED, CEASED, RESIGNED OR ENTRUSTED ADDITIONAL CHARGE:**

a) Shri Yogendra Prasad Shukla, Director (Finance) was holding the additional charge of Chairman & Managing Director from 01.09.2025 till 07.10.2025

b) Shri Sangram Kumar Mishra has taken charge as Chairman and Managing Director for a period of five years w.e.f 08-10-2025.

c) Shri Vinay Kumar Sharma has ceased as Non-Official Independent Director w.e.f 04.06.2026 due to completion of tenure.

**18. PARTICULARS OF EMPLOYEES**

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government Companies are exempted from inclusion of the statement of particulars of employees. The information has, therefore, not been included as part of the Directors' Report.

**19. COMPOSITION OF AUDIT COMMITTEE AND NON-ACCEPTANCE OF ANY RECOMMENDATIONS OF AUDIT COMMITTEE.**

During the FY 2025-26, all the recommendations of the Audit Committee were accepted by Board of Directors. Details of Composition, meetings of Audit Committee/Sub-Committee are provided in Corporate Governance Report which forms part of this Report.

**20. COMMITTEES OF THE BOARD**

The Company's Board has the following Statutory Committees:

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholder Relationship Committee

iv. Corporate Social Responsibility Committee (CSR)

**21. SECRETARIAL STANDARDS**

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

**22. DIRECTOR'S RESPONSIBILITY STATEMENT**

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

(a) That in the preparation of the annual accounts for the year ended 31st March, 2026; the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) That such accounting policies as mentioned in the Notes on Accounts had been applied consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the financial year ended 31st March, 2026 and the profit or loss of the Company for that period.

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

(d) That the annual accounts for the year ended 31st March, 2026 had been prepared on a going concern basis.

(e) Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively and

(f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**23. INDEPENDENT DIRECTORS DECLARATION**

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

**24. DISCLOSURE ON REAPPOINTMENT OF INDEPENDENT DIRECTORS**

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

**25. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTORS ETC.**

Company being a CPSE, appointments of all the Directors on the Board of the Company are made by the Govt. of India/President of India and under the supervision, control and directions of the Department of Chemicals & Petrochemicals and the prescribed DPE Guidelines are being followed. The Terms and Conditions of appointment of Independent Directors and other directors, are as per the Government Orders are disclosed on the Company's website. Accordingly, the disclosure regarding 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.

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

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

**27. AUDITORS**

**a) Statutory Auditors**

M/s. Balan & Co, Chartered Accountants, Kochi was appointed as Statutory Auditors of your Company for FY 2025-2026 by C&AG.

The auditors have furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the audit process. The auditors attend the Annual General Meeting of the Company. The Auditors in their report for the year have not reported any instances of fraud committed by the officers/employees of the company.

**b) Cost Auditors**

The Board of Directors had appointed M/s. B.B.S Associates as Cost Auditors of your Company for FY 2025-26. In the 64th AGM held on 26th September, 2025 the members have ratified the remuneration payable to the Cost Auditors. Company has made & maintained Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013.

**c) Internal Auditors**

M/s. Suneel Maggo and Associates, A-60, 2nd Floor S-9, Sector-2, NOIDA, U P, 201301 were appointed by the Board of Directors as Internal Auditor of your Company for Kochi unit and Mumbai office for FY 2025-26. They have submitted quarterly reports for FY 2025-26.

**d) CAG Auditors**

Supplementary Audit of financial statements (Standalone & Consolidated) was conducted by Principal Director of Audit (Industry & Corporate Affairs), New Delhi. The Comptroller & Auditor General of India (CAG) has conducted the supplementary audit of the financial statements of HOCL for the year ended 31.03.2026 and issued comments for both standalone & consolidated financials.

The report of CAG under Section 143(6)(b) of the Companies Act, 2013 forms part of the annual report. The management replies to the comments of CAG is given below. The statutory auditors have also concurred with the management replies.

| CAG comments | Management Reply |
|---|---|
| **A. 1 Current Liabilities**<br><br>**Short-Term Provisions (Note No. 21) 1,554.92 lakh**<br><br>(I) The above does not include provision of 116.74 lakh on account of penalty/fines levied by BSE Limited for various non-compliances with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding non-fulfilment of requirements relating to the composition of the Board of Directors, appointment of Independent Directors, quorum of Board meetings and functioning of statutory committees.<br><br>Hindustan Organic Chemicals Limited (HOCL/Company) submitted waiver application to BSE, which was not acceded to by the Internal Regulatory Oversight and Review Group (IRORG) of BSE in its meeting held on 20 February 2026. The Company again submitted (19 March 2026) a consolidated waiver application for an amount of Rs.130.65 lakh. The BSE communicated (11 May 2026) approval of waiver of Rs.31.72 lakh and confirmed the balance liability of Rs.98.93 lakh plus GST, aggregating to Rs.116.74 lakh.<br><br>Since there is an obligation to pay the aforesaid balance liability of | BSE Limited (the Stock Exchange) had levied fines on the Company for various instances of non-compliance with the SEBI (LODR) Regulations, 2015, including non-fulfilment of requirements relating to the composition of the Board of Directors, appointment of Independent Directors, quorum of Board meetings and functioning of statutory committees. The CAG auditors observed that no provision was created in the books of accounts for the outstanding fines.<br><br>Directors of the company are appointed by the Central Government. The company has written letters to the concerned Ministry and has followed up several times. The fines imposed by BSE for the above non-compliances are disputed by the Company. The Waiver applications have been filed with the Stock Exchange, as the non-compliances occurred due to the circumstances beyond the control of the management. Further, on similar all earlier occasions, stock exchanges have granted complete waivers of such fines. Accordingly, the Management also expects that the waiver applications will be waived off by BSE. The management does not expect the liability to be imposed on the company.<br><br>Company does not expect them to have a materially adverse impact on the financial position or profitability. In this scenario, the Company is not required to provide provision in the books. |

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| Rs.116.74 lakh (including GST), necessary provision for the same should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS l0 (Events after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.<br><br>It was, however, observed that no provision for the aforesaid balance liability was provided for by the Company in its financial statements for the year 2025-26 which resulted in understatement of 'Provisions' and 'Loss for the year' by Rs.116.74 lakh each. | |
| (ii) A reference is invited to Note 35(a)(vi) relating to GST demand amounting to Rs.41-97 lakh. The said Note, inter-alia, states that an appeal against the demand was filed before the Joint Commissioner (Appeals), Central Tax & Central Excise, Kochi Commissionerate on 27 .02.2024.<br><br>In this regard, it was noticed that Commissioner (Appeals) passed (29 October 2025) the order, wherein a demand of Rs.7.55 lakh together with applicable interest thereon and a penalty of Rs. 10,000 was confirmed. Accordingly, the liability of the Company worked out to Rs. 12.57 lakh (Tax Rs. 7.55 lakh plus interest Rs.4.92 lakh plus penalty Rs. l0,000) as on31.03.2026. Against this, the Company had remitted (26 February 2024) Rs. 1.98 lakh to the tax authorities, and the balance liability of | The Company respectfully submitted that the Order-in-Appeal, though dated 29.10.2025, was not served upon the Company until 12.05.2026, i.e., after the financial statements for FY 2025-26 had been finalised and authorised for issue. Accordingly, the Company had no knowledge of the appellate decision while preparing and approving the financial statements.<br><br>As on the date of approval of the financial statements, the management based on the facts available had not accepted the decision. Based on the information available at that time, the matter continued to be treated as a contingent liability and was disclosed under Note 35(a)(vi) in accordance with the requirements of Ind AS 37.<br><br>Since the Company had neither received the appellate order nor become aware of its contents before the financial statements were authorised for issue, there was no basis for recognising the liability in the books of account for FY 2025-26. Accordingly, the accounting treatment adopted was based on the facts and information available as on the date of approval of the financial statements. |

| | |
|---|---|
| Rs. 10.59 lakh remained payable.<br><br>Since the aforesaid order was passed on 29 October 2025, issued on 6 May 2026 and was received by the company on 11 May 2026 (i.e. prior to the finalisation of the financial statements for the year 2025-26), necessary provision of Rs 10.59 lakh should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS l0 (Events after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.<br><br>It was, however, observed that no provision for the aforesaid balance liability was provided or by the Company in its consolidated financial statements for the year 2025-26 which resulted in understatement of 'Other Expenses' and 'Loss for the year' by Rs.10.59 lakh each. consequently, Provisions were also understated by Rs. 10.59 lakh.<br><br>Further, as the liability had crystallised pursuant to the appellate order dated 29.10.2025,the continued disclosure of the matter as a contingent liability under Note 35(a)(vi), was not in conformity with the requirements of Para 19 of Ind AS 10 (Events after the Reporting Period), which stipulates that, if an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information. Accordingly, Note No. 35(a)(vi) is deficient to that extent. | The Company has taken note of the audit observation. The impact of the appellate order will be examined in the subsequent accounting period after considering the legal implications and the further appellate remedy, if any, available to the Company.<br><br>In view of the above, the accounting treatment adopted by the Company is considered appropriate based on the information available at the time of approval of the financial statements. |

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|---|---|
| **B Comments on Financial Position**<br>**B.1 Assets**<br>**Current Financial Assets**<br>**(iii) Bank Balances other than (ii) above (Note 9): Rs. 23,385.49 lakh**<br>**Non-Current Financial Assets**<br>**(v) Other Financial Assets (Note 4b): Rs. 258.91 lakh**<br>A reference is invited to Schedule III to the Companies Act 2013 which provides that, "An entity shall classify an asset as current when it (a) it expects to realize the asset, or intends to sell it or consume it in its normal operating cycle, or (b) it holds the asset primarily for the purpose of trading, or (c) it expects to realize the asset within twelve months after the reporting date: or (d) the asset is (lash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets shall be classified as non-current".<br>It was, however, observed that Fixed Deposit amounting to Rs. 242.26lakh having maturity period of more than l2 months was booked under Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) instead of booking under Non-Current Assets (Other Financial Assets).<br>This has resulted in overstatement of Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) and understatement of Non-Current Assets (Other Financial Assets) by Rs. 242.26 Lakh each. | The Fixed Deposit amounting to 242.26 lakh was placed on 31.03.2026 with a tenure of one year and a maturity date of 01.04.2027. Tenure was decided as 1 year and 1 day to obtain better rate of interest as compared to one year. When substance over form is considered, this is current asset and hence was classified under Current Financial Assets – Other Bank Balances instead of Non-Current Financial Assets.<br>The Company noted the observation of Audit. The matter pertains solely to the classification of the Fixed Deposit between current and non-current financial assets and does not affect the total value of assets, liabilities, profit or loss, cash flows, net worth, shareholders' funds, or any other financial parameter. Accordingly, the observation has no impact on the financial results of the Company and is limited to the presentation of the Balance Sheet. |

**Consolidated Financial Statement**

| CAG comments | Management Reply |
|---|---|
| **Current Liabilities**<br>**Short-Term Provisions (Note No. 21) - ₹.1,554.92 lakh**<br>(i) The above does not include provision of 116.74 lakh on account of penalty/fines levied by BSE Limited for various non-compliances with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding non-fulfilment of requirements relating to the composition of the Board of Directors, appointment of Independent Directors, quorum of Board meetings and functioning of statutory committees.<br>Hindustan Organic Chemicals Limited (HOCL/Company) submitted waiver application to BSE, which was not acceded to by the Internal Regulatory Oversight and Review Group (IRORG) of BSE in its meeting held on 20 February 2026. The Company again submitted (19 March 2026) a consolidated waiver application for an amount of Rs.130.65 lakh. The BSE communicated (11 May 2026) approval of waiver of Rs.31.72 lakh and confirmed the balance liability of Rs.98.93 lakh plus GST, aggregating to Rs.116.74 lakh.<br>Since there is an obligation to pay the aforesaid balance liability of Rs.116.74 lakh (including GST), necessary provision for the same should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS 10 (Events | BSE Limited (the Stock Exchange) had levied fines on the Holding company for various instances of non-compliance with the SEBI (LODR) Regulations, 2015, including non-fulfilment of requirements relating to the composition of the Board of Directors, appointment of Independent Directors, quorum of Board meetings and functioning of statutory committees. The CAG auditors observed that no provision was created in the books of accounts for the outstanding fines.<br><br>Directors of the company are appointed by the Central Government. The company has written letters to the concerned Ministry and has followed up several times. The fines imposed by BSE for the above non-compliances are disputed by the company. The Waiver applications have been filed with the Stock Exchange, as the non-compliances occurred due to the circumstances beyond the control of the management. Further, on similar all earlier occasions, stock exchanges have granted complete waivers of such fines. Accordingly, the Management also expects that the waiver applications will be waived off by BSE. The management does not expect the liability to be imposed on the Holding company.<br>Company does not expect them to have a materially adverse impact on the financial position or profitability. In this scenario, the Company is not required to provide provision in the books. |

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| after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.<br>It was, however, observed that no provision for the aforesaid balance liability was provided for by the Company in its financial statements for the year 2025-26 which resulted in understatement of 'Provisions' and 'Loss for the year' by Rs.116.74 lakh each. | |
| (ii) A reference is invited to Note 35(a)(vi) relating to GST demand amounting to Rs.41.97 lakh. The said Note, inter-alia, states that an appeal against the demand was filed before the Joint Commissioner (Appeals), Central Tax & Central Excise, Kochi Commissionerate on 27.02.2024.<br>In this regard, it was noticed that Commissioner (Appeals) passed (29 October 2025) the order, wherein a demand of Rs.7.55 lakh together with applicable interest thereon and a penalty of Rs. 10,000 was confirmed. Accordingly, the liability of the Company worked out to Rs.12.57 lakh (Tax Rs.7.55 lakh plus interest Rs.4.92 lakh plus penalty Rs. 10,000) as on 31.03.2026. Against this, the Company had remitted (26 February 2024) Rs.1.98 lakh to the tax authorities, and the balance liability of Rs. 10.59 lakh remained payable.<br>Since the aforesaid order was passed on 29 October 2025, issued on 6 May 2026 and was received by the company on 11 May 2026 (i.e. prior to the finalisation of the financial statements for the year 2025-26), necessary provision of Rs 10.59 lakh should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS I0 (Events after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.<br>It was, however, observed that no provision for the aforesaid balance liability was provided or by the Company in its consolidated financial statements for the year 2025-26 which resulted in understatement of 'Other Expenses' and 'Loss for the year' by Rs.10.59 lakh each. consequently, Provisions were also understated by Rs. 10.59 lakh.<br>Further, as the liability had crystallised pursuant to the appellate order dated 29.10.2025, the continued disclosure of the matter as a contingent liability under Note 35(a)(vi), was not in conformity with the requirements of Para 19 of Ind AS 10 (Events after the Reporting Period), which stipulates that, if an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information. Accordingly, Note No. 35(a)(vi) is deficient to that extent. | We have respectfully submitted that the Order-in-Appeal, though dated 29.10.2025, was not served upon the Company until 12.05.2026, i.e., after the financial statements for FY 2025-26 had been finalised and authorised for issue. Accordingly, the Company had no knowledge of the appellate decision while preparing and approving the financial statements.<br>As on the date of approval of the financial statements, the management based on the facts available had not accepted the decision. Based on the information available at that time, the matter continued to be treated as a contingent liability and was disclosed under Note 35(a)(vi) in accordance with the requirements of Ind AS 37.<br>Since the Company had neither received the appellate order nor become aware of its contents before the financial statements were authorised for issue, there was no basis for recognising the liability in the books of account for FY 2025-26. Accordingly, the accounting treatment adopted was based on the facts and information available as on the date of approval of the financial statements.<br>The Company has taken note of the audit observation. The impact of the appellate order will be examined in the subsequent accounting period after considering the legal implications and the further appellate remedy, if any, available to the Company.<br>In view of the above, the accounting treatment adopted by the Company is considered appropriate based on the information available at the time of approval of the financial statements. |

| | |
|---|---|
| **B Comments on Consolidated Financial Position**<br>**B.1 Assets**<br>**Current Financial Assets**<br>**(iii) Bank Balances other than (ii) above (Note 9): Rs. 24,997.65 lakh**<br>**Non-Current Financial Assets**<br>**(v) Other Financial Assets (Note 4b): Rs. 258.91 lakh**<br>A reference is invited to Schedule III to the Companies Act 2013 which provides that, "An entity shall classify an asset as current when it (a) it expects to realize the asset, or intends to sell it or consume it in its normal operating cycle, or (b) it holds the asset primarily for the purpose of trading, or (c) it expects to realize the asset within twelve months after the reporting date: or (d) the asset is (lash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets shall be classified as non-current".<br>It was, however, observed that Fixed Deposit amounting to Rs. 242.26 lakh having maturity period of more than l2 months was booked under Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) instead of booking under Non-Current Assets (Other Financial Assets).<br>This has resulted in overstatement of Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) and understatement of Non-Current Assets (Other Financial Assets) by Rs. 242.26 Lakh each. | The Fixed Deposit amounting to 242.26 lakh was placed on 31.03.2026 with a tenure of one year and a maturity date of 01.04.2027. Tenure was decided as 1 year and 1 day to obtain better rate of interest as compared to one year. When substance over form is considered, this is current asset and hence was classified under Current Financial Assets – Other Bank Balances instead of Non-Current Financial Assets.<br>The Group has noted the observation of Audit. The matter pertains solely to the classification of the Fixed Deposit between current and non-current financial assets and does not affect the total value of assets, liabilities, profit or loss, cash flows, net worth, shareholders' funds, or any other financial parameter. Accordingly, the observation has no impact on the financial results of the Company and is limited to the presentation of the Balance Sheet. |

**e) Secretarial Auditors**

The Board of Directors had appointed M/s. S Basu & Associates., Practising Company Secretaries to conduct Secretarial Audit for five financial years from the FY 2025-26. The Secretarial Audit Report in accordance with Section 204 of Companies Act, 2013 for the Financial Year ended 31st March, 2026 is annexed to this Report. The observations in the Secretarial Audit report and the management response thereof are given below:

| Observation | Management Response |
|---|---|
| As per Regulation 17(1)(c) of SEBI LODR 2015, top 2000 listed entity shall comprise of not less than 6 directors, but the company has 5 directors during the period from 1st April, 2025 to 7th October, 2025 | HOCL is a CPSE under the administrative control of the Ministry of Chemicals & Fertilizers, Dept. of Chemicals and Petro Chemicals (DCPC), Government of India. Hence, as per Company's Articles of Association (AOA), the powers to appoint the Board of Directors of HOCL company vest with the GOI/Administrative Ministry. Accordingly, the said non-compliance regarding the minimum number of directors was beyond the control of the management. |
| As per Regulation 17(1)(b), if the chairperson is executive director at least half of the board shall comprise of Independent director, but during the year under review, the composition of Board was not in Compliance with the regulation 17(1) of SEBI LODR, 2015 | As stated above, HOCL is a CPSE under the administrative control of the Ministry of Chemicals & Fertilizers, Dept. of Chemicals and Petro Chemicals (DCPC), Government of India. Hence, as per Company's Articles of Association (AOA), the powers to appoint the Board of Directors including the Independent Director of HOCL company vest with the GOI/Administrative Ministry. HOCL had frequently requesting the administrative ministry to appoint requisite number of Independent Directors. Accordingly, the said non-compliance regarding the minimum number of directors was beyond the control of the management. |
| The Quorum of Board meeting held on 08th April, 2025 and 16th May, 2025 was not in compliance with regulation 17(2A) of SEBI LODR, 2015, due to vacancies in the position of Independent Directors. The Company is not complied of the Section 149(4) of the Act read with Schedule IV during the period from 1st April,2025 to 4th June,2025 | This non-compliance was occurred due to non-availability of Independent directors on the Board. As reported above, power to appoint the Board of Directors including the Independent Director of HOCL vest with administrative ministry. Accordingly, the said non-compliance regarding the minimum number of directors was beyond the control of the management. |
| During the period from 1st April, 2025 to 20th May, 2025 the Company has no Independent Director, as a result following Statutory Committees Like Audit | This non-compliance was occurred due to non-availability of requisite Independent directors on the Board. As reported above, power to appoint the Board of Directors including the Independent Director of HOCL vest with administrative ministry. |

| | |
|---|---|
| Committee (Reg.18 of SEBI LODR, 2015 and Sec.177 of the Companies Act, 2013), Nomination and Remuneration Committee (Reg.19 of SEBI LODR, 2015 and Sec. 178 of the Companies Act, 2013) and Stakeholders Relationship Committee (Reg.20 of SEBI LODR, 2015 and Sec. 178 of the Companies Act, 2013) were not functioning in the company . As a result, the Company has not complied of the above-mentioned provision(s) of SEBI LODR, 2015 and the Companies Act, 2013 along with the functions of these Committee(s) assigned by SEBI LODR, 2015 and the Companies Act, 2013. In some cases, the mandatory number of meetings of these Committee(s) were not held. | Accordingly, the said non-compliance regarding the minimum number of directors was beyond the control of the management. |
| The Company has not complied with certain provisions of DPE Guidelines on Corporate Governance regarding constitution of Board during the period under review and constitution of Committees until 18.06.2025 | The optimum combination of Executive Directors vis-à-vis Independent Directors and constitution of committees could not be achieved until the appointment of Independent Directors on Board & until reconstitution of the committees w.e.f 18.06.2025. As reported above, power to appoint the Board of Directors including the Independent Director of HOCL vest with administrative ministry. Accordingly, the said non-compliance regarding the minimum number of directors was beyond the control of the management. |

**28. Details of vigilance cases for the Financial Year 2025-26**

| Opening balance as on 01.04.2025 | Vigilance cases received during 01.04.2025 to 31.03.2026 | Disposed off | Balance |
|---|---|---|---|
| NIL | 2 | 2 | 0 |

**29. SAFETY, HEALTH AND ENVIRONMENT**

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

1. **SAFETY**

The company has achieved 1044191 safe man hours for the year 2025 with no lost time accidents. Since last reportable incident our organisation has achieved 6 million safe man hours worked without any lost time accident reported. The Company has implemented several new measures to improve the safety culture in addition to the normal systems and procedures.

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

Refresher training sessions on Fire and safety were imparted to the employees. Additional safety training for truck drivers were given for creating a safety culture in driving. Additional safety training was imparted for contract employees prior to works for creating more awareness on the safety precautions and use of PPEs to be used while working inside the plant. Tool box talks were carried out for each critical works.

Various competitions were organized for creating more awareness on safety among employees, observed National Safety day, National fire service week, Road safety week, Electrical Safety Week etc. An online HSE compliance system has been established. Corrective action is taken by the top management after review and analysis.

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

The Safety Committee from M/s. KMML conducted a visit to our organization as part of their ongoing safety review initiatives. The visit included site inspections and constructive discussions for improving current safety measures

M/s. Anjo George (Civil Deaprtment) working in HOCL bagged "Best Safety Worker" from the Department of Factories and Boilers, Government of Kerala. Since the inception of the Best Safety Worker Awards, it was for the First time HOCL was the recipient of this award.

HOCL has been honoured with the prestigious Suraksha Puraskar for the best Performance in safety from M/s. National Safety Council- Kerala Chapter on achieving commendation in Medium Industries (Chemicals) during the year 2025. Adding to this achievement Mr. R Shaji (Utilities department) secured first prize in both Malayalam Safety Essay and Malayalam Safety Elocution competitions, bringing further pride to the organisation.

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

2. **HEALTH**

In the areas of Health, the company continued to carry out periodic medical examinations as well as statutory requirements of fitness check-up for our employees. The key health initiatives undertaken by the company are as follows:

- On 26.05.2025 a Wellness camp was conducted by MedEnnove8 Pvt. Ltd., which included eye check-up, BMI assessment, ideal body weight evaluation, blood glucose testing, and cholesterol screening.
- On 18.07.2025 a general Medical camp conducted in the township by Welcare Hospital.
- On 23.09.2025 a Physical examination was conducted for housekeeping staff.
- On 29.01.2026 RCM Eye Hospital conducted a free eye check-up camp for employees.
- On 27.02.2026 CPR training sessions were initiated for all employees, with such sessions scheduled to be conducted every Friday.
- On 03.03.2026 an Eye check-up camp conducted for all employees was organized by Sreedhareeyam at the Recreation Club.
- On 08.07.2026 a general health screening camp covering Malaria, HIV/AIDS, diabetes, and general health screening camp conducted by KSACS and LISS India.
- Information, Education, and Communication (IEC) stickers on tuberculosis (TB) awareness were displayed across the workplace to promote awareness and preventive health practices.
- HOCL has always been a front runner in contributing towards various Government Campaigns such as “TB Mukt Bharat” whereby employees have been screened for TB and awareness campaigns conducted to eliminate TB.
- HOCL has also contributed in raising awareness about the physical, mental, and spiritual benefits of yoga among citizens and employees by conducting International Day of Yoga every year.

**3. ENVIRONMENT**

In alignment with its commitment to environmental protection and sustainability, Hindustan Organic Chemicals Limited has undertaken several proactive initiatives to minimize its ecological footprint and promote environmental awareness. The levels of pollutants emitted from the factory and surrounding areas continue to remain well within the permissible limits prescribed by regulatory authorities.

As part of its environmental stewardship initiatives, HOCL conducted various awareness programmes, competitions and cleanliness drives under the Swachh Bharat initiative. Plant premises were beautified with the active participation of employees, fostering a strong sense of ownership and responsibility toward environmental conservation.

Extending its efforts beyond the plant premises, HOCL also organized cleanliness activities in nearby schools and public roads to enhance community awareness and encourage sustainable environmental practices.

World Environment Day 2025 was observed with great enthusiasm through sapling plantation drives and a series of competitions based on the theme “Beat Plastic Pollution.” In connection with the observance on 5 June 2025, HOCL organized a special Inter-Departmental Competition aimed at promoting environmental awareness and plant cleanliness.

**Non-Biodegradable Waste Collection Drive**

All departments actively participated in a friendly competition to collect the maximum quantity of non-biodegradable waste from within the HOCL plant premises. The programme witnessed enthusiastic participation from employees across all departments and significantly contributed to improving cleanliness and environmental consciousness within the organization.

Demonstrating its commitment to responsible plastic waste management, HOCL has registered under the Extended Producer Responsibility (EPR) scheme with the Central Pollution Control Board (CPCB) as a Brand Owner, ensuring accountability in recycling and environmentally sound disposal practices.

To ensure strict regulatory compliance, HOCL has implemented a 24x7 Online Effluent Monitoring System and Continuous Stack Monitoring System in accordance with the guidelines of the Central Pollution Control Board (CPCB) and the Kerala State Pollution Control Board (KSPCB).

Regular safety inspections and “Safety Walks” conducted by the Safety Committee, along with daily patrols by the Fire & Safety team, serve as important mechanisms for continual environmental and safety improvement. Compliance with internal and external audits under ISO 14001 (Environmental Management System), as part of the Integrated Management System (IMS), further reflects the organization's commitment to maintaining high environmental standards.

Feedback received through near-miss reporting systems and HSE suggestions is systematically reviewed and addressed, reinforcing HOCL's ongoing commitment to environmental protection, sustainability, and continual improvement.

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

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

**Representation of SC, ST, OBC, PwBD and Women in employment position as on 31.03.2025**

| Category | Total | SC | ST | OBC | PwBD | WOMEN |
|---|---|---|---|---|---|---|
| A | 93 | 10 | 6 | 21 | 3 | 12 |
| B | 28 | 4 | 2 | 6 | - | - |
| C | 40 | 10 | 1 | 8 | - | 1 |
| D | 10 | 1 | - | - | - | - |
| **Total** | **171** | **25** | **9** | **35** | **3** | **13** |

**31. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY.**

During the year under report, the Company continued its efforts to promote Hindi as the Official Language in its day-to-day official work. Various programmes and activities were organized during the year 2025–26 to encourage the propagation and effective implementation of Official Language Hindi in the Company. A Rajbhasha Seminar on the theme “The increasing Contribution of Technology in the Implementation of Official Language Hindi” was organized on 07.08.2025, in which officers and employees participated enthusiastically. In addition, a management programme was conducted for Head of the Departments to enhance awareness of Official Language policies and to strengthen their leadership role in the effective implementation of Hindi.

The Company’s Hindi Officer participated in the Hindi Day Celebrations–2025 and the 5th All India Official Language Conference held in Gujarat on 14–15 September 2025, and gained insights into the latest policies, technologies, and best practices relating to the implementation of the Official Language. Hindi Month Celebrations were organized at the Kochi Office and Factory from 1st to 30th September 2025. On this occasion, various Hindi competitions were conducted for employees, employees' children, school students, and college students, which witnessed enthusiastic and wide participation. To promote the use of Hindi in official work and to ensure its effective use in digital platforms, computer-based Hindi training programmes were also organized for employees.

To assess the progress of Official Language implementation during the year 2025–26, an Official Language Inspection of the Kochi Office was carried out on 15.10.2025 by Shri Kale Khan, Assistant Director, DCPC, Ministry of Chemicals and Fertilizers, New Delhi. During the inspection, the use of Official Language Hindi in the office and compliance with the Official Language Policy were reviewed, and necessary guidance was provided. The Company also actively participated in the half-yearly meetings of the Town Official Language Implementation Committee (Undertakings), Kochi, and shared information on Official Language activities and best practices with other member organizations.

The Company achieved a significant milestone in the effective and exemplary implementation of Official Language Hindi. Under the Regional Official Language Award Scheme (2024–25) instituted by the Department of Official Language, Ministry of Home Affairs, Government of India, Hindustan Organic Chemicals Limited (HOCL) was selected for the First Prize. The award was presented at the Joint Official Language Conference of the Central, Western and Southern Regions organized by the Department of Official Language at Indore on 20th January 2026. The award was conferred by Shri Bandi Sanjay Kumar, Hon'ble Minister of State for Home Affairs, Government of India, and Shri Shankar Lalwani, Hon'ble Member of Parliament, Indore. The Shield was received by Shri Ramesh O., Chief Manager (HR/OL), and the Certificate was received by Shri M. V. Arun, Senior Hindi Officer, on behalf of the Company.

On the occasion of World Hindi Day, a special Official Language Seminar was organized for Hindi students of Sree Kerala Varma College, Thrissur. The seminar comprised four sessions on the topics "Hindi as a Global Language and Students", "Official Language Policy", "Official Language and Employment Opportunities", and "Hindi and Information Technology". A quiz competition was also conducted for the students as part of the programme. Further, on 09th January 2026, an Official Language Orientation Programme was organized in the Company for Head of the Departments, officers, and employees to mark World Hindi Day. On the same occasion, a News Reading Competition was also conducted for employees.

On 20th February 2026, on the occasion of International Mother Language Day, a lecture programme and a quiz competition were organized for Hindi students in association with Sree Sankara Vidyapeetom College, Ernakulam. On the same occasion, an essay competition on one's mother tongue, including Hindi, was also conducted for employees. Further, as part of the Joint Hindi Fortnight Celebrations organized by the Town Official Language Implementation Committee (Undertakings), Kochi, song competitions for male and female employees were conducted in the Company on 10th February 2026.

Four practical computer-based Hindi training programmes were conducted for the officers and employees of the Company on 22.09.2025 and during the period from 16th to 21st March 2026. During the year, four meetings of the Official Language Implementation Committee were held on 08.05.2025, 06.08.2025, 25.11.2025, and 18.03.2026.

During the year 2025–26, the combined issue of the Company's Official Language house journal, 'Pehchan', was successfully published, providing a platform for Hindi literary contributions from employees and other writers. Under the Incentive Scheme for Original Work doing in Hindi, aimed at encouraging the use of Hindi for carrying out original official work, cash awards were presented to 18 employees for performing their official work in Hindi.

In recognition of its outstanding performance in the effective implementation and promotion of Official Language Hindi, Hindustan Organic Chemicals Limited (HOCL) was awarded the 'Rajbhasha Implementation Award' (First Prize) for the year 2024–25 by the Town Official Language Implementation Committee (TOLIC), Kochi. In addition, the Company's Official Language house journal, 'Pehchan', received the 'Encouragement Award' under the category of 'Best House Journal Award' for the year 2024–25. The award was conferred in appreciation of the Company's contribution towards the promotion of Hindi literary and Official Language activities and for fostering the development of Hindi through its house journal. The award was received on behalf of the Company by Smt. Sindhu D., Chief General Manager (Fire & Safety/QC/MSS/TSS).

**32. RIGHT TO INFORMATION (RTI)**

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

The number of RTI applications received and disposed of during the year 2025-26 is given below:

| | |
|---|---|
| Total number of RTI applications received during the year 2025-26 | 67 |
| Applications rejected during the year 2025-26, if any | 0 |
| Information submitted during the year 2025-26 | 62 |
| Pending to reply as on 31.03.2026 | 5 |

**33. MICRO, SMALL & MEDIUM ENTERPRISES (MSME)**

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

**34. SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITIES AND BUSINESS RESPONSIBILITY REPORT**

SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with regard to disclosure of Business Responsibility Report is not applicable to your company. However, Hindustan Organic Chemicals Limited has adopted and realizes the benefits of Management Principles into daily activities to achieve the goals of the organization. These Management Principles will provide a foundation to continually improve upon the Organization's performance. The organization believes the following principles to align with the business processes.

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

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.

**35. DETAILS OF CSR ACTIVITIES**

HOCL has incurred losses during the financial years 2022-22, 2023-24. With regard to financial year 2024-25, there was a profit after tax primarily due to waiver of Government of India dues. As is typical with such waivers, the impact is reflected in the Profit and Loss Account for FY 2024-25 as a one-time exceptional item, resulting in a reported profit for the year 2024-25. However, during financial year 2025-26 there was no profit. Accordingly, HOCL is not required to carry out any CSR activities during the year under review.

**36. MAJOR ACTIVITIES DURING THE YEAR UNDER REVIEW.**

- **Ambedkar jayanthi:** On 15th April 2025 HOCL Paid homage to Dr. B R Ambedkar in observance of Ambedkar Jayanti, commemorating his invaluable contributions to the nation.
- **National Road Safety Observance:** As part of National Road Safety Observance Month, HOCL conducted a spot quiz on road safety, including employees, security and canteen staff, tanker drivers and visiting college students.
- **World Hindi Day celebration:** On 09.01.2026 (Friday), a full-day World Hindi Day celebration was organized jointly by Hindustan Organic Chemicals Limited and the Department of Hindi, Sree Keralavarma College, Thrissur. The programme began with a Quiz Competition, followed by the Inaugural Session. During the programme, four sessions were conducted in which expert speakers shared their views on various topics related to Hindi.
- **National Energy Conservation Day:** HOCL observed National Energy Conservation Day from 14/12/2025 to 18/12/2025 to raise awareness about the importance of energy conservation and to promote sustainable energy practices. The campaign served as a reminder of the finite nature of energy resources and the need to protect the environment by reducing energy consumption. An Essay Writing Competition on "Role of Individuals in Conserving Energy" was held on 16/12/2025, followed by a Quiz Competition on Energy Conservation on 18/12/2025. Employees actively participated in all the events.
- **Swachhta Pakhwada:** HOCL observed Swachhta Pakhwada from 01.09.2025 to 15.09.2025. Factory area was cleaned by the employees and contract workers. All necessary accessories, aids were provided to the teams. As part of the community outreach initiative the Community Health Centre near HOC Township Irumpanam Tripunithura and Asramam Kavala Anganavadi near HOCL factory were cleaned and school bags were distributed to the children.
- **Swachhata Hi Seva 2025**: HOCL actively participated in the Swachhata Hi Seva 2025 campaign through several initiatives:
- **Safai Mitra Suraksha:** HOCL has conducted awareness sessions to the House keeping staff. Apart from this a health check-up camp was also organised for the house keeping staff of HOCL. The health check-up camp was conducted at our Occupational Health Centre and health cards were introduced for the house keeping staff of HOCL.
- **Ek Din Ek Ghanta Ek Sath:** As part of the Ek Din Ek Ghanta Ek Sath campaign, the employees of HOCL participated in the mass cleanliness campaign carried out on Pan India basis. The road and the bus shelter Infront of HOCL was cleaned by the employees of HOCL. The General Public and LSG authorities also participated in the campaign.
- **Swachhata Diwas celebrations:** The Swachhata Diwas celebrations was organised at HOCL Township on 02/10/2025. The Swachhata Diwas celebration was inaugurated by Mr. Yogendra Prasad Shukla (Director Finance HOCL) in presence of Mr. M J Jagadeesh (Executive Director & Unit in charge). The celebrations commenced with floral tributes to the portrait of the Father of the Nation, Mahatma Gandhi, followed by various cleanliness and awareness activities.
- **Tiranga Trot:** A mass run was organized on Independence Day to spread the message about drug abuse. Approximately 350 participants including HOCL employees and general public took part in the mass run.

**37. INDUSTRIAL RELATIONS:**

Your company continued to maintain the overall Industrial Relation situation to be peaceful and cordial during the year 2025-26. There was no strike or lockout during the year. All employees continued to contribute their best to the company during the year.

**38. MANPOWER STATUS:**

The manpower strength of the Company as on 31st March, 2026 was 171 consisting of 121 Officers and 50 non-officer's categories.

**39. 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.

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

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

41. **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

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

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

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

The Company has maintained adequate ûnancial 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.

43. **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 2025-26

- Replacement of conventional lights with LED lights: Electrical energy saving Rs.0.40 lakhs per year
- Replacement of Old AC with New 5star rating ACs: Electrical energy saving Rs.0.09 lakhs per year
- Replacement of conventional fan with Energy Efficient BLDC fans: Electrical energy saving Rs.0.46 lakhs per year
- Replacement of conventional motor with energy efficient IE3/IE4 motor: Electrical energy savings Rs.0.85 lakhs per year
- Commissioning of process Air Compressor for Cumox Plant: Rs.149 lakhs per year
- Commissioning of VFD on CT fan: Rs.1.93 lakhs per year

**B. Technology Absorption**

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

i. The efforts made towards technology absorption: Nil

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

(a) the details of technology imported; NA

(b) the year of import; NA

(c) whether the technology been fully absorbed; NA

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

iv. the expenditure incurred on Research and Development: Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL**

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

Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals vide No. P. 51015/06/2019-Ch. III dated 29-01-2020 informed the decision of Cabinet Committee on Economic Affairs, directing closure of Hindustan Fluorocarbons Limited (HFL), subsidiary company of HOCL, which was approved by the shareholders on 30.03.2020. HFL has been delisted from BSE w.e.f 06.02.2026 and is under the process closure.

45. **DEPOSITS:**

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

46. **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

47. **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, the Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment. The policy has been widely disseminated. A Complaint Committee is in existence as per the Act. The Board states that there were no cases or complaints ûled pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

No. of complaints received: Nil

No. of complaints disposed of: Nil

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

48. **VIGILANCE MECHANISM:**

Hindustan Organic Chemicals Limited, being a Government Company, a Vigilance Department is already existing in pursuance of CVC Guidelines headed by Chief Vigilance Officer (CVO), HOCL. The Vigilance Mechanism is being handled by the Vigilance Department and the Company has already adopted a Vigilance Manual in pursuance of CVC Guidelines. Vigilance Manual is available on Company's Website.

49. **INTEGRITY PACT**

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

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

**50. WHISTLE BLOWER POLICY**

Your Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behavior. The Whistle Blower Policy is placed in the website of the company.

**51. GENERAL**

No disclosure or reporting is required in respect of the following matters as either these matters were not applicable or there were no transactions on these matters during the year under review:

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

**52. AWARDS & RECOGNITION**

- HOCL has received the Best Guest Safety Worker Award among Category I from the Department of Factories and Boilers, Govt of Kerala during the year 2025.
- HOCL received Regional Rajbhasha Puraskar for the year 2024-25, the First prize for the best implementation of the Official Language Policy,
- HOCL bagged the First prize from the Town Official Language Implementation Committee (PSU), Kochi for best implementation of Official Language policy in the company for the year 2024-25.
- HOCL bagged Consolation prize for its house Journal 'Pehchaan' under the 'Best Home Magazine Award' for the year 2024-25 from the Town Official Language Implementation Committee (PSU), Kochi.

**53. ACKNOWLEDGEMENT**

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

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

**Sd/-**
**Sangram Kumar Mishra**
**Chairman and Managing Director**

Date: 07.08.2026
Place: Ernakulam, Kerala

**Annexure I**

## REPORT ON CORPORATE GOVERNANCE AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 FOR THE FY 2025-26.

**"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 company's philosophy on code of governance:

   Hindustan Organic Chemicals Limited (HOCL) trusts on the conduct of its business activities and enhance the value of all those who are associated with the Company viz. shareholders, customers, suppliers, creditors, Government of India, Ministry of Chemicals and Fertilizers, Department of Public Enterprises, Various State Governments, other Governmental agencies / departments and the society at large. Essentially, it involves practicing good Corporate Governance and HOCL believes in transparency, accountability, and attaining maximum level of enrichment of the enterprise. HOCL also price the global recognition by ensuring the integrity, value addition to its domestic as also the international customers in its 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 31.03.2026 the Board of HOCL consisted of six (6) Directors with two (2) Executive Directors (i.e. Chairman & Managing Director and Director (Finance), two (2) Government Nominee Directors and two (2) Non official Independent Directors. All the Directors are acknowledged as leading professionals in their respective fields. Functional Directors are appointed for a period of five years or till their date of superannuation or further orders from the administrative ministry, whichever is the earliest. Government Nominee Directors are generally appointed for a period of three years or till further orders from administrative ministry, whichever is earlier. Independent Directors are generally appointed for a period of three years or until further orders.

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

   As on 31.03.2026, there is a requirement of Independent Director in HOCL . Company is awaiting Govt. Orders regarding for appointment of Directors in all these categories thereof.

   Composition of the Board

   The composition of the Board as on 31st March, 2026 is as follows:

| Sl No. | Name of Director | Director Identification Number (DIN) | Designation (Category) |
|---|---|---|---|
| 1 | Shri Sangram Kumar Mishra | 11337117 | Chairman & Managing Director (Executive) |
| 2 | Shri Yogendra Prasad Shukla | 09674122 | Director (Finance) (Executive) |
| 3 | Shri Manoj Sethi | 00301439 | Govt. Nominee Director (Non - Executive) |
| 4 | Smt. Vandana | 11259725 | Govt. Nominee Director (Non - Executive) |
| 5 | Shri Subodh Kumar | 11193532 | Non-official Independent Director (Non - Executive) |
| 6 | Shri Vinay Kumar Sharma | 03604125 | Non-official Independent Director (Non - Executive) |

As mentioned above, there is a vacancy of requisite Independent Directors, in HOCL Board. Accordingly, the matter regarding vacancy of Independent Directors in the HOCL Board had been frequently informed to Board and Company had been requesting the DCPC/Administrative to appoint requisite number of Independent Directors in HOCL Board.

Changes in the Board of Directors/KMP during the year 2025-26:

Appointments: Two Independent Directors viz; Shri Subodh Kumar and Shri Vinay Kumar Sharma were appointed on 21-05-2025 and on 05-06-2025 respectively. Smt. Vandana was appointed as Govt. Nominee Director on 10-06-2025, Shri Sangram Kumar Mishra has taken charge as the Chairman and Managing Director w.e.f 08-10-2025.

Cessation: Shri Sajeev B was ceased as the Chairman and Managing Director due to superannuation w.e.f 31.05.2025.

   b. 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. Sajeev B.* | 2 | NA |
| Mr. Sangram Kumar Mishra** | 3 | NA |
| Mr. Yogendra Prasad Shukla | 6 | Yes |
| Mr. Manoj Sethi | 5 | Yes |
| Ms. Vandana | 4 | Yes |
| Mr. Subodh Kumar | 4 | Yes |
| Mr. Vinay Kumar Sharma | 4 | Yes |

** Ceased as CMD due to superannuation w.e.f 31.05.2025.*

*** Taken charge as CMD w.e.f 08.10.2025*

   c. Number of other Board of Directors or Committees in which a Director is a Member or Chairperson during the year 2025-26:

| Title (Mr./ Mrs.) | Name of the Director Category (Chairperson/ Executive/Non-Executive/ independent/Nominee) | Number of Directorship in listed entities including this listed entity | Number of memberships in Audit/Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1)(B) of SEBI LODRR |
|---|---|---|---|
| Mr. | Sajeev B. * Chairman & Managing Director | 2 | 1 |
| Mr. | Sangram Kumar Mishra** Chairman & Managing Director | 2 | 0 |
| Mr. | Yogendra Prasad Shukla Director (Finance) | 2 | 0 |
| Mr. | Manoj Sethi Govt. Nominee Director | 2 | 0 |
| Ms. | Vandana Govt. Nominee Director | 1 | 0 |
| Mr. | Subodh Kumar Non-executive Independent Director | 1 | 2 |
| Mr. | Vinay Kumar Sharma Non-executive Independent Director | 1 | 2 |

** Ceased as CMD due to superannuation w.e.f 31.05.2025.*

*** Taken charge as CMD w.e.f 08.10.2025*

| Name of the Directors (During FY 2025-26) | Names of the Listed Entities where the person is a Director and the category of Directorship other than this listed entity |
|---|---|
| Mr. Sajeev B.* | Hindustan Fluorocarbons Limited-<br>Managing Director (Additional Charge) |
| Mr. Sangram Kumar Mishra** | Hindustan Fluorocarbons Limited-<br>HOCL Nominee Director – Managing Director |
| Mr. Yogendra Prasad Shukla | (Additional charge)<br>Hindustan Fluorocarbons Limited- HOCL |
| Mr. Manoj Sethi | Nominee Director<br>Fertilizers And Chemicals Travancore Ltd. |
| | (FACT) – Govt. Nominee Director |
| Ms. Vandana | None |
| Mr. Subodh Kumar<br>Mr. Vinay Kumar Sharma | None |

** Ceased as CMD due to superannuation w.e.f. 31.05.2025.*
*** Additional charge as MD w.e.f. 08.10.2025.*

d. Number of meetings of the board of directors held during the Year 2025-26 and the dates on which Board Meetings were held.

| Sl No. | Board Meeting no. | Date of Board meeting | Filled Strength meeting | Directors attended the |
|---|---|---|---|---|
| 1. | 420 | 08.04.2025 | 3 | 3 |
| 2. | 421 | 16.05.2025 | 3 | 3 |
| 3. | 422 | 13.08.2025 | 5 | 5 |
| 4. | 423 | 13.11.2025 | 6 | 6 |
| 5. | 424 | 19.01.2026 | 6 | 6 |
| 6. | 425 | 12.02.2026 | 6 | 5 |

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

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

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

https://www.hoclindia.com/uploads/userfiles/Familiarization%20programme%20for%20IDs%20-%20website.pdf

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

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

j. **Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with confirmation by such director that there are no other material reasons other than those provided.**

Not Applicable

**3. Audit committee:**

(a) Composition, Name of Members and Chairperson;

The Audit Committee comprises three (3) Members viz. Shri. Vinay Kumar Sharma as Chairperson, Shri Subodh Kumar and Smt. Vandana as Members of the Audit Committee.

(b) Brief description of terms of reference;-

The main purpose of the Audit Committee is to provide oversight of the Financial Reporting Process, the Audit Process, to review the Internal Control System and such other functions as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The terms of reference of Audit committee are in line with the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance for Central Public Sector Enterprises.

(c) Meetings and attendance :- During the year 2025-26 the Audit Committee of the Company met 3 times on the following dates:

12th August, 2025, 13th November, 2025, 12th February, 2026

| Members | No. of Audit Committee Meetings attended |
|---|---|
| Shri. Vinay Kumar Sharma | 3 |
| Shri. Subodh Kumar | 3 |
| Ms. Vandana | 3 |

**3. Nomination and Remuneration Committee:**

(a) Brief description of terms of reference;

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

(b) Composition, name of members and chairperson;

| Sl. No. | Name | Designation |
|---|---|---|
| 1. | Shri Subodh Kumar | Chairperson |
| 2. | Shri Vinay Kumar Sharma | Member |
| 3. | Shri Vandana | Member |

(b) Meeting and attendance during the year;

During the FY year 2025-26 the Committee held one meeting, on 12th November 2025.

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

**5. Stakeholders Relationship Committee:**

(a) Name of non-executive director heading the committee – Shri Vinay Kumar Sharma

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

(c) Number of shareholder's complaints received during the financial year – One (1)

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

(e) Number of pending complaints – Nil

**5 A. Risk Management Committee:**

HOCL is not among the 1000 listed companies based on Market Capitalization. Hence, the provisions of risk management committee is not applicable.

**5 B. Senior Management:**

Particulars of Senior Management as on 31.03.2026 including changes therein since the closure of the previous financial year is given below:

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

**6. Remuneration of Directors:**

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

(b) Criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the Annual Report; -- Only sitting fees for attending the meetings of the Board and Committee are being paid to the non-executive directors.

(c) Disclosures with respect to remuneration: in addition to disclosures 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.;

Functional Directors are appointed by the administrative ministry, Government of India. Their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. Details of remuneration paid to the Directors for the year ended 31-03-2026 are as follows:

| SL. No. | Name of the Directors | Salary including other benefits (Rs. In Lakhs) | Sitting Fees Paid to Independent Directors (Rs. In Lakhs) | Total Amount (Rs. in Lakhs) |
|---|---|---|---|---|
| 1. | Shri Sajeev B., CMD* | 34.75 | NA | 34.75 |
| 2. | Shri Sangram Kumar Mishra, CMD** | 20.49 | NA | 20.49 |
| 3. | Shri Yogendra Prasad Shukla, Director (Finance) | 39.78 | NA | 39.78 |
| 4. | Shri Manoj Sethi, JS&FA Govt. Nominee Director | NA | NA | Nil |
| 5. | Ms. Vandana Govt. Nominee Director w.e.f 10.05.2025 | NA | NA | Nil |
| 6. | Shri Vinay Kumar Sharma Independent Director w.e.f 05.06.2025 | NA | 1.30 | 1.30 |
| 7. | Shri Subodh Kumar Independent Director w.e.f 21.05.2025 | NA | 1.30 | 1.30 |

** Ceased as CMD due to superannuation w.e.f 31.05.2025.*
*** Takencharge as CMD w.e.f 08.10.2025*

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 (i.e Functional Directors) have been appointed by the President of India for a period of five years or till attaining the age of superannuation, whichever is earlier. Their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. The appointment may be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.

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

**7. General Body Meetings:**

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

| Particulars | FY 2022-2023 | FY 2023-2024 | FY 2024-2025 |
|---|---|---|---|
| Date | 26-09-2023 | 25-09-2024 | 26-09-2025 |
| Time | 3.30 pm | 3.30 pm | 03:30 PM |
| Venue | Through Video Conferencing (“VC”)/ Other Audio-Visual means (“OAVM”) | Through Video Conferencing (“VC”)/ Other Audio-Visual means (“OAVM”) | Through Video Conferencing (“VC”)/ Other Audio-Visual means (“OAVM”) |
| Details of Special Resolution | Nil | Nil | Special Resolutions have been passed for appointment of two Independent Directors viz; Shri Subodh Kumar & Shri Vinay Kumar Sharma and reduction of paid-up capital due to waiver of preference shares given in the form of loan by Government of India. |

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

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

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

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

**7. Means of communication:**

(a) Quarterly results;

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

(b) Newspapers wherein Results are normally published;

The financial results are published in one Malayalam newspaper (Kerala Kaumadi) and one English National Daily newspaper (Financial Express).

(c) Any website, where displayed;

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

(d) Whether it also displays official news releases; -Yes

(e) Presentations made to institutional investors or to the analysts. – Not Applicable

**9. General shareholder information:**

(a) 65th Annual General Meeting (AGM) of the Company will be held on Friday, 25.09.2026 at 03.30 pm through VL/OAVM

(b) Financial year

The Company follows April - March as its Financial Year.

(c) Dividend payment date- Not applicable. The Board of Directors do not recommend any Dividend for the year under review.

(d) the name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to stock exchange;:

Company's shares are listed in Bombay Stock Exchange Ltd.[BSE]. Phiroze.......... Towers, Dalal Street, Mumbai - 400001.

Company has paid Annual Listing fees to stock exchange up to the financial year 2026-27.

(e) In case the securities are suspended from trading, the directors report shall explain the reason thereof; Not Applicable

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

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

(g) Share transfer system;

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

(h) Distribution of shareholding as on Date: 31.03.2026

| Shareholding of Nominal | | No. of Shareholders | Percentage of Total | Share Amount Rs. | Percentage of Total |
|---|---|---|---|---|---|
| Rs. | Rs. | | | | |
| 1 | 5000 | 55074 | 90.07 | 62877050 | 9.36 |
| 5001 | 10000 | 2996 | 4.90 | 25074690 | 3.73 |
| 10001 | 20000 | 1467 | 2.40 | 22668720 | 3.37 |
| 20001 | 30000 | 512 | 0.83 | 13342610 | 1.98 |
| 30001 | 40000 | 241 | 0.39 | 8688410 | 1.29 |
| 40001 | 50000 | 265 | 0.43 | 12805200 | 1.90 |
| 50001 | 100000 | 292 | 0.48 | 22060710 | 3.28 |
| 100001 & above | | 293 | 0.48 | 504213610 | 75.06 |
| TOTAL | | 61140 | 100.00 | 671731000 | 100 |

During the financial year 2025-26, equity shares of HOCL is traded in Bombay Stock Exchange (BSE). Based on market capitalization as on 31.03.2026, HOCL is among top 2000 listed companies.

(l) Dematerialization of shares and liquidity:

The equity shares of HOCL are compulsorily traded in dematerialized mode. To facilitate the shareholders to dematerialize the shares, the Company has signed agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depositories Services (India) Ltd (CDSL). As on 31st March 2026, 97.17% of the total share capital of the Company is in dematerialized form (i.e NSDL – 17.25% and CDSL – 79.92%). Out of total 61140 shareholders, 46261 shareholders are holding shares in Demat mode and remaining 14879 are in physical form.

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

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

(o) Plant locations: HOCL has only one plant located in Kochi.

| Sr.No. | Location | MainProduct |
|---|---|---|
| 1. | Ambalamugal, Kochi, Kerala | Phenol, Acetone & Hydrogen Peroxide |

(p) Address for correspondence: -

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

ii. R&T Agents address :

M/s. Big Share Services Pvt. Ltd. Office No. S6 – 2 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai 400093, Maharashtra.

(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad- No credit rating is obtained by the company.

**10. Other Disclosures:**

a) During the year 2025-26 company has not entered into any materially significant related party transactions that may have potential conflict of interest with company at large.

b) During the year 2025-26, the BSE Limited has imposed fine/penalty for non-compliance of Regulations 17,18,19 and 20 of SEBI (LODR) Regulations 2015 relating to non-availability of adequate number of Independent Directors including Woman Director, Company has submitted waiver application to BSE to completely waive off the fine. The Board of Directors of HOCL are appointed by the administrative ministry i.e Ministry of Chemicals & Fertilizers, Department of Chemicals & Petr-chemicals, Government of India. Accordingly, power to appoint Directors are beyond the control of the Company. Company has requested the Stock exchange to waive off the fine. The matter is regularly placed before the Board meeting which noted the same and advised to request the administrative ministry for filling the vacant post of Independent Directors. Once the administrative ministry appoints the Independent Director, HOCL shall comply with the SEBI (LODR) Regulations 2015 relating with composition of the Board.

c) Vigil Mechanism - Whistle blower policy:

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

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

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

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

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

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

i) A Certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms part of the Annual report.

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

k) The details of statutory audit fee and expenses as per the financial statements for the year 2025-26 is given below.

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

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

a. No. of complaints filed during FY: Nil

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

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

m) Disclosure related to loan to subsidiary company:

| Name of Subsidiary company | Amount of Loan Rs. In lakhs (As on 31.03.2026) |
|---|---|
| Hindustan Fluorocarbons Limited | 3035.13 |

n) HOCL has one (1) subsidiary namely; Hindustan Fluorocarbons Limited [HFL] which is not a material subsidiary company. HFL was incorporated on 14th July, 1983. The registered office of HFL is situated in Hyderabad, Telangana state. As per the decision of Cabinet Committee on Economic Affairs (CCEA), Govt. of India, HFL is under the process of closure. By virtue of order dated 22.01.2026 issued by BSE, the equity shares of HFL has been delisted from the records of BSE w.e.f 06.02.2026. The Comptroller and Auditor General of India vide letter dated 11.09.2025 had appointed M/s. AVRSK & Associates as the statutory auditors of HFL for the financial year 2025-26.

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

As on 31.03.2026, there is requirement of requisite number of Independent Director. Accordingly, in pursuance to Schedule V of the SEBI (LODR) Regulations 2015, we report non-compliance to Regulation 17(1)(b) regarding the requirement of half of the total Board's strength as Independent Directors.

Being a PSU, appointment of adequate number of Directors including Independent Directors on the Board of the Company is to be done by the no. of administrative ministry. Company has requested the administrative ministry to appoint requisite Independent Directors and Company is awaiting necessary Govt. Orders in this regard.

**12. The Corporate Governance Report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.**

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

**A. The Board**

(I) A Non-Executive Chairperson may be entitled to maintain a Chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties. – In the case of HOCL, all Directors are appointed by Administrative Ministry, Government of India. Accordingly, Ministry has appointed executive director as Chairman of the Company.

(ii) The listed entities ranked from 1001 to 2000 as per the list prepared by recognized stock exchanges in terms of sub-regulation (2) of regulation 3 shall endeavour to have at least one-woman independent director on its board of directors – HOCL has one Woman Non-Executive Government Director on its Board.

**B. Shareholder Rights.**

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders. The half yearly financial performance is placed on the website of HOCL and the same is also submitted to BSE for the information of public at large. Further, the results are also published in newspapers.

**C. Modified opinion(s) in audit report**

Statutory Auditors have given Unmodified Opinion for FY 2025-26.

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

In view of the fact that, the power to appoint all the Director on the Board of the company vests with the GOI/President of India as per Company's Articles of Association, in the case of HOCL Govt. has appointed Chairman & Managing Director.

**E. Reporting of Internal Auditor**

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

**F. Independent Directors**

Independent Directors of HOCL has conducted one meeting without the presence of other Functional Directors.

**G. Risk Management**

Company will endeavor to constitute the Risk Management Committee.

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

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

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

Not Applicable for the FY 2025-26

**15. Disclosure of certain types of agreements binding listed entities**

Not Applicable for the FY 2025-26

**16. Secretarial Audit Report:**

Subsequent to the Audit committee and Board approval, the shareholders have appointed M/s. S Basu & Associates, Practising Company Secretary to conduct Secretarial Audit for the five financial years from 2025-2026 onwards. The Secretarial Audit Report for the Financial Year ended March 31, 2026 is annexed to Director Report and complied with Section 204 of Companies Act and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The reply to observation by the Secretarial Auditor forms part of the Directors Report.

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

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

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

During the year one separate meeting of Independent Directors was held in the month of March 2026 without the presence of Executive Directors.

**19. CSR & Sustainability Development Committee:**

CSR & Sustainability Development Committee is not applicable for HOCL for the FY 2025-26. However, Board has constituted CSR committee comprising three (3) Directors as members namely; Shri Subodh Kumar, Independent Director as Chairman, Shri Vinay Kumar Sharma, Independent Director as Member, and Shri Yogendra Prasad Shukla., Director (Finance) as another member along with the Company Secretary acting as the Secretary of the Committee. The terms of reference of the said CSR Committee included among others, is as per Section 135 of the Companies Act, 2013 and Rules 2014 thereunder, along with Schedule VII, etc.

**20. CEO/CFO certification for Financial Year ending on 31st March, 2026.**

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

A. We have reviewed, audited financial statements/financial results and cash flows for the year ended 31st March, 2026 pertaining to Hindustan Organic Chemicals Limited (HOCL) and that to the best of our knowledge and belief:

(1) the financial results do not contain any false or misleading statements or materially untrue statements or figures and also do not omit any material fact which may make the statements or figures contained therein misleading;

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

B. These are, to the best of our knowledge and belief, no transactions entered into by HOCL during the quarter and year ended 31st March, 2026 which are fraudulent, illegal or violative of the company's code of conduct.

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

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

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

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

(3) There are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management.

| Place: Kochi, Kerala | Sd/- | Sd/- |
|---|---|---|
| Date: 31.03.2026 | Yogendra Prasad Shukla<br>Director (Finance) &<br>Chief Financial Officer | Sangram Kumar Mishra<br>Chairman and Managing<br>Director |

**21. Prevention of Insider Trading:**

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

**22. Disclosure of Accounting Treatment:**

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

**23. Management Discussion & Analysis Report:**

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

**Annexure II**

**Form AOC-I**

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

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

**Part "A": Subsidiaries**

**Rs. In Lakhs**

| | |
|---|---|
| 1. Sl. No.: | 1 |
| 2. Name of Subsidiary | Hindustan Fluorocarbons Ltd. |
| 3. Date since when the subsidiary was acquired | 14.07.1983 |
| 4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: | Not Applicable |
| 5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: | Not Applicable |
| 6. Share Capital: | 1,961.46 |
| 7. Reserves & Surplus (Other Equity) | (10,157.37) |
| 8. Total Assets: | 5,123.76 |
| 9. Total Liabilities: | 13,319.67 |
| 10. Investment: | NIL |
| 11. Turnover | 0 |
| 12. Profit before tax: | 31.23 |
| 13. Provision for tax: | NIL |
| 14. Profit after tax: | 31.23 |
| 15. Proposed Dividend: | Nil |
| 16. % of shareholdings: | 68.04 |
| Name of subsidiary which are yet to commence operation | None |
| Name of subsidiaries which have been liquidated or sold or ceased as subsidiary during the year | None |

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

For and on behalf of the Board of Directors

| | | |
|---|---|---|
| **Sangram Kumar Mishra**<br>Chairman and<br>Managing Director | **Yogendra Prasad Shukla**<br>Director (Finance) | **Subramonian H**<br>Company Secretary |

Date: 15.05.2026
Place: Ernakulam

**Annexure III**

**Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2025 which were not on arm's length basis.

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

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

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

**Sd/-**

**Sangram Kumar Mishra**

**Chairman**
**and Managing Director**

**Date: 07.08.2025**
**Place: Ernakulam, Kerala**

**Annexure –IV**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Hindustan Organic Chemicals Ltd (HOCL) presents its Analysis Report covering the Performance and Outlook of the Company. The Report contains business prospects and perspectives based on the current environment and strategic options to steer the Company through unforeseen and uncontrollable external factors.

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

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

India's chemical industry is a cornerstone of the manufacturing ecosystem, supplying critical inputs to key sectors such as agriculture, pharmaceuticals, textiles, automobiles, and construction, while contributing about 7 percent to national GDP. The chemical industry also plays a key role in ensuring food security, health and improving quality of life. It includes basic chemicals and its products, petrochemicals, pharmaceuticals etc. India ranks as the world's sixth-largest chemical producer. It holds significant potential to further strengthen its presence in global chemical value chains, particularly in higher-value and specialty segments.

In this context, the Government has proposed in the Union Budget 2026-27 to establish dedicated Chemical Parks represents a forward-looking, infrastructure-led, and supply-side initiative.

### 2. KEY OPPORTUNITIES

Over decades, HOCL has established a strong presence across the country through its manufacturing facilities, contributing significantly to India's journey towards self-reliance in the chemical sector. The strategic location of the Company's manufacturing facilities in proximity to the refinery ensures reliable access to key raw materials, providing a distinct operational advantage.

Aligned with the Government of India's Atmanirbhar Bharat initiative, HOCL supports the nation's objective of achieving self-reliance in the chemical sector through the indigenous production of critical chemicals such as Phenol, Acetone, and Hydrogen Peroxide. These products serve as essential raw materials for a wide range of downstream industries, including pharmaceuticals, paints, resins, laminates, textiles, agrochemicals, and plywood.

The increasing emphasis on domestic manufacturing, import substitution, and the growth of end-user industries presents significant opportunities for the Company to strengthen its market position, expand its product portfolio, and enhance long-term value creation.

### 3. KEY THREATS

HOCL currently operates its manufacturing facility at Ambalamugal, Ernakulam District, Kerala, which produces Phenol, Acetone, and Hydrogen Peroxide. The Company continues to operate in a challenging business environment characterized by intense competition, market volatility, and operational constraints. The domestic market for the Company's principal products is highly influenced by competition, resulting in significant pricing pressure and volatility. Historically, working capital constraints have limited the Company's ability to operate at optimal capacity, adversely affecting economies of scale. The key operational challenges faced by the company include:

- Lack of product diversification, limiting the revenue opportunities.
- Reduced market competitiveness compared with larger and technologically advanced manufacturers.
- Financial constraints, including limited availability of working capital, which may impact operational flexibility, modernization initiatives, and future growth prospects.
- Raw material price fluctuation due to geopolitical situation

The Company also anticipates increased competition from new Phenol plants being commissioned across India, along with capacity expansions by the existing manufacturers. To address these challenges, the Company is evaluating various strategic initiatives aimed at enhancing production capacity, improving process efficiency, optimizing costs, and strengthening its competitive position in the market.

### 3. SEGMENTWISE PERFORMANCE

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

| Product Segment | Year ended 31/03/2026 | | | Year ended 31/03/2025 | | |
|---|---|---|---|---|---|---|
| | Target MT | Actual MT | Percentage Achieved | Target MT | Actual MT | Percentag Achieved |
| Chemicals | 75090 | 74564 | 99.29 | 75090 | 66815 | 88.98 |

### 4. PRODUCT WISE PERFORMANCE (Main Products)

| Sr. No. | Name of Product | F.Y. 2025-26 | | F.Y. 2024-25 |
|---|---|---|---|---|
| | | Installed Capacity | Actual | Actual |
| 1 | Phenol | 40000 | 39645 | 34874 |
| 2 | Acetone | 24640 | 24724 | 21790 |
| 3 | Hydrogen Peroxide | 10450 | 10195 | 10151 |
| | **TOTAL** | **75090** | **74564** | **66815** |

### 5. OUTLOOK TOWARDS FUTURE

§ Explore the opportunities for diversification into value added products to maximum extent possible so as to gain some level of protection against swings in the market prices.

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

### 6. SOME RISKS & CONCERNS.

§ Limited product diversification or inadequate downstream value addition

§ Intense competition from Imports of the main product Phenol and Acetone.

§ Volatility in raw material feed stock prices based on fluctuations in global crude oil prices.

§ Significant capital investment requirements for the revamping, replacement, and modernization of the existing plant.

### 7. INTERNAL CONTROL SYSTEMS & THE ADEQUACY

Internal controls are supported by Internal Audit and Management Reviews. With the objective of improving the systems and removing bottlenecks, systems review is carried out and policies and procedure manuals are amended on need-based manner. HOCL

Kochi unit is having ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certification. Your Company has Corporate Governance structure that govern its operations and the management team follows sound financial policies as well as processes and systems.

**8. REVIEW OF FINANCIAL & OPERATIONAL PERFORMANCE:**

As per accounts of FY 2025-26, your Company has incurred a net loss of Rs.12.89/- Cr. as against net profit during the previous FY 2024-25 of Rs.391.54 Cr. due to waiver of Govt. of India loan.

The Phenol plant and Hydrogen Peroxide plant at Kochi achieved 99% and 98% capacity utilization during year ended 31st March 2026 as against 87% and 97% during the corresponding previous year ended 31st March 2025.

**9. INFORMATION TECHNOLOGY**

Company has effective information systems for core business areas. However, company has envisaged a plan to meet changing demands keeping in view the technological changes and the way information & communication technology offering innovative services suiting to every business need. The core business functions are performed using Tally Prime ERP system. The integration of different modules of the ERP system resulted in better functioning, timely and smooth completion of our business process and transactions. Management ensures continual effort in the ever-changing technological environment, for improving and meeting with requirement like data security, information availability, transparency and accuracy. The IT infrastructure of the company is audited by CERT-In empaneled audit authority to ensure the compliance with IT policies & standards. Company is using open tendering/e-Tendering solution being provided by National Informatics Centre (NIC). Company has also registered with GeM Government platforms for procurement and TREDs for payment to MSMEs. Company is also following various guidelines of procurement through MSME's.

**10. OTHER INFORMATIONS:**

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

**11. CAUTIONARY STATEMENT**

The statement contained in this Management Discussion and Analysis regarding the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied.

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

Sd/-
**Sangram Kumar Mishra**
Chairman and Managing Director

Date: 07.08.2026
Place: Ernakulam, Kerala

## COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE AS PER SEBI LODRR

To,

The Members

Hindustan Organic Chemicals Limited,

Ambalamugal PO

Kunnathunad, Ernakulam

Kerala, India, 682302

1. We have examined the compliance of the conditions of Corporate Governance by Hindustan Organic Chemicals Limited (CIN: L99999KL1960GOI082753) for the financial year ended March 31, 2026, for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, (the “Listing Regulations”). We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of certification.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness and contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we have followed, provided a reasonable basis for our opinion.
4. Our examination was limited and examining the procedures and implementation process adopted by the company for ensuring compliances of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

**Opinion**

5. Based on our examination of relevant records made available to us and according to the information and explanations provided by the management we certify that the Company has complied with all the requirements of Corporate Governance under SEBI (Listing obligations and Disclosure Requirements) Regulation 2015, for the financial year ended on 31st March 2026 save and except the following:
   I. The composition of the Board of Directors is not in compliance with Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015, as there is a shortfall in the required number of Independent Directors on the Board.
6. The Company, being a public sector undertaking, the authority of appointment of all Directors including Independent Directors on the Board is with the concerned Administrative Ministry i.e. Ministry of Chemicals & Fertilizers, Department of Chemicals & Petro-chemicals, Government of India. The Company has sent letters to the Administrative Ministry requesting appointment of requisite Independent Directors on its Board and directions about such appointments are awaited.
7. This certificate is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which management has conducted the affairs of the company.

For P. Dhanya & Associates

CS Dhanya T P

FCS No. 10883, CP No. 15006

UDIN: F010883H000276907

Date:05-05-2026

Place: Kochi

## COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE GUIDELINES ISSUED BY DEPARTMENT OF PUBLIC SECTOR ENTERPRISES

To,

The Members of Hindustan Organic Chemicals Limited

Kochi, Kerala

We have examined the compliance of the conditions of Corporate Governance by Hindustan Organic Chemicals Limited (CIN: L99999KL1960GOI082753) for the financial year ended March 31, 2026, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by the Department of Public Enterprises, Government of India.

The Compliance of conditions of Corporate Governance as stipulated in the Guidelines is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central public Sector Enterprises, 2010 issued by the Department of Public Sector Enterprises except –

1. Clause 1.2.2- The composition of the Board of Directors did not meet the prescribed criteria with regard to the number of Independent Directors during the financial year under review, as the Company was awaiting appointment of requisite Independent Directors from the Administrative Ministry.
2. Clause 1.7.1- The Company did not have any risk management plan approved by its Board of Directors since Regulation 21 as per SEBI LODR Regulations, 2015 is not applicable to the Company;
3. Clause 1.7.2- The Board of Directors of the Company did not periodically review any risk management plan as there was no approved risk management plan in the place during the period under review and neither Regulation 21 as per SEBI L0DR Regulations, 2015 is not applicable to the Company;

As informed by the Management, the Company being a Central Public Sector Undertaking (Government Company), all the powers regarding appointment and terms of the Directors are exercised by the Ministry of Chemicals & Fertilizers, Government of India. The Company had taken up the matter regarding the appointment of requisite Independent Directors with the concerned Ministry. However, such appointment is still awaited.

We further state that such compliances are neither an assurance as to the future viability of the Company nor its efficiency and effectiveness with which the management has conducted the affairs of the Company.

For P. Dhanya & Associates

CS Dhanya T P

FCS No. 10883, CP No. 15006

UDIN: F010883H000170713

Date:05-05-2026

Place: Kochi

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Organic Chemicals Limited (CIN: L99999KL1960GOI082753) (hereinafter referred to as 'the Company') and having registered Office at Ambalamugal PO, Ernakulam, Ambalamugal, Ernakulam, Kunnathunad, Kerala - 682302, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors of the Company as stated below for the Financial Year ended March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

| Sl . No. | Name of the Director | DIN | Designation | Date of appointment | Status of DIN |
|---|---|---|---|---|---|
| 1. | Sangram Kumar Mishra | 11337117 | Managing Director | 08/10/2025 | Approved |
| 2. | Yogendra Prasad Shukla | 09674122 | Director | 04/07/2022 | Approved |
| 3. | Subodh Kumar | 11193532 | Director | 21/05/2025 | Approved |
| 4. | Vandana | 11259725 | Nominee Director | 10/06/2025 | Approved |
| 5. | Manoj Sethi | 00301439 | Nominee Director | 22/11/2023 | Approved |
| 6. | Vinay Kumar Sharma | 03604125 | Additional Director | 05/06/2025 | Approved |

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

Date : 10th June 2026
Place : Tripunithura
UDIN : F012792H000804924

For **MOHANS & Associates**
Company Secretaries

**MALATHY NARAYANANKUTTY**
**Partner**
FCS No : 12792 CP No. : 23062
PR 7842/2026

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
and
Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations ,2015]

**To,**
**The Members,**
**HINDUSTAN ORGANIC CHEMICALS LIMITED**
**(CIN L99999KL1960GOI082753)**
**Ambalamugal PO, Ernakulam,**
**Kunnathunad, Kerala**
**PIN 682302**

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: L99999KL1960GOI082753) (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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the Financial year ended on 31ST MARCH, 2026 ('Audit Period') has 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 ("the Company") in respect of Companies Act, 2013 and Listing Regulations for the Financial year ended on 31ST MARCH, 2026 according to the provisions of, to the extent applicable:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not applicable as there was no reported event during the period under review.

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): to the extent applicable

   (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; - Not applicable as there was no reported event during the period under review.

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme) Regulations,1999 ; - Not Applicable as the Company has not issued any share/option during the period under review.

   (e) 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;

   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - Not applicable as the company has not delisted its equity share from stock exchange during the period under review.

   (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -Not Applicable as the company has not bought back any of its securities during the period under review.

   (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation 2008; - Not Applicable as the company has not issued any debt securities during the period under review.

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI LODR, 2015');

   (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

(i) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

(ii) The Listing Agreements entered into by Company with BSE Limited (BSE) read SEBI LODR, 2015.

(iii) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable and subject to the following observations:

A. As per Regulation 17(1)(c) of SEBI LODR 2015, top 2000 listed entity shall comprise of not less than 6 directors, but the company has 5 directors during the period from 1st April,2025 to 7th October,2025.

B. As per Regulation 17(1)(b), if the chairperson is executive director at least half of the board shall comprise of Independent director, but during the year under review, the composition of Board was not in Compliance with the regulation 17(1) of SEBI LODR, 2015.

C. The Quorum of Board meeting held on 08th April , 2025 and 16th May , 2025 was not in compliance with regulation 17(2A) of SEBI LODR, 2015, due to vacancies in the position of Independent Directors. The Company is not complied of the Section 149(4) of the Act read with Schedule IV during the period from 1st April,2025 to 4th June,2025.

D. During the period from 1st April, 2025 to 20th May ,2025 the Company has no Independent Director, as a result following Statutory Committees Like Audit Committee (Reg.18 of SEBI LODR, 2015 and Sec.177 of the Companies Act, 2013), Nomination and Remuneration Committee (Reg.19 of SEBI LODR, 2015 and Sec. 178 of the Companies Act, 2013) and Stakeholders Relationship Committee (Reg.20 of SEBI LODR, 2015 and Sec. 178 of the Companies Act, 2013) were not functioning in the company . As a result, the Company has not complied of the above-mentioned provision(s) of SEBI LODR, 2015 and the Companies Act, 2013 along with the functions of these Committee(s) assigned by SEBI LODR, 2015 and the Companies Act, 2013. In some cases, the mandatory number of meetings of these Committee(s) were not held.

E. The Company has not complied with certain provisions of DPE Guidelines on Corporate Governance regarding constitution of Board during the period under review and constitution of Committees until 18.06.2025.

**We further report that :**

a) Subject to the above qualifications on composition of Board of Directors and its related issues, the Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. In this regard the Company has received notices from BSE.

b) 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.

c) Majority decision of the Board and Committee Meetings are carried through, while the dissenting members' views, if any are captured and recorded as part of the minutes.

As far as the compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, we report that all the events which were due to be classified as UPSI has been captured in the SDD data base maintained by the Company as prescribed under Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015.

We further report that, based on the review of compliance mechanism established by the company and on the basis of Compliance certificate issued by Company Secretary/the Chairman or Managing director taken on record by the Board of Directors at their meeting, we are at the opinion that there are adequate system and processes in the company to monitor and ensure compliance with the size and operation of the company and to monitor and ensure compliance with the applicable laws, rules, regulation and guidelines.

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

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

We further report that during the audit period;

a. Hindustan Fluorocarbons Ltd, the only subsidiary of the Company, has been delisted from BSE Ltd with effect from 6th February, 2026.

b. Redemption/ Buy-back of securities: Ministry of Chemicals & Fertilizers, Government of India vide Order No. 1600/9/2024-IFD dated 21.03.2025 informed that the Parliament has approved waiving off of Government of India dues of the Company amounting to Rs. 1351.38/- crores. The Government of India dues comprise of GOI loan, interest on GOI loan, Preference shares, interest /penalty of Preference shares. It has been also approved by the shareholder in the Annual General Meeting dated 26th September, 2025. The Company is in process to reduction of Share Capital

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

**For S Basu & Associates**
**Company Secretaries**
**Firm Registration No : S2017WB456500**

**Place: Kolkata**
**Date: 11.05.2026**

**Saurabh Basu**
**Practising Company Secretary**
**ACS: - 18686; C.P.- 14347**

## ANNEXURE A TO THE SECRETARIAL AUDIT REPORT

**To,**
**The Members,**
**HINDUSTAN ORGANIC CHEMICALS LIMITED**

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our Audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the Auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliance may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

**Management's Responsibility**

1. Maintenance of secretarial record is the responsibility of the management of the Company.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. 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.
5. Wherever required, we have obtained reasonable assurance as to whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test 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.
7. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
8. The Compliance of the provisions of Corporate and other applicable laws, rules, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

**Disclaimer**

9. 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.
10. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**For S Basu & Associates**
**Company Secretaries**
**Firm Registration No : S2017WB456500**

**Saurabh Basu**
**Practising Company Secretary**
**ACS: - 18686; C.P.- 14347**
**Peer Review No: 7404/2025**
**UDIN: A018686H000323012**

**Place: Kolkata**
**Date: 11.05.2026**

# Standalone Financial Statement's 2025-26

## INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s. Hindustan Organic Chemicals Limited**

**Revised Report on the Audit of the Standalone Financial Statements**

This is the revised Audit Report on the standalone financial statements of HINDUSTAN ORGANIC CHEMICALS LIMITED (CIN: L99999KL1960GOI082753) ("the Company") which comprises of the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31st March 2026, the Cash Flow Statement, the Statement of Changes in Equity for the year ended and notes to the Standalone Financial Statements including material accounting policies and other explanatory information. Our Independent Auditor's Report dated 15 May 2026 on the Standalone Financial Statements of the Company for the year ended 31st March 2026 has been revised solely to correct certain typographical errors and omission to include a point in the additional disclosure as per the directions of Comptroller and Auditor General of India crept in the aforesaid audit report. Except for the aforesaid corrections there is no change in the audited Standalone Financial Statements, the audit procedures performed by us, or the audit opinion expressed in our report dated 15 May 2026.

**Opinion**

1. We have audited the accompanying Standalone Financial Statements of HINDUSTAN ORGANIC CHEMICALS LIMITED (CIN: L99999KL1960GOI082753) ("the Company") which comprises of the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31st March 2026, the Cash Flow Statement, the Statement of Changes in Equity for the year ended and notes to the Standalone Financial Statements including material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters.**

4. Attention is drawn to note no. 32(b) of the accompanying standalone financial statements. The company has advanced loan amounting to Rs. 453.01 lakhs to its subsidiary at an interest rate ranging from 10.25 to 14.50 %. As the subsidiary has failed to pay interest, the company has stopped charging interest on the loan from the year 2023-24. During the year, the subsidiary company repaid Rs. 1,075.05 lakhs towards interest and Rs. 286.98 lakhs towards loan repayment.
5. Attention is drawn to note no. 41 of the accompanying standalone financial statements regarding composition of the Board of Directors which is not in compliance with the provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015.
6. Attention is drawn to note no. 42 of the accompanying standalone financial statements detailing the status of implementation to the Government approved restructuring plan.

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

**Key Audit Matters**

7. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March, 2026. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| The Key Audit Matter | How the matter was addressed in our audit? |
|---|---|
| **Valuation of Inventory**<br>See Note 6 to the Standalone Financial Statements<br>• The verification and valuation of semi-finished, good for captive consumption and finished goods is a meticulous manual undertaking involving various reports, parameters, estimations and judgements.· Indirect production costs are estimated and integrated into inventory costs, involving judgment and estimation.<br>• The inventory levels of major raw materials, finished goods, semi-finished goods are monitored through meters installed in the tanks.<br>• The meter readings are recorded on daily basis.<br>• Inventories are valued at lower of cost and net realizable value except by-products.<br>• In addition, management exercises judgment in identifying and evaluating obsolete inventories and slow-moving | Our audit procedures included and were not limited to the following: ·<br>• Obtaining an understanding of the system controls and designs for production and inventory monitoring.<br>• Reviewing data from software used by the company such as Distributed Control System for plant operations, independent PLC for the safety of the Plant, Tank Level Monitoring System "LMS" for the detailed statistics about stock of raw materials, finished products, and intermediate products along with various alarms, warnings and history of the tank operations etc.<br>• Testing the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory.<br>• Testing and cross verifying on sample basis the accuracy of inventory levels in inventory valuation with BOMs issued and meter reading generated from inventory tanks by the respective departments. |

| | |
|---|---|
| stock items, while also estimating the appropriateness of necessary provisions. | • Testing on a sample basis the accuracy of cost for inventory by verifying the actual purchase cost. · Testing the net realizable value by comparing actual cost with most recent selling price.<br>• Being a party to the physical verification of monitoring meters installed for raw materials, finished products and semi-finished products at the end of the financial year.<br>Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory. |
| **Evaluation of Provisions, disclosures and analysis with respect Contingencies, including litigations and tax**<br>• Refer Note 2.2(d) and note 35 to the financial statements.<br>• The Company has various disputes/litigations related to shut-down of its operations, school and land held by the company at Rasayani.<br>• The Company also has various disputes/litigations related to direct and indirect taxes in various states and at various levels of appellate authorities.<br>• The evaluation of the Company's position and determination of possible outcome of these disputes and provisions and related disclosures, if any, required to be made in the books involves significant management judgment. | Our audit procedures included and were not limited to the following:<br>• Assessing the management's processes and tested the internal controls implemented for the identification, recognition and measurement of legal and tax positions and its assessment of the potential impact on the Company.<br>• We received a statement of all ongoing disputes/litigations along with the necessary documentation and from the company's in-house legal team who is an advocate.<br>• We evaluated management's assessments including advice/ opinion obtained from external consultants/legal advisors with respect to prospects of success of appeals and tax proceedings.<br>• We involved our internal experts to challenge the management's position on the select litigations and to consider legal precedence and other rulings in evaluating management's position on these tax positions. |

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

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

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

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

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

9. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. 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.

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

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

**Auditor's Responsibility for the Audit of Standalone Financial Statements:**

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

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

    - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

11. 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;

(a) Planning the scope of our audit work and in evaluating the results of our work and;

(b) To evaluate the effect of any identified misstatements in the Standalone Financial Statements.

12. 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.

13. 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.

14. 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**

15. As required by the Companies (Auditor's Report) Order, 2020 ("The Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable attached as "Annexure 1".

16. As required by the directions and sub directions issued by the office of the Comptroller & Auditor General of India under section 143 (5) of the Act, we give in the "Annexure 2" a statement on the matters referred in those directions.

17. As required by Section 143(3) of the Act, we report that:

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

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

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

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

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

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

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

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

(i) The company has disclosed the impact of pending litigations on its financial position in its financial statement.

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

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

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

(v)

- The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall

  directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (v)(a) and (v)(b) contain any material mis-statement.

(vi) The company has not declared or paid dividend during the year 2025-26. Hence, section 123 of companies Act, 2013 is not applicable for the purpose.

(vii) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail was not enabled at the database level to log direct data changes, if any. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

**For Balan & Co.**

**Chartered Accountants**

**FRN 340S**

**M. Venugopal**

**Partner**

**Membership No. 244882**

**UDIN: 26244882GDUBCK6852**

**Place: Ernakulam**

**Date: 08.07.2026**

### ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in Paragraph 15 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN ORGANIC CHEMICALS LIMITED:**

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

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

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

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

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

According to the information and explanation provided to us and based on the valuation report of the immovable property held by the company in Maharashtra from an independent valuer, we are informed that, 22.717 acres of land owned by the Company at Rasayani, Maharashtra, has been encroached. Further, 10.576 acres of land at Rasayani, Maharashtra and 0.91 acres of land at Panvel, Maharashtra, has been acquired for public road and hence could not be considered as the assets owned by the Company. Further, 32.547 acres of land at Rasayani, Maharashtra, is under the disputed possession of various other entities. The Company has not considered the above extent of lands while considering the carrying value of land disclosed in the Standalone Financial statements.

According to the information and explanation provided to us, the company has title to 352.45 Ares of land. For 109.75 Ares out of the aforementioned land, company is in possession of land award letter under form 9 of land acquisition act 1894, further the company has also obtained possession certificate certified by the Village Officer of Puthencruz for the land and has been paying taxes in name of the company.

2.27 Ares of land situated in the township was transferred to health center department for operating a health center. During the year the company had valued 258.85 Ares of land that was in actual possession of the company situated in the township.

A digital survey was conducted by Kerala State Revenue Department that identified excess area of 6.44 Ares of land, The Revenue Authorities have further informed that the excess land will be regularized in favor of the Company. The relevant documents are yet to be received, and the matter is currently under process.

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

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has revalued its land during the year by a registered valuer. However, there is no change in the value of the property as per the valuation report.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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

(b) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from banks in the form of cash credit facilities secured against current assets of the company. According to the terms of the working capital limit, the Company is required to submit quarterly statements or returns to the bank regarding this facility which has not submitted as on the date of this report.

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

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

1. The Company has provided loans to its subsidiary, secured against the immovable properties of the said subsidiary, during

the earlier years which is "overdue" for more than 3 years, and the balance outstanding as at the balance sheet date is Rs 2,910.10 lakhs, out of which Rs. 2,744.07 lakhs were non-interest-bearing. During the year, the subsidiary company repaid Rs. 1,075.05 lakhs towards interest and Rs. 286.98 lakhs towards loan repayment.

2. The Rasayani unit of the company provided an unsecured advance of Rs. 65 lakhs to M/s. Smith Stanitstreet Pharmaceuticals Ltd during the financial year 1991-92. However, this advance has remained outstanding for more than three years, and company had charged interest amounts to Rs 106.08 lakhs up to 2012-13, but we have not provided with the documents for verifying whether terms and conditions are prejudicial for company's interest. The Company has made a 100% provision for doubtful debts for the above- mentioned advance and interest amounts to Rs. 171.08 lakhs.

3. Attention is drawn to note no.32. The Company has invested Rs. 1,106 lakhs in its subsidiary during previous years. During the current financial year pursuant to the delisting of shares of the subsidiary, the company being the acquirer has acquired 22,75,084 number of shares at Rs. 17.76 amounting to Rs 404.05 lakhs in the subsidiary which are currently being held by the Broker/Registrar and Transfer Agent on behalf of the company, however the business of the subsidiary has been discontinued completely.

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

(c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, in respect of the loans and advances given to its subsidiary as specified in clause (iii)(b)(1) report, the Company has established repayment schedules for both principal or and interest for loan with outstanding balance of Rs. 2,910.10 lakhs In respect of the loan specified in the (iii)(b)(2) we have not provided with term of the arrangement, stipulation of schedule for repayment of principal and repayment of interest, hence we are unable to make specific comments on the regularity of repayment of principal and interest are required to be reported under this clause.

(d) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, in respect of the loans and advances as specified in clause (iii)(b)(1) of this report, the total amount overdue for more than 90 days is Rs. 2,910.10 lakhs. The Company has indicated that these amounts will be recovered upon the full realization of the assets secured against the loans. In respect of the advances specified in clause (iii)(b)(2) mentioned above, the total amount overdue for more than 90 days is Rs. 65 lakhs. Despite this, the Company has not initiated any actions to recover the amount.

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

(f) Based on the information and explanations provided to us, and on the basis of our examination of the Company's records, the company has not granted any loans or advances in the nature of loans, either repayable on demand or without specified terms or repayment periods. However, with respect to the advance referred to in clause (iii)(b)(2) above, amounting to Rs. 65 lakhs, the Company has charged interest of Rs. 106.08 lakhs. We were not provided with terms of the arrangement, stipulation of schedule for repayment of principal and repayment of interest, therefore, we are unable to comment on compliance with the requirements of this clause in relation to the aforementioned advance.

The Company has made a 100% provision for doubtful recovery for the above-mentioned advance and interest amounting to Rs. 171.08 lakhs.

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

v. According to the information and explanations given to us in our opinion and, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March, 2026 except in case of deposits given below that are outstanding for a period exceeding 365 days and might be classified as 'deposits' by virtue of Rule 2(xii) of the Companies (Acceptance of Deposits) Rules, 2014.

| Nature of Deposit | Note No. in Financial Statements | Amount (Rs. in lakhs) |
|---|---|---|
| Advances from customers | 20(i) | 17.15 |

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

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

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

| Sl. No. | Name of the Statute | Nature of Dues | Period to Which the amount related | Amount of Dispute (Rs. in lakhs) | Forum where the dispute is pending |
|---|---|---|---|---|---|
| 1 | Central Excise Act, 1944 | Exemption not allowed | 2006-07 | 104.63 | Customs, Excise & Services Tax Appellate Tribunal |
| 2 | Income Tax Act, 1961 | Penalty Dues | 2001-02 | 70.49 | High Court |
| 3 | Income Tax Act, 1961 | Penalty Dues | 2010-11 | 21.50 | The Commissioner of Income Tax |
| 4 | Goods and Services Tax, 2017 | Excess Credit Claimed | 2017-18 | 41.97 | The Joint Commissioner |
| 5 | Employee State Insurance Act 1948 | Default in contribution | 1992-93 | 2.17 | ESIC Court Ernakulam |
| 6 | Payment of Gratuity Act 1972 | Payment of Gratuity | Up to March 1997 | 75.31 | Bombay High Court |
| 7 | Employees Provident Fund and Miscellaneous Provision Act, 1952 | Delayed remittance | 2013-2018 | 38.44 | CGIT Ernakulam |

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

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained term loan during the year and accordingly clause 3 (ix) (c) of the Order is not applicable to the company.

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

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31st March, 2026. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). Accordingly, clause 3(ix)(f) of the Order is not applicable.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations provided to us, and based on our examination of the Company's records, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed during the year by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations provided to us, and based on our examination of the Company's records, we report that the Company has not received any whistle blower complaints during the year.

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

xiii. Except for the matters discussed in point no 5 of the Emphasis of matter paragraph to this report and according to the information and explanation provided to us, in our opinion all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in Note 36 to the standalone financial statements as required by the applicable Indian accounting standards.

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

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

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and provisions of Section 192 of the Act are not applicable to the Company. Hence clause xv of the Order is not applicable.

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

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

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(d) of the Order are not applicable.

xvii. The Company has incurred cash losses in the current year amounting to Rs. 1,800.21 lakhs. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 10,907.18 lakhs.

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

xix. On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Based on examination of the books and records of the Company and according to the information and explanations provided to us, there are no amounts which are required to be spent in accordance with the provisions of section 135 of the Act and accordingly, clause 3(xx) of the Order is not applicable.

For Balan & Co.
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 26244882GDUBCK6852

Place: Ernakulam
Date: 08.07.2026

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in Paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindustan Organic Chemicals Limited of even date)**

Supplementary report u/s. 143(5) of the Companies Act, 2013 in "Annexure 2" referred to in our Independent Auditor's Report to the members of HINDUSTAN ORGANIC CHEMICALS LIMITED ('the Company') for the year ended 31st March, 2026.

**A. Directions**

| Sl. No | C & AG Direction | Statement of Statutory Auditor |
|---|---|---|
| 1 | Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements. | The Company has created a separate Trust for management of gratuity obligations towards employees. The valuation of investments under the said Trust is carried out by LIC in accordance with the applicable regulatory norms and guidelines. The Company relies on the statements and reports provided by LIC and Actuary for accounting and disclosure purposes which are in agreement with the applicable provisions of Ind AS. Based on the information, explanation and valuation report provided by LIC and Independent Actuary, the amounts disclosed against post-retirement benefits are true and fair and no material deviations or misstatements from the applicable regulations were noticed. |
| 2 | Whether the Company has a system in place to process all the accounting transactions through IT system? if yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by information Security Auditing Organizations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported: | All the company's accounting transactions are processed through Tally prime ERP, however fixed asset records are maintained outside the ERP, payroll management is handled by the separate HRM software system, Unit trial balance consolidation is conducted through MS office excel utility. Company's IT infrastructure undergoes a cyber security audit by CERT-In-Empanelled information security Agency once every three years. No accounting transactions are processed outside the system. |
| 3 | Whether funds (Grants/ subsidy etc.) received/receivable from specific scheme from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation | Not applicable, since the Company has not received any funds during the year from Central/State Government or its agencies for specific schemes. |
| 4 | Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) Whether the Company has identified its data assets and whether it has been valued appropriately? | No, the company has not identified key risk areas as the provision is applicable only for top 1000 listed companies. |
| 5 | Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted. | Based on the information, explanation provided to us by the management, the company is complying with all the applicable rules and regulations except with regard to SEBI LODRR, there is a non-compliance to Regulation 17(1) (b) regarding the requirement of half of the total Board's strength as independent Directors. As HOCL is a Government Company appointment of Directors are done by Administrative Ministry. Accordingly, this non-compliance is beyond the control of the company. |

**B. Sub Directions**

| Sl. No | C & AG Direction | Statement of Statutory Auditor |
|---|---|---|
| 1 | State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachment | 1. According to the information and explanations given by the management, 22.71 acres of land at the Rasayani Unit, Maharashtra, of the Company has been identified as 'under encroachment'.<br>With respect to this, the following steps taken by the management to remove the encroachment,<br>The Company is constantly communicating with the Senior Government officials of Govt. of Maharashtra for taking prompt steps for removing encroachment by the farmers at the land at Rasayani Unit.<br>The Company is also coordinating with the Ministry of Chemicals and Petrochemicals, Government of India, for the speedy resolution in the above case.<br>The above recommendations include various proposals including settlement arrangements with the encroachers<br>The Company has also filed suits in some instances.<br>The principal secretary with DCPC and officials of GoM/HOCL/BPCL, wherein it was agreed to conduct a survey to identify the extent of encroachment.<br>The state government completed the survey of all eight villages in November 2025, and the final survey report was submitted by GoM to DCPC on 09.01.2026.<br>Post submission, DCPC and HOCL have sought clarifications from the state government for certain aspects of the encroachments, and GoM's response is presently awaited.<br>Upon receipt of clarifications and closure of survey related issues, the decision on compensation/ payment and subsequent actions towards permeant resolution of encroachment and transfer/ disposal will be progress as per Govt directions<br>2. According to the information and explanations given 32.574 acres of land at Rasayani Unit, Maharashtra, are under the possession of various entities such as MIDC, MSEB, HIL, MES etc.<br>With respect to this, the following steps taken by the management to remove the encroachment,<br>The Company is constantly following up with the concerned officials for the recovery or registration of the said land possessed by such entities<br>In case of the land leased out to MES, the Company has issued the notice of termination of lease to the party. However, the property is still under the possession of the lessee -MES. The matter is pending before Arbitration authority and the proceedings are under progress<br>10.576 acres of land at the Rasayani Unit and 0.91 acres of land at Panvel Maharashtra has been acquired by Governmental authorities and public road has been constructed. Hence, the Company does not have possession as well as ownership with respect to the said land.<br>With respect to the land available at Panvel, DPE advised that disposal of HOCL Panvel land must me under taken in line with CCEA approval.<br>Accordingly, CMD, HOCL sought action plan from NBCC, designated land management agency as per the CCEA mandate.<br>NBCC informed that they are no longer conducting e-auctions and proposed that the disposal of Panvel land be undertaken through the development route.<br>The above proposal is to be placed before the administrative ministry in the upcoming review for guidance and approval.<br>4. According to the information and explanations given, 2.046 acres of land are outside the boundary walls of Ernakulam factory land and were not included in the re- survey and land tax is paid for land inside the boundary wall. |
| 2 | Whether there is any effective system for follow up of accumulated trade receivables especially which are more than three years old? | The Company has trade receivables amounting to Rs. 972.11 lakhs, which is more than three years old. The Company has assessed and provided a sum of Rs. 972.11 lakhs as provision for bad and doubtful assets.<br>Based on the information provided to us, the management is following up with the above debtors for the recovery and has initiated legal proceedings against some of such cases. |
| 3 | Whether there was an adequate system for watching actual consumption against norms in case of raw materials, Intermediaries and utilities? | `Based on the information and explanation provided to us, the Company prepares monthly statements comparing the actual consumption of raw material, intermediaries and utilities against the established norms as MIS Report and the system is adequate. |

For Balan & Co.
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 26244882GDUBCK6852

Place: Ernakulam
Date: 08.07.2026

## ANNEXURE 3 TO THE INDEPENDENT AUDITOR'S REPORT

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

**Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of M/s. HINDUSTAN ORGANIC CHEMICALS LIMITED (the company) as of 31st March, 2026 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

**Management's responsibility for Internal Financial Controls**

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the Guidance Note) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of internal financial controls over financial reporting**

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

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

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

(3) provide reasonable assurance regarding the prevention or timely deduction of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2026, based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Reporting issued by the Institute of Chartered Accountants of India.

For Balan & Co.
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 26244882GDUBCK6852

Place: Ernakulam
Date: 08.07.2026

**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 3I MARCH2O26**

The preparation of financial statements of Hindustan Organic Chemicals Limited for the year ended 3l March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 Revised Audit Report dated 8 July 2026 which supersedes their earlier Audit Report dated 15 May 2026.

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 3l March 2026 under section l43(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**A. Comments on Profitability**

**A.1 Liabilities – Current Liabilities**

**Provisions (Note No.21): ₹.1,554.92 lakh**

(I) The above does not include provision of ₹.116.74 lakh on account of penalty/fines levied by BSE Limited for various non-compliances with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act 2013 regarding non-fulfilment of requirements relating to the composition of the Board of Directors, appointment of Independent Directors, quorum of Board meetings and functioning of statutory committees.

Hindustan Organic Chemicals Limited (HOCL/Company) submitted waiver application to BSE, which was not acceded to by the Internal Regulatory Oversight and Review Group (IRORG) of BSE in its meeting held on 20 February 2026. The Company again submitted (19 March 2026) a consolidated waiver application for an amount of ₹.130.65 lakh. The BSE communicated (11 May 2026) approval of waiver of ₹.31.72 lakh and confirmed the balance liability of ₹.98.93 lakh plus GST, aggregating to ₹.116.74 lakh.

Since there is an obligation to pay the aforesaid balance liability of Rs.116.74 lakh (including GST), necessary provision for the same should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS I0 (Events after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

It was, however, observed that no provision for the aforesaid balance liability was provided for by the Company in its financial statements for the year 2025-26 which resulted in understatement of 'Provisions' and 'Loss for the year' by ₹.116.74 lakh each.

(ii) A reference is invited to Note 35(a)(vi) relating to GST demand amounting to ₹.41.97 lakh. The said Note, inter-alia, states that an appeal against the demand was filed before the Joint Commissioner (Appeals), Central Tax & Central Excise, Kochi Commissionerate on 27 .02.2024.

In this regard, it was noticed that Commissioner (Appeals) passed (29 October 2025) the order, wherein a demand of ₹.7.55 lakh together with applicable interest thereon and a penalty of ₹.10,000 was confirmed. Accordingly, the liability of the Company worked out to Rs. 12.57 lakh (Tax ₹.7.55 lakh plus interest ₹.4.92 lakh plus penalty ₹.10,000) as on 31.03.2026. Against this, the Company had remitted (26 February 2024) ₹.1.98 lakh to the tax authorities, and the balance liability of ₹.10.59 lakh remained payable.

Since the aforesaid order was passed on 29 October 2025, issued on 6 May 2026 and was received by the company on 11 May 2026 (i.e. prior to the finalisation of the financial statements for the year 2025-26), necessary provision of ₹.10.59 lakh should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS 10 (Events after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

It was, however, observed that no provision for the aforesaid balance liability was provided or by the Company in its consolidated financial statements for the year 2025-26 which resulted in understatement of 'Other Expenses' and 'Loss for the year' by ₹.10.59 lakh each. consequently, Provisions were also understated by ₹.10.59 lakh.

Further, as the liability had crystallised pursuant to the appellate order dated 29.10.2025,the continued disclosure of the matter as a contingent liability under Note 35(a)(vi), was not in conformity with the requirements of Para 19 of Ind AS 10 (Events after the Reporting Period), which stipulates that, if an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information. Accordingly, Note No. 35(a)(vi) is deficient to that extent.

**B Comments on Consolidated Financial Position**

**B.1 Assets**

**Current Financial Assets**

**(iii) Bank Balances other than (ii) above (Note 9): ₹ 23,385.49 lakh**

**Non-Current Financial Assets**

**(v) Other Financial Assets (Note 4b): ₹ 258.91 lakh**

*A reference is invited to Schedule III to the Companies Act 2013 which provides that, "An entity shall classify an asset as current when it (a) it expects to realize the asset, or intends to sell it or consume it in its normal operating cycle, or (b) it holds the asset primarily for the purpose of trading, or (c) it expects to realize the asset within twelve months after the reporting date: or (d) the asset is (lash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets shall be classified as non-current".*

It was, however, observed that Fixed Deposit amounting to ₹.242.26 lakh having maturity period of more than 12 months was booked under Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) instead of booking under Non-Current Assets (Other Financial Assets).

This has resulted in overstatement of Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) and understatement of Non-Current Assets (Other Financial Assets) by ₹.242.26 Lakh each

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

Sd/-
(Dr. Pawan Kumar Kanda)
Principal Director of Audit
(Industry & Corporate Affairs)

Place: New Delhi
Date: 29 JUL 2026

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[1] *comprising tax demand of ₹.19.76 lakh, interest of ₹.20.23 lakh and penalty of ₹.1.97 lakh.*

[2] *Interest up to 10 June 2026 (for 1862 days) amounted to 5,11,810. Proportionate Interest up to 31 March 2026 amounted to ₹.4,92,294.*

[3] Fixed Deposit was made on 31 March 2026 with a maturity date of 1 April 2027.

## Standalone Balance Sheet as on 31st March 2026

Rs. in Lakhs

| Particulars | Note No | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **Assets** | | | |
| **Non Current Assets** | | | |
| a) Property, Plant and Equipment | 3a | 22,890.87 | 22,568.76 |
| b) Capital Work-in-Progress | 3b | 89.44 | 384.69 |
| c) Investment Property | 3c | 80.09 | 82.25 |
| d) Right-of-Use Asset | 15a | 116.65 | 81.11 |
| e) Other Intangible Assets | 3d | 10.77 | 16.32 |
| f) Financial Assets | | | |
| (i) Investments | 4a | 2,407.98 | 1,389.71 |
| (ii) Other Financial Assets | 4b | 258.91 | 304.20 |
| g) Other Non-Current Assets | 5 | 276.89 | 276.89 |
| **Total (Non current Assets)** | | **26,131.60** | **25,103.93** |
| **Current Assets** | | | |
| a) Inventories | 6 | 4,630.12 | 5,595.35 |
| **b) Financial Assets:** | | | |
| (i) Trade Receivables | 7 | 710.81 | 1,521.67 |
| (ii) Cash and Cash Equivalents | 8 | 16.28 | 18.91 |
| (iii) Bank balances other than (ii) above | 9 | 23,385.49 | 22,541.94 |
| (iv) Loans | 10 | 2,922.16 | 3,209.09 |
| (v) Other Financial Assets | 11 | 1,638.66 | 1,695.91 |
| c) Other Current Assets | 12 | 513.05 | 945.20 |
| d) Assets held for Sale | 3e | 94,550.32 | 94,550.32 |
| **Total (Current Assets)** | | **128,366.89** | **130,078.39** |
| **Total Assets** | | **154,498.49** | **155,182.32** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| a) Equity Share capital | 13 | 6,726.96 | 6,726.96 |
| b) Other Equity | 14 | 102,942.36 | 103,754.19 |
| **Total Equity** | | **109,669.32** | **110,481.15** |
| **Liabilities** | | | |
| **Non-Current Liabilities:** | | | |
| **a) Financial Liabilities:** | | | |
| (i) Borrowings | 17a | 134.56 | 191.30 |
| (ii) Lease Liabilities | 15a | 96.51 | 66.52 |
| b) Provisions | 15b | 888.56 | 994.51 |
| c) Deferred Tax Liabilities (Net) | 16 | 17,730.52 | 17,576.52 |
| **Total (Non-Current Liabilities)** | | **18,850.15** | **18,828.85** |
| **Current Liabilities:** | | | |
| **a) Financial Liabilities** | | | |
| (I) Borrowings | 17b | 19,124.14 | 11,193.10 |
| (ii) Lease Liabilities | 15a | 22.94 | 23.94 |
| (iii) Trade Payables: | | | |
| Total outstanding dues to micro and small enterprises | 18 | 28.51 | 42.99 |
| Total outstanding dues to Creditors other than micro and small enterprises | 18 | 1,501.47 | 4,749.80 |
| (iv) Other Financial Liabilities | 19 | 344.55 | 816.82 |
| b) Other Current Liabilities | 20 | 3,402.49 | 7,447.27 |
| c) Provisions | 21 | 1,554.92 | 1,598.40 |
| **Total (Current Liabilities)** | | **25,979.02** | **25,872.32** |
| **Total Liabilities** | | **44,829.17** | **44,701.17** |
| **Total Equity and Liabilities** | | **154,498.49** | **155,182.32** |
| Accounting Policies | 2 | | |
| Notes to the Standalone Financial Statements | 1&3-58 | | |

As per our report of even date attached

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

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

Place: Ernakulam
Date: 15.05.2026

For and on behalf of the Board of Directors

Sd/-
**Sangram Kumar Mishra**
Chairman & Managing Director
DIN 11337117

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

Sd/-
**Subramonian H.**
Company Secretary

Place: Ernakulam, Kerala
Date: 15.05.2026

## Standalone Statement of Profit and Loss for the period ended 31st March 2026

Rs. in Lakhs

| Particulars | Note No | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **INCOME:** | | | |
| Revenue from Operations | 22 | 57,376.13 | 53,586.76 |
| Other Income | 23 | 1,926.62 | 2,275.11 |
| **Total Income** | | **59,302.75** | **55,861.87** |
| **EXPENSES:** | | | |
| Cost of materials consumed | 24 | 39,834.00 | 42,695.49 |
| Changes in Inventories of Finished Goods and work-in- progress | 25 | 1,251.94 | (779.59) |
| Employee benefits expenses | 26 | 4,370.61 | 4,744.91 |
| Finance costs | 27 | 2,042.35 | 4,285.95 |
| Depreciation and amortization expenses | 28 | 193.91 | 164.18 |
| Other expenses | 29 | 13,677.74 | 15,539.18 |
| **Total Expenses** | | **61,370.55** | **66,650.12** |
| **Profit / (Loss) before exceptional items and tax** | | (2,067.80) | (10,788.25) |
| Add: Exceptional items | 30 | 681.64 | 50,275.38 |
| **Profit / (Loss) before Tax** | | (1,386.16) | 39,487.13 |
| (1) Current tax | | - | (333.00) |
| (2) Deferred tax | | - | - |
| (3) (Short)/Excess provision of earlier years | | 96.78 | - |
| **Less: Tax expenses** | | 96.78 | (333.00) |
| **Profit / (Loss) after Tax** | | (1,289.38) | 39,154.13 |
| **Other Comprehensive Income** | | | |
| (I) Items that will not be reclassified subsequently to profit or loss | | | |
| a) Revaluation of Property, plant & equipment | 3a | - | - |
| Income tax (expense)/benefit of the above | | - | - |
| b) Net fair value gain/loss on investment in equity instruments through OCI | 4a | 614.22 | (410.33) |
| Income tax (expense)/benefit of the above | | (154.00) | 119.00 |
| c) Remeasurement in defined benefit plan (Gratuity) | 31 | 17.33 | (87.11) |
| **Other Comprehensive Income for the year, net of tax** | | **477.55** | **(378.44)** |
| **Total Comprehensive Income for the year** | | **(811.83)** | **38,775.69** |
| Earnings per equity share (in Rupees) | | | |
| Basic (Face value of Rs. 10 each) | | (1.92) | 58.29 |
| Diluted (Face value of Rs. 10 each) | | (1.92) | 58.29 |
| Accounting Policies | 2 | | |
| Notes to the Standalone Financial Statements | 1&3-58 | | |

As per our report of even date attached

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

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

Place: Ernakulam
Date: 15.05.2026

For and on behalf of the Board of Directors

Sd/-
**Sangram Kumar Mishra**
Chairman & Managing Director
DIN 11337117

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

Sd/-
**Subramonian H.**
Company Secretary

Place: Ernakulam, Kerala
Date: 15.05.2026

# Statement of Changes in Equity for the year ended 31st March, 2026A.

**EQUITY SHARE CAPITAL**

**i) FOR THE CURRENT REPORTING PERIOD**

Rs. in Lakhs

| Particulars | Balance as at | Changes in Equity Share Capital due to prior period errors | Restated balance as at | Changes in equity share capital during the current year | Balance as at |
|---|---|---|---|---|---|
| | 01.04.2025 | 2025-26 | 01.04.2025 | 2025-26 | 31.03.2026 |
| Equity shares of Rs.10 each | 6726.96 | - | 6726.96 | - | 6726.96 |

**ii) FOR THE PREVIOUS REPORTING PERIOD**

Rs. in Lakhs

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

**B. OTHER EQUITY**

| Particulars | Share application money pending allotment | Equity component of compound financial instrument | Reserves and surplus | | | | Items of Other Comprehensive Income (OCI) | | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Capital Reserve | Securities Premium | Other Equity | Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Eective portion of Cash Flow Hedges | Revaluation Surplus | Exchange di. on translating the financial statements of a foreign operation | Other items of OCI (Changes in Employees defined benefits | | |
| Current Reporting Period 2025-26 | | | | | | | | | | | | | | 2025-26 |
| Balance as at 01.04.2025 | - | - | - | 4,838.57 | 70,586.46 | (68,845.08) | - | 197.71 | - | 96,297.28 | - | 679.25 | - | 103,754.19 |
| Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 01.04.202 | - | - | 4,838.57 | 70,586.46 | (68,845.08) | - | 197.71 | - | - | 96,297.28 | - | 679.25 | - | 103,754.19 |
| Profit/(Loss) for the year | - | - | - | - | - | (1,289.38) | - | - | - | - | - | - | - | (1,289.38) |
| Other Comprehensive Income (Net of Tax) | - | - | - | - | - | - | - | 460.22 | - | - | - | 17.33 | - | 477.55 |
| Total Comprehensive Income for the current year | - | - | - | - | - | (1,289.38) | - | 460.22 | - | - | - | 17.33 | - | (811.83) |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to other equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31.03.2026 | - | - | - | 4,838.57 | 70,586.46 | (70,134.46) | - | 657.93 | - | 96,297.28 | - | 696.58 | - | 102,942.36 |
| Previous Reporting period 2024-25 | - | - | - | - | - | - | - | - | - | - | - | - | - | 2024-25 |
| Balance as at 01.04.2024 | | - | - | 4,838.57 | - | (107,999.21) | - | 489.04 | - | 96,297.28 | - | 766.36 | - | (5,607.96) |
| Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 01.04.2024 | - | - | - | 4,838.57 | - | (107,999.21) | - | 489.04 | - | 96,297.28 | - | 766.36 | - | (5,607.96) |
| Profit/(Loss) for the year | - | - | - | - | - | 39,154.13 | - | - | - | - | - | - | | 39,154.13 |
| Other Comprehensive Income (Net of Tax) | - | - | - | - | - | - | - | (291.33) | - | - | - | (87.11) | - | (378.44) |
| Total Comprehensive Income for the current year | - | - | - | - | 39,154.13 | - | (291.33) | - | - | - | (87.11) | - | - | 38,775.69 |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to other equity (Note No. 14c) | - | - | - | - | 70,586.46 | - | - | - | - | - | - | - | - | 70,586.46 |
| Balance as at 31.03.2025 | - | - | - | 4,838.57 | 70,586.46 | (68,845.08) | - | 197.71 | - | 96,297.28 | - | 679.25 | - | 103,754.19 |

As per our report of even date attached

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

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

Place: Ernakulam
Date: 15.05.2026

For and on behalf of the Board of Directors

Sd/-
**Sangram Kumar Mishra**
Chairman & Managing Director
DIN 11337117

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

Sd/-
**Subramonian H.**
Company Secretary

Place: Ernakulam, Kerala
Date: 15.05.2026

## Standalone Cash flow Statement for the Year ended 31st March 2026

Rs. in Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit / (Loss) before Tax | (1,386.16) | 39,487.13 |
| Adjustments for : | - | - |
| Depreciation/Loss on impairment of Property, Plant and Equipment | 193.91 | 164.18 |
| Profit(-) / Loss on sale of Property, Plant and Equipment | - | 0.24 |
| Interest Income | (1,702.35) | (1,695.80) |
| Excess prov written back | (10.40) | - |
| Waiver of GOI Interest | - | (54,582.29) |
| Interest & Finance Charges | 2,042.35 | 4,285.95 |
| Income from Investing activities | (78.03) | (76.64) |
| Changes in defined Employee benefit plan-other comprehensive income | 17.33 | (87.11) |
| **Operating Cash Flows before Working Capital changes (A)** | **(923.35)** | **(12,504.34)** |
| Adjustments for | | |
| (Increase)/Decrease in Inventories | 965.23 | 1,301.57 |
| (Increase)/Decrease in Trade & Other Receivables | 519.09 | 573.46 |
| Increase/(Decrease) in Trade Payables & Other Liabilities | (7,596.29) | 3,183.09 |
| Direct tax paid | (12.18) | - |
| Waiver of GOI Loan | - | 70,586.46 |
| **Cash Used in Operations (Working Capital Changes) (B)** | **(6,124.15)** | **75,644.58** |
| **Net Cash used in Operating activities (A+B)** | **(7,047.50)** | **63,140.24** |
| **CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Property, Plant and Equipment | (187.01) | (722.55) |
| Purchase of Investment in shares | (404.05) | - |
| Sale of Assets / held for sale | 0.03 | - |
| Interest Income | 1,748.17 | 1,669.19 |
| Income from Investment activities | 78.03 | 76.64 |
| **Net Cash from Investing activities** | **1,235.17** | **1,023.28** |
| **CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Increase/(Decrease) in Secured Loans | 7,874.30 | (62,747.50) |
| Increase/(Decrease) in Unsecured Loans | - | - |
| Interest Paid | (2,034.38) | (1,441.32) |
| Payment of Lease Liabilities | (30.22) | (28.80) |
| **Net cash from/(used) in Financing activities** | **5,809.70** | **(64,217.62)** |
| Net Increase /(Decrease) in Cash and Cash Equivalents | (2.63) | (54.10) |
| Cash & Cash equivalents at the beginning of the period | 18.91 | 73.01 |
| **Cash & Cash equivalents at the end of the period** | **16.28** | **18.91** |
| **Cash & Cash equivalents as per above comprise of following** | | |
| a) Balances with banks (of the nature of cash and cash equivalents): | | |
| Current Accounts | 16.27 | 18.34 |
| b) Cash in hand | 0.01 | 0.57 |
| **Total** | **16.28** | **18.91** |

As per our report of even date attached

For and on behalf of the Board of Directors

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

Sd/-
**Sangram Kumar Mishra**
Chairman & Managing Director
DIN 11337117

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

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

Sd/-
**Subramonian H.**
Company Secretary

Place: Ernakulam
Date: 15.05.2026

Place: Ernakulam, Kerala
Date: 15.05.2026

**Notes to the Standalone Financial statements for the period ended 31st March, 2026**

**1. Corporate Information**

Hindustan Organic Chemicals Limited (the Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Post bag No. 18, Ambalamugal P.O, Ernakulam District, Kerala - 682 302, India. The Company is principally engaged in the business of manufacturing bulk industrial chemicals and chemical intermediates.

**2. Material accounting Policy information:**

**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 up to two decimals, except when otherwise indicated. Wherever the amount represented Rs. ‘0’ (zero) construes value less than Rupees a lakh.

**Accounting estimates, assumptions and judgements**

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

**Estimates and assumptions**

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

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

**2.2 Summary of accounting policies and estimates**

**a) Revenue recognition**

The Company earns revenue primarily from manufacturing chemical product.

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

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

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

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

**Sale of product**

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

**Rendering of services**

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

**Interest income**

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

**Rental Income**

Rental income arising from operating lease on investment properties is accounted for on a straight-line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

**b) Useful lives of Property, Plant and Equipment.**

The Company reviews the useful life of the Property, plant &

equipment and Intangible asset as at the end of each reporting period and these reassessments may result in change in depreciation expenditure in future period. (Refer No.3a)

**c) Current versus Non-Current classification**

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

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

All other assets are classified as non-current.

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

Liability is current when:

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

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

The Company classifies all other liabilities as non-current.

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

**d) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**e) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**f) Taxes**

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

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit and loss is either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**g) Employee benefits**

**i. Short-term obligations**

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

**ii. Other long-term employee benefit obligations**

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

**iii. Post-employment obligations**

The Company operates the following post-employment schemes:

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

(b) Defined contribution plans such as provident fund.

**iv. Defined benefit plans**

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

**v. Defined contribution plans**

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

**a. Gratuity**

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

**b. Pension and gratuity obligations**

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

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

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

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

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

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

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

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

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

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

**h) Foreign Currency Transactions and balances**

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise. Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets

**i) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. When the recoverable amount of the CGU is less than it carrying amount, an impairment loss is recognised.

**j) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**k) Cash flow Statement**

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

**l) Cash dividend**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. m) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit are recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**n) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

**o) Export Benefits:**

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

**p) Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**q) Share-Based Payments:**

Measurement and disclosure of the employee share based payment plans are done in accordance with Ind AS 102, Share-Based Payment. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight-line basis.

**r) Errors and Omissions of earlier period:**

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

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

**Accounting policy:**

Items of Property, Plant and Equipment including capital-work in-progress are stated at cost (except land valued at fair value), net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bring the asset to its working condition for its intended use. Such cost includes the cost of replacing parts of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives as prescribed in schedule II of Companies Act,2013. All other repair and maintenance costs are recognised in statement of profit or loss, when incurred. In respect of additions to /deletions from the Property, Plant and Equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Property, Plant and Equipment.

The Company adopts an annual revaluation policy to accurately reflect the fluctuating fair value of its land. The fair value of the land under PPE has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The said land has been revalued by Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 29.03.2026 and has a revaluation surplus of Rs. 19,441.99 lakhs as of 31 March 2026.

Property, Plant & Equipment are physically verified once in three year. The management's considered view is that estimated useful lives as per the Schedule II of the Companies Act, 2013 are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company reviews the useful life of the Property, plant & equipment and Intangible asset at the end of each reporting period and these reassessment may result in change in depreciation expenditure in future period.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives, as per Schedule II of the Companies Act 2013,which is as under:

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

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

| Desccription | Land and Land Development* | Land Revaluation | Buildings | Plant and Equipment | Furniture & Fittings | Vehicles | Office Equipment | Library Books | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | |
| Balance as at April 1, 2025 | 578.25 | 19,441.99 | 1,366.11 | 25,259.70 | 192.91 | 119.47 | 733.15 | 13.47 | 47,705.05 |
| Additions | - | - | 13.86 | 406.40 | 30.88 | 0.25 | 30.88 | - | 482.27 |
| Disposals | - | - | - | - | - | - | 0.63 | - | 0.63 |
| **Balance as at March 31, 2026** | 578.25 | 19,441.99 | 1,379.97 | 25,666.10 | 223.79 | 119.72 | 763.40 | 13.47 | 48,186.69 |
| **Accumulated Depreciation** | | | | | | | | | |
| Balance as at April 1, 2025 | - | - | 967.06 | 23,274.94 | 110.08 | 111.09 | 659.69 | 13.43 | 25,136.28 |
| Disposals | - | - | - | - | - | - | 0.58 | - | 0.58 |
| Depreciation for the year | - | - | 29.84 | 97.90 | 10.79 | 0.89 | 20.70 | - | 160.12 |
| **Balance as at March 31, 2026** | **-** | **-** | **996.90** | **23,372.84** | **120.87** | **111.98** | **679.81** | **13.43** | **25,295.82** |
| **Net Carrying Amount as at March 31, 2026** | **578.25** | **19,441.99** | **383.07** | **2,293.26** | **102.92** | **7.74** | **83.59** | **0.04** | **22,890.87** |
| **Net Carrying Amount as at March 31, 2025** | **578.25** | **19,441.99** | **399.05** | **1,984.76** | **82.84** | **8.38** | **73.46** | **0.04** | **22,568.76** |

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

b) The Company has valid title to 352.45 Ares of factory land situated within the factory premises. Out of the above, 109.75 Ares of land situated in the ETP Lower area is in the possession of the Company, as certified by the Village Officer, Puthencruz, vide Possession Certificate dated 19.12.2015

c) The Company had title to 261.12 Ares of land. Out of the above, 2.27 Ares of land was transferred to the Health Centre Department, Government of Kerala, for operating a health centre. Accordingly, the Company has recognised and valued 258.85 Ares of land, which is in the possession of the Company.

During the year, a digital survey conducted by the Kerala State Revenue Department indicated an excess extent of 6.44 Ares of land (267.56 Ares as against 261.12 Ares). The Revenue Authorities have informed that such excess extent identified during digital surveys is normal in cases involving measurement of large extents of land and that the excess land will be regularised in favour of the Company. The relevant documents in this regard are yet to be received and the matter is under process. The Company has remitted land tax during the year based on the extent determined as per the digital survey.

**3 b) Capital Work-in-Progress**

**Accounting policy:**

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

Rs. In Lakhs

| Description | Buildings | Plant and Equipment | Furniture, Fixtures & Equipments | Amount |
|---|---|---|---|---|
| Balance as at April 1, 2025 | 72.48 | 284.16 | 28.05 | 384.69 |
| Additions: | | | | |
| < 1 year | - | 89.44 | - | 89.44 |
| 1-2 Year | - | 0.00 | - | |
| 2-3 Year | 0.00 | 0.00 | - | |
| Less: Capitalise during the year | 72.48 | 284.16 | 28.05 | 384.69 |
| Balance as at March 31, 2026 | - | 89.44 | - | 89.44 |
| Balance as at March 31, 2025 | 72.48 | 284.16 | 28.05 | 384.69 |

**3 c) Investment Properties**

**Accounting policy:**

The Company uses the carrying value as the deemed cost of investment properties. Investments in property that are not intended to be occupied substantially for use by, or in the operations of the company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and borrowing cost, wherever applicable. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

The company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Rs. In Lakhs

| Description | Investment Property Land* | Investment Property Building | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| Balance as at April 1, 2025 | 16.71 | 136.89 | 153.60 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **Balance as at March 31, 2026** | **16.71** | **136.89** | **153.60** |
| **Accumulated Depreciation** | | | |
| Balance as at April 1, 2025 | - | 71.35 | 71.35 |
| Disposals | - | - | - |
| Depreciation for the year | - | 2.16 | 2.16 |
| **Balance as at March 31, 2026** | **-** | **73.51** | **73.51** |
| **Net Carrying Amount as at March 31, 2026** | **16.71** | **63.38** | **80.09** |
| **Net Carrying Amount as at March 31, 2025** | **16.71** | **65.54** | **82.25** |

1. Company had given 1.03 acre of land at Ambalamugal in Kochi to M/s. Sterling Gas Limited as operating lease under cancellable lease agreement. Investment properties are distinguished from owner occupied property based on area covered under lease agreement and the value of investment has been determined using pro-rata basis.
2. Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which, 55 flats covering 46594 Sq. ft. has been earmarked as investment property for letting out.

*The fair value of investment property has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The land at Kochi has been revalued by professionally qualified independent Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 29.03.2026.

Rs. In Lakhs

| Fair value of investment property (Land) | 2025-26 | 2024-25 |
|---|---|---|
| Investment property-Sterling Gas Ltd | 174.89 | 174.89 |
| Investment property-Township | 445.62 | 445.62 |
| **Total** | **620.51** | **620.51** |

| Amounts recognised in profit or loss for investment properties | 2025-26 | 2024-25 |
|---|---|---|
| Rental income including contingent rent | 38.12 | 36.48 |
| Direct operating expenses from property that generated Rental Income | 17.83 | 9.00 |
| Direct operating expenses from property that did not generate rental income | 11.02 | 7.50 |
| **Income from investment properties before depreciation** | **9.27** | **19.98** |
| Depreciation | 2.16 | 2.16 |
| **Income from investment properties** | **7.11** | **17.82** |

### 3 d) Other Intangible Assets

**Accounting policy:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with definite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Research costs are expensed as and when incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Rs. In Lakhs

| Description | Computer software | Total |
|---|---|---|
| **Gross Carrying Amount** | | |
| Balance as at April 1, 2025 | 455.80 | 455.80 |
| Additions | - | - |
| Deletions | - | - |
| **Balance as at March 31, 2026** | **455.80** | **455.80** |
| Amortization | | |
| Balance as at April 1, 2025 | 439.48 | 439.48 |
| Deletions | - | - |
| Amortization for the year | 5.55 | 5.55 |
| **Balance as at March 31, 2026** | **445.03** | **445.03** |
| **Net Carrying Amount as at March 31, 2026** | **10.77** | **10.77** |
| **Net Carrying Amount as at March 31, 2025** | **16.32** | **16.32** |

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

### 3 e) Assets held for sale

**Accounting policy:**

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale transactions rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.Property, Plant and Equipment and intangible assets are not depreciated or amortised once classified as held for sale and they are revalued at every three to five years depending on observation of external and internal indicators of impairment.

Rs. In Lakhs

| Description | NET CARRYING AMOUNT | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Land | 94,425.42 | 94,425.42 |
| Buildings | 65.15 | 65.15 |
| Plant and Equipment | 58.81 | 58.81 |
| Furniture, Fixtures and Equipment | 0.94 | 0.94 |
| **Total** | **94,550.32** | **94,550.32** |

Note: The Company is in the process of implementing of the Govt. Approved restructuring plan vide order dated May 22, 2017, the Company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbered land (Direct sale of 152 acres of land to BPCL) in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

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

   During the year, there were no changes in the status of the assets classified as “Assets Held for Sale.” The Management continues to be committed to the plan to sell these assets. The delay in completion of the sale has occurred due to circumstances beyond the control of the Management. Accordingly, the assets continue to be classified as “Assets Held for Sale” in accordance with the applicable accounting standards. The Management expects the sale of these assets to be completed within one year.

b) As per the communication received from Municipal commissioner Panvel, regarding the actual area of plot No.11 & 12 of survey No.738 on which there is a public road passing through and thereby the total area of Panel land available for sale has reduced from 8 acre to 7.09 acre. Accordingly the reserve price (fair value) has been reduced to Rs.158 crore. Collector of Raigad in the report on the issue of NOC has recommended charging of 40% as unearned income. The company is in the process of obtaining necessary approval from Administrative Ministry. The sale transaction has not been finalised or confirmed as at 31st March 2026. Accordingly, no liability towards unearned income or any other related obligation has been recognised in the financial statements for the year ended 31st March 2026.

## 4. Financial Assets

### 4a Investments

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Non Current Asset** | | |
| **Investments designated at fair value through OCI** | | |
| **(A) Investments in Equity Instruments** | | |
| a. Investment in Subsidiary – Hindustan Fluorocarbons Ltd. (Unquoted) (2275084*Rs. 17.76 )+(11060000*Rs. 10) (previous year 11060000 * Rs.10) Equity Shares fully paid in Hindustan Fluorocarbons Ltd. (Holding 68.04% Previous year 56.43% of shares) Refer Note No, 32 (a) | 1,510.05 | 1,106.00 |
| **Add:** Fair Value Gain in value of investment (Market value as on 31.03.2026 Rs.17.92, Rs. 12.52 as per share as on 31-03-2025) (Face value Rs.10 per share) | 879.59 | 278.71 |
| **Sub-total (a)** | **2,389.64** | **1,384.71** |
| b. Investment in Unquoted Equity Shares of Kerala Enviro Infrastructure Ltd (50000 Unquoted Equity Shares @ Rs.10/-) | 5.00 | 5.00 |
| Add: Fair Value Gain in value of investment (Market value as on 31.03.2026 Rs.36.68 Less Face value Rs.10 per share* | 13.34 | - |
| **Sub-total (b)** | **18.34** | **5.00** |
| **Total (a+b)** | **2,407.98** | **1,389.71** |
| Aggregate amount of unquoted investments (Fair Value) | 2,407.98 | 1,384.71 |
| Aggregate amount of unquoted investments (Cost) | 1,515.05 | 1,111.00 |
| Aggregate cumulative fair value gain on investments | 892.93 | 278.71 |
| **Total** | **2,407.98** | **1,389.71** |

*The Company has measured its investment in equity shares of Kerala Enviro Infrastructure Limited at fair value through Other Comprehensive Income (FVTOCI) in accordance with applicable provisions of Ind AS 109 and Ind AS 113. The fair valuation of the investment as at 31 March 2026 was conducted by an independent registered valuer, CA Pantu Jose (IBBI Registration No. IBBI/RV/06/2024/15622).The valuation was carried out using the Income Approach – Discounted Cash Flow (DCF) Method, which was considered appropriate based on the nature of the investment and future cash flow projections. The valuer determined the fair value of the equity shares at Rs. 36.68 per share.Accordingly, a fair value gain of Rs.13.34 lakhs arising on remeasurement of the investment has been recognised in Other Comprehensive Income (OCI) during the year.

### 4b Other Financial Assets

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| (Considered good - Unsecured) | | |
| Carried at amortized cost | | |
| **Deposits:** | | |
| I ) KSEB | 253.78 | 253.41 |
| ii) EMD & Rent | 3.19 | 47.49 |
| iii) Telephone Deposit | 1.68 | 1.68 |
| iv) Accrued Income on Employee Advances | 0.26 | 1.62 |
| **Total** | **258.91** | **304.20** |

### 5. Other Non-Current Assets

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| I) Other Deposits with authorities and high court | 276.89 | 276.89 |
| **Total** | **276.89** | **276.89** |

### 6. Inventories

**Accounting policy:**

(I) Stores and spares, packing materials and raw materials are valued at lower of cost and net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi-finished products and finished products are valued at lower of cost and net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

(iii) By-products are valued at estimated net realizable value.

(iv) Trading goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Allowances against obsolete and slow-moving inventoriesThe Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use, on the basis of technical assessment. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date providing provision for slow-moving inventory at 50% and in the case of obsolete items at 100%.

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| a. Raw materials | 413.85 | 550.56 |
| b. Work in progress | 815.37 | 1,028.93 |
| c. Finished goods | 1,146.80 | 2,185.18 |
| d. Stores, Spare Parts and Packing Material | 2,544.94 | 2,143.74 |
| e. Stores in Transit | 38.58 | 18.79 |
| Less: Allowances for obsolescence of stores and spares. * | (329.42) | (331.85) |
| Total | 4,630.12 | 5,595.35 |

* During the year, the Company has written back excess allowances for obsolescence of stores and spares amounting to Rs.2.43 Lakhs.

### 7. Trade Receivables

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 1,174.37 | 2,007.16 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables- credit impaired | 972.11 | 972.11 |
| Less: Allowance for doubtful trade receivable | (972.11) | (972.11) |
| Less: Bills Receivables discounted | - | - |
| Less: Discount payable to customers | (463.56) | (485.49) |
| **Total** | **710.81** | **1,521.67** |

Allowance for doubtful trade receivable is made, which in the opinion of the management are considered credit impaired. The Company is consistently following the practice of creating allowance for those trade receivables which remain outstanding for more than three years or doubtful of recovery. Trade receivables between two to three years showing significant credit risk have been provided for allowance.

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

Rs. In Lakhs

| Allowance for Doubtful Trade Receivables | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Provision at the beginning of the year | 972.11 | 1,471.55 |
| Provisions made during the year | - | 1.41 |
| Released during the year * | - | 500.85 |
| **Provision at the end of the year** | **972.11** | **972.11** |

* During the year, the Company has not written off any trade receivables (previous year: Rs. 500.85), against which an allowance had already been provided in earlier periods.

**Trade Receivables ageing schedule**

Rs. In Lakhs

| Particulars | Not due (less than 60 days) | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1year | 1-2 years | 2-3 years | More than 3 years | |
| **Current Year 2025-26** | | | | | | | |
| (i) Undisputed Trade receivables - considered good | 430.39 | 280.42 | | | | | 710.81 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | | | | | | | 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | | | | | | 1.41 | 1.41 |
| (iv) Disputed Trade Receivables- considered good | | | | | | | 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | | | | | | 970.70 | 970.70 |
| (vi) Disputed Trade Receivables - credit impaired | | | | | | | 0.00 |
| Total | 1,521.67 | 0.00 | 0.00 | 0.00 | 0.00 | 972.11 | 2,493.78 |
| Less: Allowances for expected credit loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 972.11 | 972.11 |
| **Net Amount** | **1,521.67** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **1,521.67** |

| Particulars | Not due (less than 60 days) | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1year | 1-2 years | 2-3 years | More than 3 years | |
| **PreviousYear 2024-25** | | | | | | | |
| (i) Undisputed Trade receivables - considered good | 1,521.67 | | | | | | 1,521.67 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | | | | | | | 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | | | | | | 1.41 | 1.41 |
| (iv) Disputed Trade Receivables- considered good | | | | | | | 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | | | | | | 970.70 | 970.70 |
| (vi) Disputed Trade Receivables - credit impaired | | | | | | | 0.00 |
| Total | 1,521.67 | 0.00 | 0.00 | 0.00 | 0.00 | 972.11 | 2,493.78 |
| Less: Allowances for expected credit loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 972.11 | 972.11 |
| **Net Amount** | **1,521.67** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **1,521.67** |

### 8. Cash and cash equivalents

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Balances with banks (of the nature of cash and cash equivalents): | | |
| Current Accounts | 16.27 | 18.34 |
| Cash on Hand | 0.01 | 0.57 |
| **Cash and cash equivalents as per the statement of Cash flow** | **16.28** | **18.91** |

### 9. Other Bank Balances

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Fixed Deposit against BG/LC | 5,866.30 | 5,892.45 |
| Deposit with original maturity of more than three months but less than twelve months | 17,519.19 | 16,649.49 |
| **Total** | **23,385.49** | **22,541.94** |

Bank overdrafts have been availed against fixed deposits. The outstanding overdraft balance as at 31 March 2026 amounts to Rs. 13,198.36 lakhs (previous year: Rs. 11,139.61 lakhs).

### 10. Loans (Current Asset)

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **A) Current Loans and Advances to Subsidiary Company (Secured, Considered good)*** | | |
| M/s. Hindustan Fluorocarbons Ltd. | 3,197.08 | 3,197.08 |
| Less: Receipts from HFL during the year (Refer Note No. 32b) | (286.98) | - |
| | 2,910.10 | 3,197.08 |
| **(B) Loans to employees** | | |
| Loans Receivables unsecured, considered good | 16.55 | 16.50 |
| Less: Provision for Doubtful repayment | (4.49) | (4.49) |
| | 12.06 | 12.01 |
| **(C) Advance to suppliers** | | |
| Unsecured, Considered doubtful | 65.00 | 65.00 |
| Less: Allowance for doubtful advance to suppliers | 65.00 | 65.00 |
| | - | - |
| **Total (A+B+C)** | **2,922.16** | **3,209.09** |

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

* Refer Note No. 32(b)

### 11. Other Financial Assets

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **A) Interest receivable (Unsecured, Considered good)** | | |
| (I) Accrued Interest on Deposits (a) | 555.65 | 601.47 |
| (ii) Accrued Interest on Advance* | 106.08 | 106.08 |
| Less: Provision for Doubtful repayment | 106.08 | 106.08 |
| **Net amount (A)** | - | - |
| **B) Receivables from Subsidiary Company Refer Note No. 32(b)** | | |
| Unsecured, considered good | | |
| I) Interest on loan | 1,075.05 | 1,075.05 |
| Receipts from HFL during the year* | (1,075.05) | - |
| **Total** | - | 1,075.05 |
| ii) Short term advance | 125.03 | 19.39 |
| **Net amount (B)** | 125.03 | 1,094.44 |
| **C) Escrow account ***** | 957.98 | - |
| **Total (A+B+C)** | **1,638.66** | **1,695.91** |

*Accrued interest of Rs. 106.08 lakhs was due for receipt as at the balance sheet date and accordingly has been classified under Current Assets.

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

***In accordance with the provisions of the SEBI (Delisting of Equity Shares) Regulations, the Company deposited Rs. 1,362.03 lakhs into an escrow account. Out of the total amount, Rs. 404.05 lakhs was utilised towards acquisition of public shareholding pursuant to the delisting process. The remaining balance of Rs. 957.98 lakhs continues to be held in the escrow account as at March 31, 2026.

### 12. Other Current Assets

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| I) Deposits with the Collectorate of Central Excise and Customs | 1.89 | 1.89 |
| Less : Allowances for doubtful advance | 1.89 | 1.89 |
| **Sub-total (a)** | - | - |
| ii) Statutory receivables - Duties & Taxes, Prepaid Taxes | 324.11 | 712.30 |
| Less : Allowances for doubtful advance | - | - |
| **Sub-total (b)** | **324.11** | **712.30** |
| iii) Advances to Suppliers | 31.54 | 83.35 |
| Less : Allowances for doubtful advance | 1.83 | 1.83 |
| **Sub-total (c)** | **29.71** | **81.52** |
| iv) Prepaid Expense | 126.66 | 121.28 |
| v) Other Advances Recoverable | 32.80 | 30.33 |
| vi) Recoverable from Employees | 60.41 | 60.41 |
| **Sub-total** | **219.87** | **212.02** |
| Less : Allowances for doubtful advance | 60.64 | 60.64 |
| **Sub-total (d)** | **159.23** | **151.38** |
| **Total (a+b+c+d)** | **513.05** | **945.20** |

**13. Equity Share Capital**

Rs. in Lakhs

| Description | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | **Nos.** | **Rs.** | **Nos.** | **Rs.** |
| **Authorised Share Capital** | | | | |
| Equity Shares of Rs. 10 each | | | | |
| Opening Balance | 100,000,000.00 | 10,000.00 | 100,000,000.00 | 10,000.00 |
| Increase/(decrease) during the year | - | - | - | - |
| **Closing Balance** | **100,000,000.00** | **10,000.00** | **100,000,000.00** | **10,000.00** |
| Preference Shares of Rs. 10 each | | | | |
| Opening Balance | 270,000,000.00 | 27,000.00 | 270,000,000.00 | 27,000.00 |
| Increase/(decrease) during the year | - | - | - | - |
| **Closing Balance** | **270,000,000.00** | **27,000.00** | **270,000,000.00** | **27,000.00** |
| **Total authorised capital** | **370,000,000.00** | **37,000.00** | **370,000,000.00** | **37,000.00** |
| **Issued equity capital** | | | | |
| Equity shares of Rs. 10 each issued, subscribed and fully paid | | | | |
| **Opening Balance** | **67,173,100.00** | **6,717.31** | **67,173,100.00** | **6,717.31** |
| Add: Paid-up amount on shares forfeited | - | 9.65 | - | 9.65 |
| Increase/(decrease) during the year | - | - | - | - |
| **Total - Equity share capital** | **67,173,100.00** | **6,726.96** | **67,173,100.00** | **6,726.96** |

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having at par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

| Name of the shareholder | As at 31.03.2026 | | As at 31.03.2025 | | % change during the year |
|---|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding | |
| Equity shares of INR 10 each fully paid: The Government of India (Promoter) | 39,481,500 | 58.78% | 39,481,500 | 58.78% | Nil |

During the year 2010-11, the Company forfeited 1,93,000 shares of Rs.10 each (Rs.5 paid up) for non payment of allotment and call monies and the amount paid towards application money in respect of these forfeited shares has been transferred to “Share’s Forfeiture Account”.

**14. Other Equity**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **a) Securities Premium *** | | |
| **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 | (68,845.08) | (107,999.21) |
| Restated balance at the beginning of the period | (68,845.08) | (107,999.21) |
| Add: Profit / (Loss) for the year | (1,289.38) | 39,154.13 |
| Add: Gain/Loss recognised through OCI (sale of land) | - | - |
| **Closing Balance** | **(70,134.46)** | **(68,845.08)** |
| **c) Other Equity** | **As at 31.03.2026** | **As at 31.03.2025** |
| Opening Balance | 70,586.46 | - |
| Add: Waiver of GoI loan and Preference shares** | - | 70,586.46 |
| **Closing Balance** | **70,586.46** | **70,586.46** |
| **d) Other comprehensive income** | **As at 31.03.2026** | **As at 31.03.2025** |
| **I) Revaluation of Property, plant & Equipment** | | |
| Opening Balance | 96,297.28 | 96,297.28 |
| Add: Revaluation during the year (Note No.3a) | - | - |
| Add/(Less): Income tax (expense)/ benefit of the above | - | - |
| Less: Gain/Loss recognised through OCI (sale of land) | - | - |
| Add : Income tax (expense)/ benefit of the above | - | - |
| **Closing Balance** | **96,297.28** | **96,297.28** |
| **ii) Equity Instrument through Other Comprehensive Income** | | |
| Opening Balance | 197.71 | 489.04 |
| Add/Less: Net fair value gain/loss on investment in equity instruments through OCI | 614.22 | (410.33) |
| Less: Income tax (expense)/ benefit of the above | (154.00) | 119.00 |
| **Closing Balance** | **657.93** | **197.71** |
| **iii) Changes in Employees defined benefits plan** | | |
| Opening Balance | 679.25 | 766.36 |
| Add/Less: Revaluation during the year | - | - |
| Add/Less: Remeasurement of defined benefit plan | 17.33 | (87.11) |
| **Closing Balance** | **696.58** | **679.25** |
| **Total** | **97,651.79** | **97,174.24** |
| **Total Other Equity** | **102,942.36** | **103,754.19** |

* Securities Premium Reserve - Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

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

**15a. Lease**

**Accounting policy:**

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

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

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

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

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

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

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

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

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

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

The Company as a lessor Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

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

Rs. In Lakhs

| | Category of ROU asset | | |
|---|---|---|---|
| **2025-26** | Vehicle | Building | Total |
| Balance as at April 1, 2025 | - | 81.11 | 81.11 |
| Additions | 82.14 | 49.93 | 132.07 |
| Disposals | - | 70.45 | 70.45 |
| Depreciation | 9.58 | 16.50 | 26.08 |
| Balance as at March 31, 2026 | 72.56 | 44.09 | 116.65 |
| **2024-25** | | | |
| Balance as at April 1, 2024 | - | 106.73 | 106.73 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Depreciation | - | 25.62 | 25.62 |
| Balance as at March 31, 2025 | - | 81.11 | 81.11 |

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

**The following is the break-up of current and non-current lease liabilities as at March 31, 2026**

Rs. In Lakhs

| **Description** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Current liability | 22.94 | 23.94 |
| Non-current liability | 96.51 | 66.52 |
| **Total** | **119.45** | **90.46** |

**The movement in lease liabilities during the year ended March 31, 2026 as follows :**

Rs. In Lakhs

| | Category of ROU asset | | |
|---|---|---|---|
| **2025-26** | Vehicle | Building | Total |
| Balance as at April 1, 2025 | - | 90.46 | 90.46 |
| Additions | 82.14 | 49.79 | 131.93 |
| Finance cost accrued during the period | 3.25 | 4.73 | 7.98 |
| Deletions | - | (80.85) | (80.85) |
| Payment of lease liabilities | (11.41) | (18.66) | (30.07) |
| Translation Difference | - | - | - |
| **Balance as at March 31, 2026** | **73.98** | **45.47** | **119.45** |
| **2024-25** | | | |
| Balance as at April 1, 2024 | - | 111.51 | 111.51 |
| Additions | - | - | - |
| Finance cost accrued during the period | - | 7.75 | 7.75 |
| Deletions | - | - | - |
| Payment of lease liabilities | - | (28.80) | (28.80) |
| Translation Difference | - | - | - |
| **Balance as at March 31, 2025** | **-** | **90.46** | **90.46** |

During the financial year 2025–26, the Company terminated its earlier office lease agreement and entered into a new lease for office premises for a period of five years.The Company has also entered into a separate lease agreement for a fire tender vehicle for a period of five years. Both leases have been accounted for using the lease liability method, and accordingly, right-of-use assets and corresponding lease liabilities have been recognized in the Balance Sheet in accordance with applicable accounting standards.

**15 b. Provisions (Long term liability)**

Rs. In Lakhs

| **Description** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| I) Employee's Benefits - Leave encashment (Refer Note No.31) | 864.80 | 970.75 |
| iii) Other provision | 23.76 | 23.76 |
| Total | 888.56 | 994.51 |

**16. Deferred Tax liabilities**

Accounting policy: Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in the temporary differences will not reverse in the foreseeable future Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Fair Value of Land | 17,495.52 | 17,495.52 |
| Fair Value of Investment in HFL | 232.00 | 81.00 |
| Fair Value of Investment in KEIL | 3.00 | - |
| Net Deferred tax liability [Note No.39] | 17,730.52 | 17,576.52 |

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

17. **Borrowings**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **17 a) Non Current Financial Liabilities-Borrowings** | | |
| **Term Loan** | | |
| EMC Loan (Secured)* | 134.56 | 191.30 |
| **Total Non Current (a)** | **134.56** | **191.30** |
| **17 b) Current Financial Liabilities-Borrowings** | | |
| **From Bank** | | |
| Bank Overdraft*** | 19,067.58 | 11,139.61 |
| **From Other Loans** | | |
| Current maturity on EMC LOAN (Secured)* | 56.56 | 53.49 |
| **Total Current (b)** | **19,124.14** | **11,193.10** |
| **Total Borrowings (a+b)** | **19,258.70** | **11,384.40** |
| Aggregate Secured loans | 19,258.70 | 11,384.40 |
| Aggregate Unsecured loans | - | - |

Note

*Borrowings are initially recognised at fair value, net of transaction costs incurred. Subsequently, they are measured at amortised cost. Any difference between the net proceeds (after deducting transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowing using the effective interest rate (EIR) method.The Company availed a term loan of Rs. 299 lakhs from the Energy Management Centre (EMC) on 20 March 2024. The loan is repayable in 60 equal monthly instalments over a period of five years and is secured by a bank guarantee.The loan is measured at amortised cost using the effective interest rate method, with an effective interest rate of 5.59% per annum. Upfront processing fees and other transaction costs amounting to Rs. 12.67 lakhs have been deducted from the loan proceeds and are being amortised over the tenure of the loan using the EIR method.The term loan was obtained for the purpose of replacing existing compressors with energy-efficient compressors. The installation of the new compressors was completed on 28 July 2025.

**Details of Borrowings as at 31.03.2026 of Term Loan:** Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Net Carrying Amount at the beginning of the year | 244.79 | 286.33 |
| Principal Loan Amount | - | - |
| Interest charged for the Financial Year | 12.11 | 13.27 |
| Less: Processing Fees Paid | - | - |
| Less: Amount paid during the Financial Year | 65.78 | 54.81 |
| Net Carrying Amount | 191.12 | 244.79 |

***The Company has been sanctioned working capital facility from Bank on the basis of security of Fixed Deposits with Bank and is not required to submit any quarterly return or statements with the bank in respect of this facility.Additionally, during the year, the Company has availed a Cash Credit (CC) facility for working capital purposes, secured against inventory and trade receivables, with a sanctioned limit of Rs.6000.00 lakhs. The outstanding amount utilized under this facility as at the reporting date is Rs. 5,869.22 lakhs.

During the year 2025-26, on April 1, 2025, a transfer of Rs. 45.00 lakhs was made from PNB account to SBI account and was duly recorded in the SBI account on the same date. However, due to a technical issue at PNB, the transaction is reflected in the PNB account statement dated March 31, 2025. A clarification letter regarding this matter has been obtained from PNB.

17. **Trade Payables**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current - Trade Payables** | | |
| i) Outstanding dues of micro and small enterprises | 28.51 | 42.99 |
| ii) Outstanding dues of other than micro and small enterprises | 1,501.47 | 4,749.80 |
| Total | 1,529.98 | 4,792.79 |

**Amount due to Micro, Small and Medium enterprises**: Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| a) i) Principal amount remaining unpaid as at the end of each accounting year | 28.51 | 42.99 |
| ii) Amount of Interest paid by the buyer in terms of MSME Act 2006 | - | - |
| iii) Interest due and payable for the period of delay in payment | - | - |
| iv) Interest accrued and remaining unpaid | - | - |
| v) Interest due and payable even in | - | - |

b) Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. All the dues to them are paid within due date and there is no overdue amount as on the closing date.

**Trade payable ageing schedule**

Rs. In Lakhs

| Particulars | Not due (Less than 30 davs) | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Current Year 2025-26** | | | | | | |
| i) MSME | 27.86 | 0.65 | 0.00 | 0.00 | 0.00 | 28.51 |
| ii) Others | 1437.,29 | 1.54 | 62.64 | 0.00 | 0.00 | 1501.47 |
| iii) Disputed dues-MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iv) Disputed dues.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** | 1465.15 | 2.19 | 62.64 | 0.00 | 0.00 | 1529.98 |
| **Previous Year 2024-25** | | | | | | |
| i) MSME | 42.99 | 0.00 | 0.00 | 0.00 | 0.00 | 42.99 |
| ii) Others | 4700.82 | 48.98 | 0.00 | 0.00 | 0.00 | 4749.80 |
| iii) Disputed dues-MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iv) Disputed dues.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** | 47.43.81 | 48.98 | 0.00 | 0.00 | 0.00 | 4792.79 |

## 19. Other Current Financial Liabilities

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current - Trade Payables** | | |
| I) Deposits from Vendors / Customers | 342.05 | 364.28 |
| II) Creditors for capital goods | 2.50 | 452.54 |
| **Total** | **344.55** | **816.82** |

## 20. Other Current Liabilities

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current - Trade Payables** | | |
| I) Advances from customers | 295.74 | 236.02 |
| ii) Statutory Liabilities | 520.10 | 126.39 |
| iii) Employee related Liabilities | 97.14 | 120.77 |
| **iii) Net defined Benefit Asset with Gratuity Fund Trust (Refer Note No.31)** | | |
| Defined Benefit Obligation | 1,442.29 | 1,493.08 |
| Fair Value Of Plan Assets | (1,367.85) | (1,459.16) |
| Net Liability | 74.44 | 33.92 |
| iv) Payroll Recoveries Payable | 12.29 | 16.92 |
| v) Other Liabilities | 2,402.78 | 6,913.25 |
| Total | 3,402.49 | 7,447.27 |

## 21. Short Term Provisions

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current - Trade Payables** | | |
| I) Employee Benefits-Leave encashment (Refer Note No.31) | 255.92 | 218.40 |
| ii) Provision for wages | 1,299.00 | 1,047.00 |
| iii) Provision for Income Tax | - | 333.00 |
| Total | 1,554.92 | 1,598.40 |

## 22. Revenue from operations

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| Revenue from operations - Sales of Products | | |
| Phenol | 34,246.51 | 31,565.64 |
| Acetone | 16,868.70 | 17,080.48 |
| Hydrogen Peroxide | 2,525.00 | 2,233.01 |
| H. E. of Cumene | 2,193.51 | 1,889.95 |
| Cumox Oil | 1,003.70 | 817.68 |
| Cumene | 538.71 | - |
| **Total Revenue from Operations.** | **57,376.13** | **53,586.76** |

## 23. Other Income

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Direct income:** | | |
| Sale of Scrap | 51.74 | 111.73 |
| **Sub-total (a)** | **51.74** | **111.73** |
| **Interest income on** | | |
| On Call and Term Deposits (Gross)* | 1,702.35 | 1,694.58 |
| On Income tax refund | - | 1.22 |
| On Advances and Deposits with KSEB and others | 21.75 | 25.48 |
| Delayed payment & Finance charges from trade receivable | 2.12 | - |
| **Sub-total (b)** | **1,726.22** | **1,721.28** |
| Other non-operating income | | |
| Estate Rent | 54.16 | 51.16 |
| Exchange rate Diff - Gain | 10.07 | - |
| Excess provision written back | 2.43 | 321.05 |
| Unclaimed credit** | 10.15 | 44.16 |
| Miscellaneous Income*** | 71.85 | 25.73 |
| **Sub-total (C)** | **148.66** | **442.10** |
| **Total (a+b+c)** | **1,926.62** | **2,275.11** |

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| *** Excess Provision written back include the following:** | | |
| 1. Reversal of excess provision for doubtful debts**** | - | 319.40 |
| 2. Provision no longer required in various cases | - | 1.65 |
| 3. Excess Provision written back-Stores & Spares | 2.43 | - |
| Total | 2.43 | 321.05 |

****During the year 2024-25 an amount of Rs. 310.21 lakhs has been received towards old dues from M/s Indian Drugs and Pharmaceuticals. The corresponding provision has been written back.

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

*An amount of Rs. 0.58 lakhs (previous year Rs. 0.83 lakhs) has been recognized as income during the period on account of interest earned on a call term deposit. This deposit represents a security deposit placed in relation to lease arrangements accounted for under Right-of-Use (ROU) assets and corresponding lease liabilities.

**During the financial year 2025–26, unclaimed credit balances amounting to Rs. 10.15 lakhs (Previous Year Rs. 44.16 Lakhs) pertaining to various accounts were identified and, in accordance with applicable accounting policies, have been written back and recognized as income.

***During the year, the Company recognised miscellaneous income amounting to Rs. 10.39 lakhs. This includes income arising from the termination of a lease agreement relating to the Mumbai office premises. Upon termination of the lease, the Company derecognised the related lease balances, resulting in a net income of Rs. 0.21 lakhs, representing the difference between the security deposit of Rs. 2.70 lakhs and the prepaid Right-of-Use (ROU) asset of Rs. 2.49 lakhs. Accordingly, the net gain of Rs. 0.21 lakhs has been recognised under miscellaneous income in the Statement of Profit and Loss.

### 24. Cost of Raw Materials and Components Consumed

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| Stock at the beginning of the year | 550.56 | 1,918.97 |
| Add: Purchases | 39,697.29 | 41,327.08 |
| Less: Stock at the end of the year | 413.85 | 550.56 |
| **Total Cost of raw materials and components consumed** | **39,834.00** | **42,695.49** |

### 25. Changes in Inventories of Finished Goods and WIP

(Increase) / Decrease in inventory

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| Stock at the beginning of the year | | |
| (I) Stock-in-Process | 1,028.93 | 1,010.56 |
| (ii) Stock for Captive consumption | 344.05 | 227.36 |
| (iii) Finished Goods | 1,798.37 | 1,157.37 |
| (iv) By Products | 42.76 | 39.23 |
| **Sub-total (a)** | **3,214.11** | **2,434.52** |
| Stock at the end of the year | | |
| (I) Stock-in-Process | 815.37 | 1,028.93 |
| (ii) Stock for Captive consumption | 34.87 | 344.05 |
| (iii) Finished Goods | 1,083.97 | 1,798.37 |
| (iv) By Products | 27.96 | 42.76 |
| **Sub-total (b)** | **1,962.17** | **3,214.11** |
| **Changes in Inventories of finished goods and work in progress (a-b)** | **1,251.94** | **(779.59)** |

### 26. Employee Benefit Expense

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| a) Salary, Wages and allowances * | 3,287.84 | 3,473.22 |
| b) Contribution to Provident and Other funds | 317.31 | 328.39 |
| c) Gratuity payment including premium for Group Gratuity - cum-Life assurance scheme (Refer Note No.31) | 59.66 | 47.89 |
| d) Provision for Leave Encashment | 199.73 | 307.93 |
| e) Contribution to NPS | 39.70 | 134.77 |
| f) Staff welfare expenses | | |
| Medical amenities | 147.39 | 117.78 |
| Canteen and Nutrition amenities | 245.46 | 261.31 |
| Other welfare expenses | 73.52 | 73.62 |
| **Total** | **4,370.61** | **4,744.91** |

*Board recommended to implement salary revision of employees w.e.f. 25.01.2021 and the same was submitted to the Ministry of Chemicals and Fertilizers for approval. Company has provided Rs. 252 lakhs for the year 2024-25 and 2025-26 each.

### 27. Finance Costs

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Interest:** | | |
| On Fixed Loans (Govt. Loan)* | - | 2,499.39 |
| On Preference shares | - | 337.50 |
| Interest on advance from customers | 1,001.27 | 921.68 |
| Interest on Lease Liability | 7.98 | 7.75 |
| Interest onBank Over Draft | 962.25 | 500.45 |
| Interest on EMC Loan | 12.11 | 13.27 |
| Interest Others | 5.14 | - |
| **Total** | **1,988.75** | **4,280.04** |
| Other Borrowing Cost-Bank charges | 53.60 | 5.91 |
| **Total finance costs** | **2,042.35** | **4,285.95** |
| * Refer Note No. 30(a) | | |

### 28. Depreciation and Amortization Expense

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Depreciation** | | |
| Property, Plant and equipment | 160.12 | 129.09 |
| Investment Properties | 2.16 | 2.16 |
| Right-of-Use Asset | 26.08 | 25.62 |
| Amortization of intangible assets | 5.55 | 7.31 |
| **Total** | **193.91** | **164.18** |

### 29. Other Expenses

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Consumption of Stores and Spares** | | |
| I) Catalyst and Chemicals | 553.92 | 671.59 |
| ii) Consumable stores | 194.12 | 778.55 |
| iii) Packing materials | 444.26 | 366.99 |
| **Subtotal (a)** | **1,192.30** | **1,817.13** |

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Utilities** | | |
| Power | 2,192.51 | 2,302.97 |
| Fuel | 8,100.95 | 8,486.71 |
| Water | 336.60 | 365.22 |
| **Subtotal (b)** | **10,630.06** | **11,154.90** |
| **Repairs & Maintenance:** | | |
| Building | 75.37 | 224.29 |
| Plant and Machinery | 204.87 | 571.58 |
| Other Assets | 54.69 | 68.53 |
| **Subtotal (c)** | **334.93** | **864.40** |
| **Administration Expenses:** | | |
| Rent/Lease rent | 0.66 | 0.91 |
| Insurance | 419.67 | 324.13 |
| Rates and taxes | 344.71 | 359.09 |
| Consultancy, Professional and Legal Charges | 150.86 | 298.02 |
| **Payment to Auditors:** | | |
| Audit Fee | 4.60 | 4.60 |
| Taxation matters | 0.90 | 0.90 |
| Reimb. of Expenses | 0.34 | 1.03 |
| Other services | 0.30 | 0.30 |
| **Other expenses:** | | |
| Power for Township | 17.11 | 18.30 |
| Water for Township | 14.25 | 13.73 |
| Security Expenses | 247.68 | 248.43 |
| Other administrative expenses | 160.41 | 191.37 |
| Advertisement Expenses | 6.38 | 9.94 |
| Hire of Vehicles Expenses | 54.97 | 52.46 |
| Disposal of Assets | - | 0.24 |
| Other Misc. Exp. | 97.61 | 127.76 |
| **Subtotal (d)** | 1,520.45 | 1,651.21 |
| **Provisions:** | | |
| Provision for Stock Obsolescence | - | 50.91 |
| Provision for Unidentified assets | - | 0.63 |
| **Subtotal (e)** | **-** | **51.54** |
| **Total (a+b+c+d+e)** | **13,677.74** | **15,539.18** |

**30. Exceptional Items**

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **a) Waiver off interest on GOI loan and Preference Shares** | | |
| Interest on GOI loan | - | 47,359.79 |
| Interest on Preference Shares | - | 7,222.50 |
| **Total (a)** | **-** | **54,582.29** |
| b) Legal Cases (Harichandrai ) | | |
| Rent | - | 1,324.14 |
| Interest amount | (681.64) | 2,982.77 |
| **Total (b)** | **(681.64)** | **4,306.91** |
| **Total (a-b)** | **681.64** | **50,275.38** |

a) During the previous year, pursuant to Government of India (GOI) Order No. 1600/9/2024-IFD dated 21 March 2025, the GOI waived the long outstanding loan of Rs. 43,586.46 lakhs and Redeemable Preference Shares amounting to Rs. 27,000 lakhs, along with the accrued interest on the GOI loan of Rs. 47,359.79 lakhs, interest on preference shares of Rs. 7,222.50 lakhs, and penal interest on preference shares of Rs. 9,967.96 lakhs, outstanding as at 30 September 2024.

Accordingly, the principal amounts aggregating to Rs. 70,586.46 lakhs have been transferred to Other Equity. Further, the waiver of accrued interest and penal interest aggregating to Rs. 64,550.25 lakhs has been recognised as miscellaneous income in the Statement of Profit and Loss. Consequent to the waiver of the original interest liability, the interest on interest amounting to Rs. 68,294.06 lakhs, which was disclosed as contingent liability, no longer survives and has accordingly been withdrawn from contingent liabilities.

b) During the financial year 2024–25, the Company recognised a liability of Rs. 4,306.91 lakhs pursuant to the Order dated December 4, 2024, passed by the Hon'ble Bombay High Court in the matter of Mohit Suresh Harchandrai and Others vs. Hindustan Organic Chemicals Limited (HOCL). The Hon'ble High Court directed the Company to pay mesne profits amounting to Rs. 5,070 lakhs for the period from June 1, 2000 to April 23, 2014, together with interest thereon at the rate of 8% per annum. The Company had earlier deposited Rs. 250 lakhs in compliance with the said Order.Subsequently, the Company filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the aforesaid Order of the Hon'ble Bombay High Court. Pursuant to the directions of the Hon'ble Supreme Court, the applicable rate of interest was revised from 8% per annum to 6% per annum.

Consequent to the above revision, during the financial year 2025–26, the Company reversed excess interest amounting to Rs. 745.69 lakhs that had been recognised in the previous financial year. Further, the Company recognised interest expense at the revised rate of 6% per annum up to February 3, 2026, amounting to Rs. 106.05 lakhs.Accordingly, the Company has recognised a net exceptional income of Rs. 639.64 lakhs (being reversal of excess interest of Rs. 745.69 lakhs net of interest expense of Rs. 106.05 lakhs) during the financial year 2025–26. In addition, interest income of Rs. 42.00 lakhs earned on deposits has also been recognised under exceptional items.

The Company has deposited the entire amount, as directed by the Hon'ble Court, with the Hon'ble High Court on February 3, 2026.

**31 EMPLOYEES BENEFIT PLAN:**

**A. Provision for leave encashment**

The Company has made a provision and levied Rs.1,120.72 Lakhs (previous year Rs.1,189.15 Lakhs) for leave encashment as on 31st March, 2026, as per the Ind AS-19 based on Actuarial Valuation and the unpaid amount of leave encashment claims submitted by the employees.

**B. Provident fund**

Employees receive benefits from the provident fund managed by the Company upto 30th June 2018. From 1st July 2018 onwards the Company has transferred the Provident fund accounts of all employees to Employees Provident Fund Organisation (EPFO) and managed by EPFO. The employee and employer each make monthly contributions to the Provident Fund/Pension Fund plan equal to 12% of the employees' salary/wages.

**C. Gratuity**

Gratuity plan is governed by the Payment of Gratuity Act, 1972 and employee who has completed five years of service is entitled to gratuity and the level of benefits provided depended on the member's length of service and salary at retirement age. The Employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Trust through an Annuity Scheme maintained with Life Insurance Corporation of India (LIC). The Company has considered return on plan assets as Other Comprehensive Income for the period. The balance fund available with LIC is Rs.1,367.85 Lakhs (Previous year Rs.1,459.16 Lakhs) including deposit with ICICI Bank Rs.0.45 Lakhs (Previous year Rs. 0.45 Lakhs)

All dues on account of gratuity pertaining to employees of the Rasayani unit and Kochi unit who were relieved up to 31 March 2026 have been fully settled. Accordingly, there are no outstanding gratuity liabilities in respect of such employees as at the reporting date.Further, during the year, the Company has made provision for gratuity in accordance with the applicable provisions of the new labour code, including coverage for temporary, contract, and fixed-term employees (FTE), as applicable.

**1. Funded Status of the plan**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Present value of funded obligations | 1,442.29 | 1,493.08 |
| Fair value of plan assets | 1,367.85 | 1,459.16 |
| **Net Liability (Asset)** | **74.44** | **33.92** |

**2a. Profit and loss account for current period**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Current Service Cost | 59.38 | 57.16 |
| Past Service cost and loss/gain on curtailments and settlement | - | - |
| Net Interest cost | 0.28 | (9.27) |
| **Total included in 'Employee Benefit Expense' (P&L)** | **59.66** | **47.89** |

**2b. Other Comprehensive Income for the current period**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | (22.83) | 77.40 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | 15.04 | 13.91 |
| Return on plan assets including amounts included in interest income | (9.54) | (4.20) |
| **Amounts recognized in Other Comprehensive Income** | **(17.33)** | **87.11** |

**3. Reconciliation of defined benefit obligation**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Opening Defined Benefit Obligation | 1,493.08 | 1,550.72 |
| Transfer in/(out) obligation | - | - |
| Current service cost | 59.38 | 57.16 |
| Interest Cost | 91.08 | 99.60 |
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | (22.83) | 77.40 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | 15.04 | 13.93 |
| Past Service Cost | - | - |
| Loss(gain) on curtailments | - | - |
| Liabilities Extinguished on settlement | - | - |
| Liabilities assumed in an amalgamation in the nature of purchase | - | - |
| Exchange differences on foreign plans | - | - |
| Benefits paid | (193.46) | (305.73) |
| Closing defined benefit Obligation | 1,442.29 | 1,493.08 |

**4. Reconciliation of plan Assets**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Opening value of plan assets | 1,459.16 | 1,651.81 |
| Transfer in (out) plan assets | - | - |
| Expenses deducted from the fund | - | - |
| Interest Income | 90.80 | 108.87 |
| Return on plan assets excluding amounts included in interest income | 9.54 | 4.21 |
| Assets distributed on settlements | - | - |
| Contributions by employer | 1.81 | - |
| Assets acquired in an amalgamation in the nature of Purchase | - | - |
| Exchange rate differences on foreign plans | - | - |
| Benefits paid | (193.46) | (305.73) |
| **Closing value of plan assets** | **1,367.85** | **1,459.16** |

**5. Reconciliation of net defined benefit liability**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Net opening provision in books of accounts | 33.92 | (101.09) |
| Transfer in (out) obligation | - | - |
| Transfer (in) out plan assets | - | - |
| Employee benefits Expense | 59.66 | 47.89 |
| Amounts recognized in other comprehensive income | (17.33) | 87.12 |
| | 76.25 | 33.92 |
| Benefits paid by the Company | - | - |
| Benefits settled (Rasayani Unit) | - | - |
| Contributions to plan assets | (1.81) | - |
| Closing provision in the books of accounts | 74.44 | 33.92 |

**Reconciliation of Assets Ceiling**

Rs. In Lakhs

| **Particulars** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Opening Value of Assets Ceiling | - | - |
| Interest on Opening Value of Assets Ceiling | - | - |
| Loss/Gain on Assets due to surplus/Deficit | - | - |
| **Closing Value of Plan Assets Ceiling** | **-** | **-** |

**6. Composition of the Plan assets**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Opening Value of Assets Ceiling | - | - |
| Government of India Securities | 0% | 0% |
| State government securities | 0% | 0% |
| High Quality Corporate Bonds | 0% | 0% |
| Equity shares of listed companies | 0% | 0% |
| Property | 0% | 0% |
| Special Deposit Scheme | 0% | 0% |
| Policy of Insurance | 100% | 100% |
| Bank Balance | 0% | 0% |
| Other Investments | 0% | 0% |
| Total | 100% | 100% |

**7. Bifurcation of liability as per schedule III**

Rs. In Lakhs

| **Particulars** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Current liability | 74.44 | 33.92 |
| Non - Current liability | - | - |
| **Net Liability** | **74.44** | **33.92** |

**8. Principle actuarial assumptions**

Rs. In Lakhs

| **Particulars** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Discount Rate | 6.90% | 6.60% |
| Salary Growth rate | 6.00% | 6.00% |
| Withdrawal rates | 3% at Younger ages reducing to 1% p a% at older | 3% at Younger ages reducing to 1% p a% at older |
| **Rate of Return on Plan Assets** | **6.90% pa** | **6.60% pa** |

**9. Maturity Profile of Defined Benefit Obligation**

| | **As at 31.03.2026** | |
|---|---|---|
| | **Cash Flows Rs. In Lakhs** | **Distribution (%)** |
| Net opening provision in books of accounts | 33.92 | (101.09) |
| Year 1 Cash Flow | 296.10 | 13.70% |
| Year 2 Cash Flow | 170.70 | 07.90% |
| Year 3 Cash Flow | 272.93 | 12.60% |
| Year 4 Cash Flow | 214.67 | 09.90% |
| Year 5 Cash Flow | 84.66 | 03.90% |
| Year 6 to Year 10 | 497.44 | 23.00% |

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

The expected contribution for the next year is Rs 74.44 Lakhs.

The Average outstanding term of obligations (years) as at valuation date is 5.22 years

**10. Sensitivity to key assumptions**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discount Rate Sensitivity | | |
| Increase by 0.5 % | 1,405.74 | 1,453.84 |
| (% change) | -2.53% | -2.63% |
| Decrease by 0.5% | 1,480.75 | 1,534.39 |
| (% change) | 2.67% | 2.77% |
| Salary Growth rate Sensitivity | | |
| Increase by 0.5 % | 1,456.45 | 1,508.39 |
| (% change) | 0.98% | 1.03% |
| Decrease by 0.5% | 1,426.87 | 1,476.26 |
| (% change) | -1.07% | -1.13% |
| Withdrawal rate(W R) Sensitivity | | |
| W. R x 110% | 1,445.78 | 1,496.66 |
| (% change) | 0.24% | 0.24% |
| W. R x 90% | 1,438.81 | 1,489.72 |
| (% change) | -0.24% | -0.22% |

**A description of methods used for sensitivity analysis and its Limitations:**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if the two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

**Appendix A: Break-up of defined benefit obligation**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Vested | 1,402.88 | 1,483.30 |
| Non-vested | 39.41 | 9.77 |
| **Total** | **1,442.29** | **1,493.07** |

**Appendix B: Age wise distribution of defined benefit obligation**

Rs. In Lakhs

| Age (In years) | DBO | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Less than 25 | 0.71 | - |
| 25 to 35 | 33.51 | 9.98 |
| 35 to 45 | 187.23 | 211.71 |
| 45 to 55 | 628.52 | 741.88 |
| 55 and above | 592.32 | 529.50 |
| Accrued gratuity for Left Employees | - | - |
| **Total** | **1,442.29** | **1,493.07** |

**Appendix C: Past service wise distribution of defined benefit obligation**

Rs. In Lakhs

| Age (In years) | DBO | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Net opening provision in books of accounts | 33.92 | (101.09) |
| 0 to 4 | 37.66 | 9.77 |
| 4 to 10 | 1.76 | 3.63 |
| 10 to 15 | 104.68 | 155.27 |
| 15 and above | 1,298.19 | 1,324.40 |
| Accrued gratuity for Left Employees | - | - |
| **Total** | **1,442.29** | **1,493.07** |

## MAJOR RISK TO THE PLAN

**A. Actuarial 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 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discount rate | 6.60% p.a | 6.60% p.a |
| Salary Growth rate | 6.00% p a | 6.00% p a |
| Rate of Return on Plan Assets | 6.90% p a | 6.60% p a |

Demographic Assumptions

**Withdrawal rates p.a (Table 10)**

| Age Band | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| 25 and below | 3.00% | 3.00% |
| 25 to 35 | 2.50% | 2.50% |
| 35 to 45 | 2.00% | 2.00% |
| 45 to 55 | 1.50% | 1.50% |
| 55 and above | 1.00% | 1.00% |

Mortality rates

**Sample rates p.a of Indian Assured Lives Mortality (2012-14) Table 11**

| Age Band | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| 20 | 0.09% | 0.09% |
| 30 | 0.10% | 0.10% |
| 40 | 0.17% | 0.17% |
| 50 | 0.44% | 0.44% |
| 60 | 1.12% | 1.12% |

Method of Valuation

Actuaries has used projected unit credit (PUC) Method to value the Defined benefit obligation.

**32. INVESTMENT**

a) Hindustan Fluorocarbons Limited ("HFL") is a subsidiary company of Hindustan Organic Chemicals Limited ("HOCL"). The Company holds an investment of Rs. 1,106.00 lakhs in the equity shares of its subsidiary, HFL (1,10,60,000 equity shares of face value of Rs. 10 each). The Government of India, pursuant to the decision of the Cabinet Committee on Economic Affairs (CCEA) dated 29 January 2020, approved the closure of HFL.

The Company initiated the process for delisting the equity shares of the subsidiary company from BSE Limited. Accordingly, a Merchant Banker was appointed and an amount of Rs. 1362.03 lakhs was deposited in an Escrow Account for payment to 76,69,100 public shareholders at Rs. 17.76 per share. In accordance with Notice No. 20260122-22 dated 22 January 2026 issued by BSE Limited, the equity shares of the Company's subsidiary were delisted from the records of BSE with effect from 6 February 2026.Pursuant to the said delisting, the Company, being the acquirer, acquired 22,75,084 equity shares of the subsidiary company on 31 March 2026 at a price of Rs. 17.76 per share. The acquisition has been confirmed by the stock broker, M/s Nikunj Stock Brokers Limited in the Demat account held with NSDL and by RTA M/s KFin Technologies Limited. The valuation methodology adopted for determining the share value was based on the Net Asset Value (NAV) approach. The valuation was carried out by Independent Registered Valuer, Mr. Bhavesh M. Rathod, Registered Valuer – Securities or Financial Assets (Registration No. IBBI/RV/06/2019/10708), vide valuation report dated 07 October 2024. Such shares held with the aforementioned parties has been recognised as investent on 31st March 2026 at fair value determined by a registered valuer.

As at 31 March 2026, the investment in equity shares of HFL has been valued at Rs. 17.92 per share based on the valuation carried out by Independent Registered Valuer, Mrs. Sreedevi S Kumar, Registered Valuer – Securities or Financial Assets (Reg. No. IBBI/RV/06/2025/15970), vide valuation report dated 07.05.2026, using the Net Asset Value (NAV) method.Consequent to the change in the valuation basis from quoted market price to NAV, the fair value hierarchy of the investment has been reclassified from Level 1 to Level 3 in accordance with the applicable accounting standards.

The share value of HFL equity shares has been determined at Rs. 17.92 per share as at 31 March 2026 as against Rs. 12.52 per share as at 31 March 2025. The resultant fair value gain on investment in the equity shares of the subsidiary company has been recognised in Other Comprehensive Income.

b) During the year 2007–08, the Modified Draft Rehabilitation Scheme (MDRS) for the revival of Hindustan Fluorocarbons Limited ("HFL"), a subsidiary company, was approved by BIFR for implementation. As part of the implementation of the MDRS, Hindustan Organic Chemicals Limited ("HOCL") waived accumulated interest amounting to Rs. 2,260.26 lakhs on loans granted to HFL and converted the unsecured loan amounting to Rs. 2,744.07 lakhs into a Zero Coupon Loan (ZCL). The said loan was secured by creation of a first charge on the immovable properties of HFL in favour of HOCL.The Zero Coupon Loan was repayable in seven equal annual instalments commencing from 2010–11, aggregating to Rs. 2,744.07 lakhs (Previous Year: Rs. 2,744.07 lakhs), which has become due and payable in full.Further, the Company had extended additional loans to HFL aggregating to Rs. 453.01 lakhs (Previous Year: Rs. 453.01 lakhs) carrying interest ranging from 10.25% to 14.50% per annum, which have also become due and payable in full. These loans are likewise secured by a first charge on the immovable properties of HFL. Interest accrued on these loans up to 31 March 2023 amounted to Rs. 1,075.05 lakhs.

Additionally, the Company had incurred an amount of Rs. 125.03 lakhs towards delisting expenses and day-to-day operational expenses of HFL. During the year, the Company received Rs. 1,362.03 lakhs from HFL. Out of the said amount, accrued interest receivable amounting to Rs. 1,075.05 lakhs was fully settled, and the balance amount of Rs. 286.98 lakhs was adjusted against the principal amount of the loan.

As per the valuation report by an external registered independent valuer having professional qualification the value of the secured property of 84 acre and 31 gunthas acre of land is Rs.10,196.71 lakhs ( Rudram Village 32 acre and 26 gunthas valued at Rs.4,898.81 Lakhs and Edathanoor village 52 acre and 5 gunthas valued at Rs. 5,297.99 Lakhs),as on date 31.03.2026. The company will recover the said receivables from the proceeds of the secured property, hence no provision is required to be made in this regard.

**33. EARNING PER SHARE**

| Earnings per share has been calculated as follows: | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Net Profit/(Loss) after Tax (Rs. in lakhs) | (1289.38) | 39,154.13 |
| Weighted average number of equity shares | 67,173,100.00 | 67,173,100.00 |
| Nominal Value per equity share (Rs.) | 10.00 | 10.00 |
| Basic / Diluted Earning per equity share (Rs.) | (1.92) | 58.29 |

**34. SEGMENT REPORTING**

Since the Company is manufacturing only Chemicals, there are no separate reportable primary and secondary segments and all the chemicals manufactured by the Company are considered to have been representing as single reportable segment. The requirements of Indian Accounting Standard 108 with regard to disclosure of segmental results are therefore considered not applicable to the Company.

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

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **I) Contingent Liabilities** | | |
| **a) Claims against the Company not Acknowledged as debts:*** | | |
| I) Income Tax Claims | 91.99 | 91.99 |
| ii) Excise duty / Service tax | 104.63 | 104.63 |
| iii) Gratuity for School teachers | 75.31 | 75.31 |
| iv) Other claims (Legal cases) | | |
| a) MACT Thrissur | 118.00 | 118.00 |
| b) ESIC | 2.17 | 2.17 |
| c) M/s Shetusha Engineers & Constructions Pvt. Ltd.(SECPL) | 113.35 | 113.35 |
| d) M/s Vakharia Construction Company | 39.38 | 39.38 |
| e) Saikripa food Service Pvt ltd | 34.00 | 34.00 |
| f) Employees Related claims | 83.42 | 83.42 |
| g) EPFO Ernakulam | 38.44 | 38.44 |
| h) Employees from Rasayani | 10.00 | 10.00 |
| v) JNPT lease rent | 3,318.86 | 3,318.86 |
| vi) GST | 41.97 | 41.97 |
| | **4,071.52** | **4,071.52** |
| **b) Bank Guarantees issued from Banks** | 5,866.30 | 5,892.45 |
| ii) Commitments: | | |
| Estimated amount of Contracts remaining to be executed on capital account and not provided for: | | |

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

**a) Claims against the Company not Acknowledged as debts:**

**I) Income Tax Claims: Rs.92.00 Lakhs.**

There are various appeals for Assessment years are pending before authorities i.e. ITAT, High Court and other forums. The Company is awaiting for hearing, the details are as follows:-

AY 2002-03 Rs. 70.49 Lakhs and AY 2011-12 Rs.21.50 Lakhs.

The above assessments are under disputes at various appellate authorities. The Company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

**ii) Excise duty / Service tax**

The Company has ongoing disputes with Central excise authorities relating to the period 2006-07, amounting to Rs.104.63 Lakhs. Company has filed Appeals at various Tribunals. The above assessments are under disputes at various appellate authorities. The Company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

**iii) Gratuity for School teachers**

Case filed by the teaching staff of HOC Rasayani School for the period up to March 1997, pending before Bombay High Court (Rs.75.31 Lakhs) (as on 31.03.2026).

**iv) Other claims (Legal cases): Rs.272.90 Lakhs.**

a) Case filed by the Company against the award passed by MAC Tribunel, Trichur in relation to Phenol Tanker accident in 1994 (Rs.118 Lakhs)(as on 31.03.2026)

b) ESI corporation has raised a demand for contribution during the period from 01.04.1992 to 31.10.1992 amounting to Rs.2.17 lakhs. The matter is pending with ESI Court, Ernakulam, as desired by the ESI Court we had applied for exemption from ESI Act to the Govt. of India, hence no liability is created and a contingent liability to that extend is provided.

c) The Company had invited open tender for work of construction of "Civil and Structural works for Construction of Plant Building, Technical Service Building, R&D Building, etc of PU System House Project. Company had issued the Work Order to M/s Shetusha Engineers & Constructions Pvt. Ltd. (SECPL). On account of delay and other shortcomings in the completion, company had deducted Liquidated damages. SECPL objected for the said deductions and filed an Arbitration Application before the Hon'ble High Court, Mumbai. Later the M/s SECPL had unconditionally withdrawn the said Arbitration Application from the Court. Further, M/s SECPL had filed Suit before the Hon'ble High Court, Mumbai against the Company for passing the Decree against the Company towards payment of Rs.113.35 Lakh including interest. The case is pending for final hearing (as on 31.03.2026).

d) The Company invoked the performance guarantee given by M/s Vakharia Construction Company, Mumbai (VCC) to whom civil contracts had been allotted 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 guarantee. The appeals filed before the Hight Court were dismissed. Now M/s VCC raised demand for bank guarantee commission paid to the bank and interest at the rate of 18% as the money decree passed by the Trial Court in favour of VCC was stayed due to filing civil application by the company. The liability estimated on this is Rs.39.38 lakhs and the matter is pending before court of law and accordingly shown under contingent liabilities (as on 31.03.2026).

e) Saikripa was a contractor engaged by HOCL Limited to provide canteen services at the Rasayani Unit under an agreement from 01.03.2013 to 28.02.2014, which was subsequently extended up to March 2016. Due to the poor financial condition of HOCL Limited, the company was unable to pay the monthly bills raised by Saikripa. As a result, Saikripa was unable to deposit the Provident Fund (PF) contributions of its employees with the PF authorities due to lack of funds. Subsequently, in October 2021, the Regional PF Commissioner-II, R.O. Thane (South), passed an order directing Saikripa to pay Rs.12.13 lakhs to the PF authorities towards interest. Saikripa has filed a case against this order before the Central Government Industrial Tribunal (CGIT), Mumbai. The estimated liability in this matter is Rs. 34.00 lakhs, and the case is currently pending before the CGIT, Mumbai.(as on 31.03.2026)

f) The Company has given the mandate for the personal loan of the employees to Canara Bank. Accordingly, Applicant had borrowed the loan from Canara Bank and HOC Limited was deducting EMI and depositing the same in bank. Further, HOC Limited informed the employees certain cut-off date for deduction from their salaries and informed employees to deposit their EMI directly in bank. The Applicant had not paid EMI after cut-off date fixed by HOC Limited. Further, Applicant filed the said case for not depositing the amount deducted by HOC Limited up to cut-off date. The estimated liability as on 31.03.2026 is Rs. 83.42 Lakhs(2+33+36+8+4.42)

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

h) A case has been filed before the Central Government Industrial Tribunal (CGIT), Ernakulam, by workmen who were transferred from the Rasayani unit, claiming the benefit of three additional increments granted to employees of the Kochi unit under a separate wage settlement in 2007. The three increments were granted to Kochi employees in recognition of the unit's performance. Following the closure of the Rasayani unit, certain workmen were transferred to Kochi and have subsequently raised an industrial dispute seeking parity in increments. The matter is pending adjudication before the CGIT.The estimated liability as on 31.03.2026 is Rs. 10.00 Lakhs

**v) JNPT lease rent: Rs.3,318.86 Lakhs.**

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land allotted to the Company for setting up Liquid Tank Farm on lease basis along with assets of the Company 'as is where is basis'. The JNPT raised a demand of Rs.4,124 lakhs towards lease rentals and other charges. The Company has instituted arbitral proceedings and Arbitral Tribunal issued the award in favour of the Company. The assets of the Company valued as per the MoU at Rs.1,638.50 lakhs and same is agreed and paid by M/s.JNPT. The undisputed amount of lease rent payable by the Company to JNPT was computed on a mutual understanding between the Parties on the basis of arbitral award is Rs. 805.13 lakhs and the same is paid by the Company. The disputed amount includes lease rentals Rs.2,974.51 lakhs, water charges 0.65 Lakhs, way leave charges Rs.297.09 Lakhs and Service tax of way leave charges Rs.46.61 lakhs. The Company has shown balance amount of demand of JNPT after adjusting undisputed 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 uncertainties in crystallisation of demand at this stage of litigation.

**vi) GST Demand Rs. 41.97 Lakhs.**

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

vii) 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.5866.30 Lakhs.**

The Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.250.35 lakhs, BPCL Rs.4,850.00 Lakhs, IOCL Rs. 520.00 lakhs and Rs.245.95 Lakhs to others. The Company does not expect any outflow in respect of the above.

**36 RELATED PARTY DISCLOSURE AS PER Ind- AS 24**

Since Government of India owns 58.78% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Rs. In Lakhs

| Sl. No. | Name of the Related Party Relationship | Relationship | Details of Transaction | Amt. of Transaction during 2025-26 | Outstanding at the end of the year (31.03.2026) | Amt. of Transaction during 2024-25 | Outstanding at the end of the year (31.03.2025) |
|---|---|---|---|---|---|---|---|
| 1 | Hindustan Fluorocarbon Ltd. (HFL) | Subsidiary company with 68.04% share holding. | Interest on loan given to HFL | 1,217.63 | 3,035.13 | 19.38 | 4,291.52 |
| 2 | Bharat Petroleum Corporation Ltd | Controlled by Government of India. | Purchase of Raw material (LPG, Benzene, FO, & H2) | 51,887.71 | 1,131.25 | 54,634.83 | 4,300.22 |
| 3 | Indian Oil Corporation Limited | Controlled by Government of India. | Purchase of Raw materials/ Fuel | 5,865.34 | 55.65 | 4,875.94 | (4.71) |
| 4 | GAIL | Controlled by Government of India. | Purchase of Raw materials/Fuel | 281.38 | 4.24 | - | - |
| 5 | The Fertilisers and Chemicals Travancore Limited (FACT) | Controlled by Government of India. | Purchase of Raw materials (Sulphuric Acid) | 61.76 | (0.73) | - | - |

**Trust constituted by the Company**

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | HOCL Group Gratuity Trust | Investment and interest on investment | 193.45 | 1,367.85 | 192.66 | 1,459.16 |

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Rs. In Lakhs

| Description | Short-term employee benefits | Post-term employee benefits | Other long-term benefits | Termination benefits | Share-based payments | Total |
|---|---|---|---|---|---|---|
| **2025-26** | | | | | | |
| **A. Remuneration to Whole time Director, Managing Director and/or Manager:** | | | | | | |
| Shri. Sangram Kumar Mishra, CMD (From 08.10.2025) | 17.26 | 3.23 | - | - | - | 20.49 |
| Shri. Sajeev B, CMD (Up to 31.05.2025) | 32.56 | 2.19 | - | - | - | 34.75 |
| Shri. Yogendra Prasad Shukla | 35.04 | 4.74 | - | - | - | 39.78 |
| **B. Remuneration to Other Directors** | | | | | | |
| **i) Govt. Nominee Directors** | | | | | | |
| Smt. Vandana (From 10.06.2025) | - | - | - | - | - | - |
| Shri Manoj Sethi | - | - | - | - | - | - |
| **ii) Independent Directors** | | | | | | |
| Shri. Subodh Kumar (From 21.05.2025) | 1.30 | - | - | - | - | 1.30 |
| Shri. Vinay Kumar Sharma (From 05.06.2025) | 1.30 | - | - | - | - | 1.30 |
| **C. Key Managerial Personnel** | | | | | | |
| Shri. Subramonian H | 16.17 | 2.23 | - | - | - | 18.40 |
| **Total** | **103.63** | **12.39** | **-** | **-** | **-** | **116.02** |
| **2024-25** | | | | | | |
| **A. Remuneration to Whole time Director, Managing Director and/or Manager:** | | | | | | |
| Shri. Sajeev B, CMD | 41.77 | 5.32 | - | - | - | 47.09 |
| Shri. Yogendra Prasad Shukla (From 04.07.22) | 32.22 | 4.48 | - | - | - | 36.70 |
| **B. Remuneration to Other Directors** | | | | | | |
| **I) Govt. Nominee Directors** | | | | | | |
| Shri Kanishk Kant Srivastava. | - | - | - | - | - | - |
| Shri Manoj Sethi | - | - | - | - | - | - |
| **ii) Independent Directors** | | | | | | |
| Dr. Bharat J. Kanabar (Up to 23.12.2024) | 1.10 | - | - | - | - | 1.10 |
| Shri Pratyush Mandal (Up to 23.12.2024) | 1.10 | - | - | - | - | 1.10 |
| **C. Key Managerial Personnel** | | | | | | |
| Shri. Subramonian H | 14.70 | 2.04 | - | - | - | 16.74 |
| **Total** | **90.89** | **11.84** | **-** | **-** | **-** | **102.73** |

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-37 Financial Instruments :**

**Accounting policy:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets:**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus(or minus) transaction costs. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

**Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)**

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. Debt instrument at Fair Value Through Profit or Loss (FVTPL) FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions tha are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

e) Financial guarantee contracts which are not measured as at FVTPL The Company follows 'simplified approach' for recognition of impairment loss allowance on:

**Trade receivables and Other receivables**

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial Instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instrumentsFinancial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**A Fair value measurement**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

**Level 1:** Includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset

**Financial assets and liabilities measured at fair value-recurring fair value measurements :**

Rs. In Lakhs

| Description | As at 31st March, 2026 | | | | As at 31st March, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets :** | | | | | | | | |
| Loans | - | - | 2,922.16 | 2,922.16 | - | - | 3,209.09 | 3,209.09 |
| Trade Receivables | - | - | 710.81 | 710.81 | - | - | 1,521.67 | 1,521.67 |
| Investments (Refern Note No.32(a)) | - | - | 2,407.98 | 2,407.98 | 1,384.71 | - | 5.00 | 1,389.71 |
| Cash and cash equivalents | - | - | 16.28 | 16.28 | - | - | 18.91 | 18.91 |
| Bank balances other than Cash | - | - | 23,385.49 | 23,385.49 | - | - | 22,541.94 | 22,541.94 |
| Other Financial Assets | - | - | 1,897.57 | 1,897.57 | - | - | 2,000.11 | 2,000.11 |
| **Total Financial assets** | **-** | **-** | **31,340.29** | **31,340.29** | **1,384.71** | **-** | **29,296.72** | **30,681.43** |
| **Financial Liabilities** | | | | | | | | - |
| Borrowings | - | - | 19,258.70 | 19,258.70 | - | - | 11,384.40 | 11,384.40 |
| Lease liabilities | | | 119.45 | 119.45 | | | 90.46 | 90.46 |
| Trade payables | - | - | 1,529.98 | 1,529.98 | - | - | 4,792.79 | 4,792.79 |
| Other Financial Liabilities | - | - | 344.55 | 344.55 | - | - | 816.82 | 816.82 |
| **Total Financial Liabilities** | **-** | **-** | **21,252.68** | **21,252.68** | **-** | **-** | **17,084.47** | **17,084.47** |

**Categories of Financial Instruments**
**A Fair Values hierarchy :**

Rs. In Lakhs

| Description | As at 31st March, 2026 | | | | As at 31st March, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | FVTPL | FVOCI | Amortised Cost | Total |
| **Financial Assets :** | | | | | | | | |
| Loans | - | - | 2,922.16 | 2,922.16 | - | - | 3,209.09 | 3,209.09 |
| Financial assets : | | | | | | | | |
| Loans | - | - | 2,922.16 | 2,922.16 | - | - | 3,209.09 | 3,209.09 |
| Trade Receivables | - | - | 710.81 | 710.81 | - | - | 1,521.67 | 1,521.67 |
| Investments | - | 2,407.98 | - | 2,407.98 | - | 1,389.71 | - | 1,389.71 |
| Cash and cash equivalents | - | - | 16.28 | 16.28 | - | - | 18.91 | 18.91 |
| Bank balances other than Cash | - | - | 23,385.49 | 23,385.49 | - | - | 22,541.94 | 22,541.94 |
| Other Financial Assets | - | - | 1,897.57 | 1,897.57 | - | - | 2,000.11 | 2,000.11 |
| **Total Financial assets** | **-** | **2,407.98** | **28,932.31** | **31,340.29** | **-** | **1,389.71** | **29,291.72** | **30,681.43** |
| **Financial liabilities** | | | | | | | | |
| Borrowings | - | - | 19,258.70 | 19,258.70 | - | - | 11,384.40 | 11,384.40 |
| Lease liabilities | - | - | 119.45 | 119.45 | - | - | 90.46 | 90.46 |
| Trade payables 4,792.79 | - | - | 1,529.98 | 1,529.98 | - | - | 4,792.79 | |
| Other current financial liabilities | - | - | 344.55 | 344.55 | - | - | 816.82 | 816.82 |
| **Total Financial liabilities** | | | **21,252.68** | **21,252.68** | | | **17,084.47** | **17,084.47** |

**Note No. 38 Financial risk management**

**i. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**a) Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company but as company balance in foreign currency hence company is not exposed to foreign currency exchange rate risk

**b) Interest rate risk**

The Company's investments are primarily in subsidiary through quoted equity share and unquoted equity share of other entity therefore none of the investment activity is generating interest out of the investment. Hence, the Company is not significantly exposed to interest rate risk.

**ii. Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets, company generating revenue for individually in excess of 10% or more of the Company's revenue for the year ended March 31, 2026 from the below mention customer.

| Name of customer | Amt of revenue (Rs. Lakhs) | % of total revenue |
|---|---|---|
| POOJA PETRO CHEMICALS | 25,749.05 | 45% |
| ICHEM | 10,192.94 | 18% |
| PONPURECHEMICAL INDIA P LTD | 9,177.30 | 16% |

**Geographic concentration of credit risk**

Geographical concentration of trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets is allocated based on the location of the customers.

**iii. Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, continuously monitoring forecast and actual cash flow and by matching the maturity profiles of financial assets and liabilities.

**Note No.39 Deferred Tax**

For the Year 2025-26

Rs. in Lakhs

| Description | Opening Balance 01.04.2025 | Recognised in P & L | Reversal on account of Probability checking of Future Profit | Recognised in P & L | Recognised in OCI | Closing Balance 31.03.2026 |
|---|---|---|---|---|---|---|
| **Deferred Tax Liability** | | | | | | |
| Excess Provision W/back | - | - | - | - | - | - |
| Provision for impairment W/Back | - | - | - | - | - | - |
| Revaluation of land in Fair Value | 22,522.52 | - | - | - | - | 22,522.52 |
| Reversal of deferred tax liability on disposal of revalued of PPE | (5,027.00) | - | - | - | - | (5,027.00) |
| Fair Value of Investment in HFL | 81.00 | - | - | - | 151.00 | 232.00 |
| Fair Value of Investment in KEIL | | | | | 3.00 | 3.00 |
| | **17,576.52** | **-** | **-** | **-** | **154.00** | **17,730.52** |
| **Deferred Tax Asset** | | | | | | |
| Depreciation | - | 8.00 | (8.00) | - | - | - |
| Provision for Leave Encashment | - | 50.00 | (50.00) | - | - | - |
| Provision for Gratuity | | 15.00 | (15.00) | | | |
| Voluntary Retirement Benefits (VRS/VSS) | - | - | - | - | - | - |
| Provision for Doubtful Debts | - | - | - | - | - | - |
| Provision for Doubtful Advances | - | - | - | - | - | - |
| Provision for Long Term Agreements | - | - | - | - | - | - |
| Provision for Obsolescence | - | - | - | - | - | - |
| Provision for Statutory claims | - | - | - | - | - | - |
| Accumulated Income tax loss to the extent of deferred tax liability | - | - | - | - | - | - |
| | - | 73.00 | (73.00) | - | - | - |
| **Net Deferred tax liability** | **17,576.52** | **(73.00)** | **73.00** | **-** | **154.00** | **17,730.52** |

For the Year 2024-25

Rs. in Lakhs

| Description | Opening Balance 01.04.2024 | Recognised in P & L | Reversal on account of Probability checking of Future Profit | Recognised in P & L | Recognised in OCI | Closing Balance 31.03.2025 |
|---|---|---|---|---|---|---|
| **Deferred Tax Liability** | | | | | | |
| **Deferred Tax Liability** | | | | | | |
| Revaluation of land in Fair Value | 22,522.52 | - | - | - | - | 22,522.52 |
| Reversal of deferred tax liability on disposal of revalued of PPE | (5,027.00) | - | - | - | - | (5,027.00) |
| Fair Value of Investment in HFL | 200.00 | - | - | - | (119.00) | 81.00 |
| | **17,695.52** | **-** | **-** | **-** | **(119.00)** | **17,576.52** |
| **Deferred Tax Asset** | | | | | | |
| Depreciation | - | 19.00 | (19.00) | - | - | - |
| Provision for Leave Encashment | - | 90.00 | (90.00) | - | - | - |
| Provision for Gratuity | 14.00 | (14.00) | | | | |
| Voluntary Retirement Benefits (VRS/VSS) | - | - | - | - | - | - |
| Provision for Doubtful Debts | - | - | - | - | - | - |
| Provision for Doubtful Advances | - | - | - | - | - | - |
| Provision for Long Term Agreements | - | - | - | - | - | - |
| Provision for Stock Obsolescence | - | 15.00 | (15.00) | - | - | - |
| Provision for Statutory claims | - | - | - | - | - | - |
| | **-** | **138.00** | **(138.00)** | **-** | **-** | **-** |
| **Net Deferred tax liability** | **17,695.52** | **(138.00)** | **138.00** | **-** | **(119.00)** | **17,576.52** |

Note: During the year, the Company has re-measured deferred tax at the tax rate of 25.17% in accordance with Section 115BAA of the Income-tax Act, 1961

**40. Additional disclosures**

**Financial, Liquidity and Other Ratios**

| Ratios | Components of Numerator | Components of Denominator | For the Year ended 31.03.2026 | For the Year ended 31.03.2025 | % Variance | Explanation by Management |
|---|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liabilities | 4.94 | 5.03 | -1.79% | |
| Debt Equity Ratio | Total debt | Shareholders' Equity | 0.18 | 0.10 | 80.00% | During this year, due to utilization of bank overdraft facilities to meet working capital requirements. The increase in short-term borrowings |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt service | -0.01 | 3.75 | -100.27% | The waived-off accrued interest on the GOI loan and preference shares has been treated as income during the previous year |
| Return on Equity Ratio | Net profit after tax | Shareholders' Equity | -1.00% | 70.00% | -101.43% | |

| Ratios | Components of Numerator | Components of Denominator | For the Year ended 31.03.2026 | For the Year ended 31.03.2025 | % Variance | Explanation by Management |
|---|---|---|---|---|---|---|
| Inventory Turnover Ratio | Sales | Average Inventory | 22.17 | 18.97 | 16.85% | |
| Trade Receivables Turnover Ratio | Net Sales | Average Trade Receivables | 51.40 | 31.63 | 62.50% | Reduction in average collection period from customers, reflecting better recovery efficiency. |
| Trade Payables Turnover Ratio | Net Credit Purchases | Average Trade Payables | 12.56 | 7.10 | 76.90% | In March 2026, the plant underwent a shutdown because of non-availability of LPG, resulting in reduced raw material purchases and consequently lower creditor balances. This led to a higher turnover ratio compared to the previous period. |
| Net Capital Turnover Ratio | Net Sales | Average Working Capital | 0.56 | 1.08 | -48.15% | The long outstanding GOI loan, preference shares, and the interest accrued thereon have been waived off during the previous year. This has improved the ratio. |
| Net Profit Ratio | Net profit after tax | Net Sales | -2.00% | 73.00% | -102.74% | The waived-off accrued interest on the GOI loan and preference shares has been treated as income during the previous year |
| Return on Capital Employed | Profit Before Interest and Taxes (PBIT) | Capital Employed | 1.00% | 31.00% | -96.77% | The long outstanding GOI loan, preference shares, and the interest accrued thereon have been waived off during the previous year. This has improved the ratio |
| Return on Investment | Dividend | Share Price | - | - | NA | NA |

**41** The Company was non-compliant with regulation 17(1)(b) of SEBI LODRR, 2015 and section 149 (4) of the Companies Act, 2013 regarding the requirement of half of the total board strength as Independent Directors during the year under review. Further, the company was non-complaint with regulation 17(1)(c) of SEBI LODRR, 2015 regarding the requirement of at least six (6) Directors during the period from 01st April 2025 to 08th October 2025. There was non-compliance with regulation 17(2A) of SEBI LODRR, 2015 with regard to quorum due to the absence of Independent Directors in the Board meetings held during April & May 2025. The Audit Committee, Stakeholders' Relationship Committee, and Nomination & Remuneration Committee of the Company were non-functional during the period from 01st April 2025 to 18th June 2025, consequently there was non-compliance of regulations 18, 19, and 20 of the SEBI (LODR) Regulations, 2015 and section 177, and 178 of the Companies Act, 2013.The matter has been regularly taken up with the Administrative Ministry for making the necessary appointments. The company has not complied with certian provisons of DPE Guidelines on corporate governance regarding constitution of board and constitution of committe until 18.06.2025

**42 Going concern:**

The Company is in the process of implementing the restructuring plan pursuant to the Government of India Order dated 22 May 2017. In connection therewith, the Rasayani Unit has been closed and the related scrap plant and equipment have been disposed of. The said unit includes assets having a carrying amount of Rs. 94,550.32 lakhs, including 517.819 acres of land. The process for sale of unencumbered land at Rasayani and Panvel is under progress and, upon successful completion of such sale, the Company expects significant improvement in its cash flows and overall financial position.

LPG is the key raw material used in the production of Phenol and Acetone and is supplied by BPCL Kochi Refinery. Propylene required for the production process is extracted from the LPG, and the balance LPG is returned to BPCL. The supply of LPG was suspended with effect from 06 March 2026 pursuant to directions issued by the Ministry of Petroleum & Natural Gas vide Order dated 05 March 2026, which mandated that LPG procured/marketed by Public Sector Oil Marketing Companies be supplied exclusively to domestic LPG consumers in view of the ongoing US–Iran conflict. Subsequently, the supply of LPG was resumed from 17 April 2026 despite continuation of the conflict between US and Iran. Since the supply of LPG has been re-established and the plant is operating at normal capacity, the accounts have been prepared on a going concern basis.

The Company achieved sales turnover of Rs. 57,376.13 lakhs during FY 2025-26 as compared to Rs. 53,586.76 lakhs during FY 2024-25. The Company reported a net loss (excluding other comprehensive income) of Rs. 1,289.38 lakhs during FY 2025-26 as compared to a net profit of Rs. 39,154.13 lakhs during FY 2024-25. The net worth of the Company stood at Rs. 12,017.54 lakhs as at 31 March 2026 as compared to Rs. 13,306.89 lakhs as at 31 March 2025.Further, the Company had cash and cash equivalents and other bank balances aggregating to Rs. 23,401.77 lakhs as at 31 March 2026 (Previous year: Rs. 22,560.85 lakhs).

Accordingly, the accompanying financial statements have been prepared on a going concern basis.

43. No scheme of arrangement has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013 during the year 2025-26

44. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45 No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 Relationship with Struck off Companies

During the financial year ended 31st March 2026 the company does not have any relationship with struck off companies.

**47 Subsequent event:**

Subsequent to the reporting date and before the approval of the financial statements, the Company acquired an additional 2,66,741 equity shares of Hindustan Fluorocarbons Limited (HFL) for an aggregate consideration of 47.37 lakh under the ongoing delisting process pursuant to the decision of the Cabinet Committee on Economic Affairs (CCEA) dated 29.01.2020. This represents a non-adjusting event in accordance with Ind AS 10 – Events after the Reporting Period and, accordingly, no adjustment has been made to the financial statements for the year ended 31 March 2026. The above event has no impact on the financial position or the results of the Company as at the reporting date.

48 No Loans or Advances in the nature of loan is granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person during the year, which are repayable on demand or without specifying any terms of repayment.

49 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

50 There is no intangible assets under development.

51 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

52 Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

53 The Company has no transaction recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) and no previously unrecorded income and related assets have been recorded in the books of account during the year.

54 The Company is not mandatorily required to undertake Corporate Social Responsibility ("CSR") activities under Section 135 of the Companies Act, 2013, considering the losses incurred during the previous years and the non-fulfilment of the prescribed threshold criteria. The write-off of Government of India dues, resulting in the extinguishment of liability and recognition of income in the Profit and Loss Account (even if classified as an exceptional item), should not be considered as an amount representing unrealized gain, notional gain, or revaluation of assets for the purpose of Section 135 read with Section 198 of the Companies Act, 2013.Such exclusions generally pertain to accounting entries that do not represent realized cash flow or actual profit available for distribution or appropriation in the conventional sense. Accordingly, the income arising on account of such write-off would ordinarily form part of the net profit for the purpose of computation under Section 198.However, considering that the Company does not fulfil the prescribed threshold criteria under Section 135 of the Companies Act, 2013, the net profit including such write-off would not result in any CSR obligation for the relevant financial year.

55. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

56. The Standalone Financial Statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 15.05.2026.

57. The company has not revalued any of its intangible assets during the year.

58. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

| | |
|---|---|
| As per our report of<br>even date attached | For and on behalf of<br>the Board of Directors |
| **For Balan & Co.**<br>Chartered Accountants | **Sangram Kumar Mishra**<br>Chairman & Managing Director |
| FRN 340S | DIN 11337117 |
| **M. Venugopal**<br>Partner<br>Membership No.: 244882<br>UDIN: | **Yogendra Prasad Shukla**<br>Director (Finance)<br>DIN 09674122 |
| | **Subramonian H.**<br>Company Secretary |
| Place: Ernakulam<br>Date: 15.05.2026 | Place: Ernakulam, Kerala<br>Date: 15.05.2026 |

# NOTES

# Consolidated Financial Statement’s 2025-26

## INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s. Hindustan Organic Chemicals Limited**
**Revised Report on the Audit of the Consolidated Financial Statements**

This is the revised Audit Report on the Consolidated Financial Statements HINDUSTAN ORGANIC CHEMICALS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group"), for the year ended 31st March, 2026, which comprises the consolidated balance sheet and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements"). Our Independent Auditor's Report dated 15 May 2026 on the Consolidated Financial Statements of the Company for the year ended 31st March 2026 has been revised solely to correct certain typographical errors and omission to include a point in the additional disclosure as per the directions of Comptroller and Auditor General of India crept in the aforesaid audit report. Except for the aforesaid corrections there is no change in the audited Consolidated Financial Statements, the audit procedures performed by us, or the audit opinion expressed in our report dated 15 May 2026.

**Opinion**

1. We have audited the accompanying Consolidated Financial Statements of HINDUSTAN ORGANIC CHEMICALS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group"), for the year ended 31st March, 2026, which comprises consolidated balance sheet and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, read with our comments below under the para 'Material Uncertainty relating to Going Concern of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2026, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

**Material Uncertainty Related to Going Concern**

4. Attention is drawn to note no. 42 of the Consolidated Financial Statements describing the decision of the Cabinet Committee on Economic Affairs to close the operations of the Subsidiary Company which has been communicated to them through letter dated. 29th January, 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 31st March, 2026, while following up on the balance steps to be taken up for completion of this process.

   In this regard, while noting the above, in our view considering the decision of the Government to close the operations of the subsidiary company and the steps taken by the Company including grant of interest free unsecured loan for settling various liabilities by the GOI, receipt of the same, significant payments being made out of the total estimated liabilities by the year end, plan of action for balance payments, initiation of follow up measures regarding various legal cases filed by/against the subsidiary company and its follow up, adoption of applicable Ind AS 105 in the books of account, there is material uncertainty relating to Going Concern and the subsidiary is no longer a Going Concern Entity.

   The Group has reported net loss including other comprehensive income of Rs. (1,230.48) lakhs (Previous year net income including other comprehensive income of Rs. 39,109.49 lakhs) Also the company has accumulated loss amounting to Rs 6,355.59 lakhs (Previous year accumulated loss Rs. 4,906.08 lakhs) with a net worth of Rs. 5,209.94 lakhs (Previous year Rs 6,659.45 lakhs) excluding other comprehensive income. The company has a balance under current assets of cash and cash equivalents and other bank balances of Rs 25,031.87 lakhs (Previous year Rs. 25,422.33 lakhs) as at the year end.

   Further, the holding company, with the approval of the Government of India, is in the process of divesting and selling its loss-making unit at Rasayani, Mumbai. This unit includes assets with a carrying amount of Rs. 94,550.32 lakhs, including 524.91 acres of land. As represented to us, this process is expected to generate sufficient cash flow for the Holding Company. Additionally, the Kochi unit of the Holding Company is operational, and the Company is currently implementing a restructuring plan approved by the Central Government.

After considering these conditions, the Consolidated Financial Statements have been prepared on a going concern basis. Our conclusion remains unmodified in this regard.

**Emphasis of Matter**

5. Attention is drawn to note no. 32(b) of the accompanying consolidated financial statements. The Holding company has advanced loan amounting to Rs. 453.01 lakhs to its subsidiary at an interest rate ranging from 10.25 to 14.50 %. As the subsidiary has failed to pay interest, the company has stopped charging interest on the loan from the year 2023-24. During the year, the subsidiary company repaid Rs. 1,075.05 lakhs towards interest and Rs. 286.98 lakhs towards loan repayment.

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

7. Attention is drawn to note no. 42 of the accompanying consolidated financial statements regarding the status of implementation to the Government approved restructuring plan and the decision of the Government of India to close the operations of the subsidiary Company resulting in the Company ceasing to be a Going Concern entity and the adoption of applicable Indian Accounting Standard Ind-AS 105 'Non-Current Assets held for Sale or Discontinuing Operations'. Accordingly, the Company had re-classified the assets which are part of disposal group as 'assets held for sale' at it carrying cost without providing for any pro-rata depreciation in the absence of any specific cutoff date being adopted for the purpose which is not determinable.

8. Attention is drawn to note no.51 of the accompanying consolidated financial statements, which state that the Company has transferred an amount of Rs. 1,362.03 lakhs from its fixed deposits to an escrow account maintained by its Holding Company, Hindustan Organic Chemicals Limited ("HOCL"), in connection with the proposed delisting of shares. Subsequently, the shares surrendered by the shareholders have been transferred to HOCL. The said amount has also been adjusted against the outstanding loan and interest payable by the Company to HOCL. The transaction has been accounted for based on Management's assessment of the underlying arrangement and the applicable provisions of the Companies Act, 2013 and relevant Indian accounting standards.

9. Attention is drawn to note no. 52 of the accompanying consolidated financial statements, the Board of Directors of the Subsidiary Company has proposed a Scheme of Amalgamation for merger of the Company with its Holding Company, subject to obtaining necessary approvals from the appropriate authorities. Pending such approvals, no effect of the proposed amalgamation has been given in the Consolidated Financial Statements.

   Our Opinion is not modified as in respect of these matters.

**Key Audit Matters**

10. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

**Other Matters**

11. We have not audited the Standalone Financial Statements of one subsidiary, which report total assets (before consolidation adjustments) of Rs. 5123.76 lakhs as of 31st March, 2026, and total income (before consolidation adjustments) of Rs. 145.61 lakhs for the year ended on that date. These Standalone Financial Statements have been audited by other auditors, and their report has been provided to us by the management. Our opinion on the consolidated financial statements, regarding this subsidiary's amounts and disclosures, as well as our report under sub-section (3) of Section 143 of the Act, concerning this subsidiary, are based solely on the report of the other auditors.

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

12. The Group's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the consolidated financial statements, and our auditor's report thereon. The said other information is expected to be made available to us after the date of this audit report

    Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements:**

13. The Group's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Indian accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

    In preparing the consolidated financial statements, the respective Board 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 Board of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

    The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process.

**Auditor's Responsibility for the Audit of Cconsolidated Financial Statements:**

14. 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.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

15. 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

    a) Planning the scope of our audit work and in evaluating the results of our work and;

    b) To evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

16. We communicate with those charged with governance of the Holding Company and such other companies included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

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

20. As required by the directions and sub directions issued by the office of the Comptroller & Auditor General of India under section 143 (5) of the Act, we give in the "Annexure 2" a statement on the matters referred in those directions.

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

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

    b) In our opinion, proper books of account as required by law have been maintained by the Group, including relevant records relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;

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

    f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3".

    g) Being Government Companies, pursuant to the notification number GSR 463(E) dated 5th June, 2015 issued by the Government of India, the provisions of section 197 of the Act are not applicable to the Group.

    h) With respect to the other matters to be included in the Auditor's

Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

(i) The group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.

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

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

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

(v) a) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented that, to the best of their knowledge and belief, no funds have been received by the group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

\ c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv(a) and iv(b) contain any material misstatement.

(vi) The Group has not declared or paid dividend during the year 2025-26. Hence, section 123 of companies Act, 2013 is not applicable for the purpose

(vii) Based on our examination, which included test checks, the group has used accounting software for maintaining its books of account for the financial year ended 31st March, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail was not enabled at the database level to log direct data changes, if any. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Balan & Co.
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 26244882VHGNLD2785

Place: Ernakulam
Date: 08.07.2026

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 19 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

As per proviso to Para (2) to the Companies (Auditor's Report) Order, 2020, the clauses (i) to (xx) of the said order are not applicable to the auditor's report on Consolidated Financial Statements of the Group.

However, with respect to clause (xxi) of the said order we report that:

(xxi) With respect to the holding company, the auditor, in the CARO report given as Annexure 1 to the Independent Auditor's Report on the Standalone Financial Statements, has given qualifications or adverse remarks in respect of the clauses i(c), iii, vii, xiii, xvii. Further, in respect to the subsidiary company, the auditor, in the CARO report given as Annexure B to the Independent Auditor's Report on the Standalone Financial Statements, has given qualifications or adverse remarks in respect of the clauses vi, ix(a), x(a), xix.

For Balan & Co.
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 26244882VHGNLD2785

Place: Ernakulam
Date: 08.07.2026

## ANNEXURE 2 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)**

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

**A. Directions**

| Sl. No | C & AG Direction | Statement of Statutory Auditor | |
|---|---|---|---|
| | | Holding Company | Subsidiary Company |
| 1 | Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements. | The Company has created a separate Trust for management of gratuity obligations towards employees The valuation of investments under the said Trust is carried out by LIC in accordance with the applicable regulatory norms and guidelines. The Company relies on the statements and reports provided by LIC for accounting and disclosure purposes. Based on the information, explanation and valuation report provided by LIC and Independent Actuary, the amounts disclosed against post-retirement benefits are true and fair and no material deviations or misstatements from the applicable regulations were noticed | The auditor of the subsidiary company has not commented on this direction and in the absence of which we are unable to comment on the same. |
| 2 | Whether the Company has a system in place to process all the accounting transactions through IT system? if yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by information Security Auditing Organizations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? | All HOCL's accounting transactions are processed through Tally prime ERP, however fixed asset records are maintained outside the ERP, payroll management is handled by the separate HRM software system, Unit trial balance consolidation is conducted through MS office excel utility. HOCL's IT infrastructure undergoes a cyber security audit by CERT-In- Empanelled | 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 | Statement of Statutory Auditor | |
|---|---|---|---|
| | | Holding Company | Subsidiary Company |
| | The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported | information security Agency once every three years. No accounting transactions are processed outside the system. | |
| 3 | Whether funds (Grants/ subsidy etc.) received/receivable from specific scheme from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation | Not applicable, since no fund was received or receivable from the Central or state government or its agencies during the period under audit. | Refer Note (I) below |
| 4 | Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) Whether the Company has identified its data assets and whether it has been valued appropriately? | No, the company has not identified key risk areas as the provision is applicable only for top 1000 listed companies | The auditor of the subsidiary company has not commented on this direction and in the absence of which we are unable to comment on the same. |
| 5 | Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, | Based on the information, explanation provided to us by the management, the company is complying with all the applicable rules and regulations except with regard to SEBI LODRR, there is a non-compliance to Regulation 17(1) (b) regarding the requirement of half of the total Board's strength as independent Directors. As HOCL is a Government Company | The auditor of the subsidiary company has not commented on this direction and in the absence of which we are unable to comment on the same. |

| Sl. No | C & AG Direction | Statement of Statutory Auditor | |
|---|---|---|---|
| | | Holding Company | Subsidiary Company |
| | Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted. | appointment of Directors are done by Administrative Ministry. Accordingly, this noncompliance is beyond the control of the company. | |

### B. Sub Directions

| Sl. No | C & AG Direction | Statement of Statutory Auditor |
|---|---|---|
| 1 | State the area of land under encroachment and briefly explain the steps taken by the Company to remove encroachment | 1. According to the information and explanations given by the management, 22.71 acres of land at the Rasayani Unit, Maharashtra, of the Company has been identified as 'under encroachment'.<br>With respect to this, the following steps taken by the management to remove the encroachment,<br>a. The Company is constantly communicating with the Senior Government officials of Govt. of Maharashtra for taking prompt steps for removing encroachment by the farmers at the land at Rasayani Unit.<br>b. The Company is also coordinating with the Ministry of Chemicals and Petrochemicals, Government of India, for the speedy resolution in the above case.<br>c. The above recommendations include various proposals including settlement arrangements with the encroachers<br>d. The Company has also filed suits in some instances.<br>e. The principal secretary with DCPC and officials of GoM/HOCL/BPCL, wherein it was agreed to conduct a survey to identify the extent of encroachment.<br>f. The state government completed the survey of all eight villages in November 2025, and the final survey report was submitted by GoM to DCPC on 09.01.2026<br>g. Post submission, DCPC and HOCL have sought clarifications from the state government for certain aspects of the encroachments, and GoM's response is presently awaited.<br>h. Upon receipt of clarifications and closure of survey related issues, the decision on compensation/ payment and subsequent actions towards permeant resolution of encroachment and transfer/ disposal will be progress as per Govt directions<br>2. According to the information and explanations given 32.574 acres of land at Rasayani Unit, Maharashtra, are under the possession of various entities such as MIDC, MSEB, HIL, MES etc.<br>With respect to this, the following steps taken by the management to remove the encroachment, |

| S l. No | C & AG Direction | Statement of Statutory Auditor |
|---|---|---|
| | | a) The Company is constantly following up with the concerned officials for the recovery or registration of the said land possessed by such entities<br>b) In case of the land leased out to MES, the Company has issued the notice of termination of lease to the party. However, the property is still under the possession of the lessee -MES. The matter is pending before Arbitration authority and the proceedings are under progress<br>c) 10.576 acres of land at the Rasayani Unit and 0.91 acres of land at Panvel Maharashtra has been acquired by Governmental authorities and public road has been constructed. Hence, the Company does not have possession as well as ownership with respect to the said land.<br>3. With respect to the land available at Panvel,<br>a) DPE advised that disposal of HOCL Panvel land must me under taken in line with CCEA approval.<br>b) Accordingly, CMD, HOCL sought action plan from NBCC, designated land management agency as per the CCEA mandate.<br>c) NBCC informed that they are no longer conducting e-auctions and proposed that the disposal of Panvel land be undertaken through the development route.<br>d) The above proposal is to be placed before the administrative ministry in the upcoming review for guidance and approval.<br>4. According to the information and explanations given, 2.046 acres of land are outside the boundary walls of Ernakulam factory land and were not included in the re- survey and land tax is paid for land inside the boundary wall. |
| 2 | Whether there is any effective system for follow up of accumulated trade receivables especially which are more than three years old? | The Company has trade receivables amounting to Rs. 972.11 lakhs, which is more than three years old. The Company has assessed and provided a sum of Rs. 972.11 lakhs as provision for bad and doubtful assets.<br>Based on the information provided to us, the management is following up with the above debtors for the recovery and has initiated legal proceedings against some of such cases. |
| 3 | Whether there was an adequate system for watching actual consumption against norms in case of raw materials, Intermediaries and utilities? | Based on the information and explanation provided to us, the Company prepares monthly statements comparing the actual consumption of raw material, intermediaries and utilities against the established norms as MIS Report and the system is adequate. |

**C. Note (I)**

As per the information, explanations and records produced for our verification, as a part of closure direction given by GOI, an amount of Rs.7,720 lakhs was sanctioned by GOI as Interest Free Term Loan to be exclusively utilized for closure related expenditure including;

(a) Implementation of VRS/VSs for HFL employees, their dues, statutory dues, payment to suppliers'/contractors'/ utilities dues and repayment of SBI working capital loan,

(b) Salary/wages and administrative expenses of HFL's skeletal staff to be temporarily retained for completing the closure of HFL for two years.

Following table shows the said Interest Free Loan amount sanctioned, received and spent up to 31st March 2026 for the said purpose against each head of expenditure.

(Amount in lakhs)

| Sl. No | Particulars of Fund requirements for closure | Amount Received | Actual amount spent up to 31st March 2026 | Amount yet to be spent | Balance |
|---|---|---|---|---|---|
| 1. | Implementation of VRS/VSS | 2232.00 | 1769.00 | 463.00 | 0.00 |
| 2. | Payment of salary/ wages and statutory dues of employees | 1840.00 | 1793.00 | 47.00 | 0.00 |
| 3. | Payment of wage revision arrears (1997 & 2007) | 1430.00 | 1415.00 | 15.00 | 0.00 |
| 4. | Salary/wages and Admin. Exp. of skeletal staff. for closure activities Rs.7.5 Cr. Additional amt. of Rs.2.17 Cr. received on 15.03.2022 | 967.00 | 967.00 | 0.00 | 0.00 |
| 5. | Suppliers / Contractors dues | 403.00 | 362.00 | 41.00 | 0.00 |
| 6. | Working capital cash credit (SBI) | 515.00 | 515.00 | 0.00 | 0.00 |
| 7. | Water & Electricity dues | 200.00 | 84.00 | 116.00 | 0.00 |
| | Total | 7,587.00 | 6,905.00 | 682.00 | 0.00 |

Considering the timelines given for the purpose, as could be seen from the above, there was delay in spending the amounts, particularly in case of Suppliers/Contractor Dues, Water & Electricity Dues, Implementation of VRS as well as Payment of Salaries/Wages/Statutory Dues of employees.

Interest earned on the upsent balances of Interest free loan from Government of India for closure related expenditure up to 31st March, 2026 was Rs. 636 lakhs were transferred to Escrow account of HOCL for the purpose of delisting of shares.

For Balan & Co.
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 26244882VHGNLD2785

Place: Ernakulam
Date: 08.07.2026

## ANNEXURE 3 TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in Paragraph 21(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN ORGANIC CHEMICALS LIMITED**

**Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')**

**Opinion**

We have audited the internal financial controls over financial reporting of HINDUSTAN ORGANIC CHEMICALS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group"), as of 31st March, 2026, in conjunction with our audit of consolidated financial statements of the company for the year ended on that date, where as that of subsidiary company has been audited by another independent firm of chartered accountants.

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2026, based on the internal control over the financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's responsibility for Internal Financial Controls**

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the Guidance Note) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

**Meaning of internal financial controls over financial reporting**

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

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

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

(3) Provide reasonable assurance regarding the prevention or timely deduction of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated Financial Statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

For Balan & Co.
Chartered Accountants
FRN 340S

M. Venugopal
Partner
Membership No. 244882
UDIN: 26244882GDUBCK6852

Place: Ernakulam
Date: 08.07.2026

**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 3I MARCH2O26**

The preparation of consolidated financial statements of Hindustan Organic Chemicals Limited for the year ended 3l March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 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 Revised Audit Report dated 8 July 2026 which supersedes their earlier Audit Report dated 15 May 2026.

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 3l March 2026 under section l43(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act read with section 129 (4) which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report.

**A. Comments on Consolidated Profitability**

**A.1 Liabilities – Current Liabilities**

**Provisions (Note No.21): ₹.1,554.92 lakh and Companies Act, 2013**

(I) The above does not include provision of ₹116.74 lakh on account of penalty/fines levied by BSE Limited for various non-compliances with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding non-fulfilment of requirements relating to the composition of the Board of Directors, appointment of Independent Directors, quorum of Board meetings and functioning of statutory committees.

Hindustan Organic Chemicals Limited (HOCL/Company) submitted waiver application to BSE, which was not acceded to by the Internal Regulatory Oversight and Review Group (IRORG) of BSE in its meeting held on 20 February 2026. The Company again submitted (19 March 2026) a consolidated waiver application for an amount of ₹.130.65 lakh. The BSE communicated (11 May 2026) approval of waiver of ₹31.72 lakh and confirmed the balance liability of ₹.98.93 lakh plus GST, aggregating to ₹.116.74 lakh.

Since there is an obligation to pay the aforesaid balance liability of ₹.116.74 lakh (including GST), necessary provision for the same should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS 10 (Events after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

It was, however, observed that no provision for the aforesaid balance liability was provided for by the Company in its financial statements for the year 2025-26 which resulted in understatement of 'Provisions' and 'Loss for the year' by ₹.116.74 lakh each.

(ii) A reference is invited to Note 35(a)(vi) relating to GST demand amounting to ₹.41.97 lakh. The said Note, inter-alia, states that an appeal against the demand was filed before the Joint Commissioner (Appeals), Central Tax & Central Excise, Kochi Commissionerate on 27.02.2024.

In this regard, it was noticed that Commissioner (Appeals) passed (29 October 2025) the order, wherein a demand of ₹7.55 lakh together with applicable interest thereon and a penalty of ₹10,000 was confirmed. Accordingly, the liability of the Company worked out to 12.57 lakh (Tax 7.55 lakh plus interest ₹4.92 lakh plus penalty 10,000) as on 31.03.2026. Against this, the Company had remitted (26 February 2024) ₹1.98 lakh to the tax authorities, and the balance liability of ₹10.59 lakh remained payable.

Since the aforesaid order was passed on 29 October 2025, issued on 6 May 2026 and was received by the company on 11 May 2026 (i.e. prior to the finalisation of the financial statements for the year 2025-26), necessary provision of ₹10.59 lakh should have been made in the books of accounts as per the requirements of Para 14 of Ind AS 37 (provisions, Contingent Liabilities and Contingent Assets) and Para 8 of Ind AS l0 (Events after the Reporting Period) which provides that, an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

It was, however, observed that no provision for the aforesaid balance liability was provided or by the Company in its consolidated financial statements for the year 2025-26 which resulted in understatement of 'Other Expenses' and 'Loss for the year' by ₹.10.59 lakh each. consequently, Provisions were also understated by ₹.10.59 lakh.

Further, as the liability had crystallised pursuant to the appellate order dated 29.10.2025, the continued disclosure of the matter as a contingent liability under Note 35(a)(vi), was not in conformity with the requirements of Para 19 of Ind AS 10 (Events after the Reporting Period), which stipulates that, if an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information. Accordingly, Note No. 35(a)(vi) is deficient to that extent.

**B Comments on Consolidated Financial Position**

**B.1 Assets**

**Current Financial Assets**

**(iii) Bank Balances other than (ii) above (Note 9): ₹ 24,997.65 lakh lakh**

**Non-Current Financial Assets**

**(v) Other Financial Assets (Note 4b): `. 258.91 lakh**

*A reference is invited to Schedule III to the Companies Act 2013 which provides that, "An entity shall classify an asset as current when it (a) it expects to realize the asset, or intends to sell it or consume it in its normal operating cycle, or (b) it holds the asset primarily for the purpose of trading, or (c) it expects to realize the asset within twelve months after the reporting date: or (d) the asset is (cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets shall be classified as non-current".*

It was, however, observed that Fixed Deposit amounting to ₹.242.26 lakh having maturity period of more than 12 months was booked under Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) instead of booking under Non-Current Assets (Other Financial Assets).

This has resulted in overstatement of Current Financial Assets (Bank balances Other than Cash and Cash Equivalents) and understatement of Non-Current Assets (Other Financial Assets) by ₹.242.26 Lakh each.

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

Sd/-
(Dr. Pawan Kumar Kanda)
Principal Director of Audit
(Industry & Corporate Affairs)

Place: New Delhi
Date: 29 JUL 2026

[1] comprising tax demand of ₹.19.76 lakh, interest of ₹.20.23 lakh and penalty of ₹.1.97 lakh.

[2] Interest up to 10 June 2026 (for 1862 days) amounted to ₹.5,11,810. Proportionate Interest up to 31 March 2026 amounted to ₹.4,92,294.

[3] Fixed Deposit was made on 31 March 2026 with a maturity date of 1 April 2027.

## Conslidated Balance Sheet as on 31st March 2026

Rs. in Lakhs

| Particulars | Note No | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **Assets** | | | |
| **Non Current Assets** | | | |
| a) Property, Plant and Equipment | 3a | 22,890.87 | 22,568.76 |
| b) Capital Work-in-Progress | 3b | 89.44 | 384.69 |
| c) Investment Property | 3c | 80.09 | 82.25 |
| d) Right-of-Use Asset | 15a | 116.65 | 81.11 |
| e) Other Intangible Assets | 3d | 10.77 | 16.32 |
| f) Financial Assets | | | |
| (i) Investments | 4a | 18.34 | 5.00 |
| (ii) Other Financial Assets | 4b | 258.91 | 304.20 |
| g) Other Non-Current Assets | 5 | 276.89 | 276.89 |
| **Total (Non current Assets)** | | **23,741.96** | **23,719.22** |
| **Current Assets** | | | |
| a) Inventories | 6 | 4,630.12 | 5,595.35 |
| **b) Financial Assets:** | | | |
| (i) Trade Receivables | 7 | 839.97 | 1,650.83 |
| (ii) Cash and Cash Equivalents | 8 | 34.22 | 50.05 |
| (iii) Bank balances other than (ii) above | 9 | 24,997.65 | 25,372.28 |
| (iv) Loans | 10 | 12.06 | 12.01 |
| (v) Other Financial Assets | 11 | 1,614.16 | 693.63 |
| c) Other Current Assets | 12 | 605.58 | 1,104.03 |
| d) Assets held for Sale | 3e | 97,721.76 | 97,721.76 |
| **Total (Current Assets)** | | **130,455.52** | **132,199.94** |
| **Total Assets** | | **154,197.48** | **155,919.16** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| a) Equity Share capital | 13 | 6,726.96 | 6,726.96 |
| b) Other Equity | 14 | 96,385.21 | 97,807.04 |
| **Total Equity** | | **103,112.17** | **104,534.00** |
| **Non Controlling interest** | | **(3,796.40)** | **(3,583.71)** |
| **Liabilities** | | | |
| **Non-Current Liabilities:** | | | |
| **a) Financial Liabilities:** | | | |
| (i) Borrowings | 17a | 134.56 | 191.30 |
| (ii) Lease Liabilities | 15a | 96.51 | 66.52 |
| b) Provisions | 15b | 888.56 | 994.51 |
| c) Deferred Tax Liabilities (Net) | 16 | 17,498.52 | 17,495.52 |
| **Total (Non-Current Liabilities)** | | **18,618.15** | **18,747.85** |
| **Current Liabilities:** | | | |
| **a) Financial Liabilities** | | | |
| (I) Borrowings | 17b | 28,291.14 | 20,360.10 |
| (ii) Lease Liabilities | 15a | 22.94 | 23.94 |
| (iii) Trade Payables: | | | |
| Total outstanding dues to micro and small enterprises | 18 | 28.51 | 42.99 |
| Total outstanding dues to Creditors other than micro and small enterprises | 18 | 1,501.47 | 1,501.47 |
| (iv) Other Financial Liabilities | 19 | 1,132.09 | 4,749.80 |
| b) Other Current Liabilities | 20 | 3,732.49 | 7,795.93 |
| c) Provisions | 21 | 1,554.92 | 1,598.40 |
| **Total (Current Liabilities)** | | **36,263.56** | **36,221.02** |
| **Total Liabilities** | | **54,881.71** | **54,968.87** |
| **Total Equity and Liabilities** | | **154,197.48** | **155,919.16** |
| Accounting Policies | 2 | | |
| Notes to the Standalone Financial Statements | 1&3-58 | | |

As per our report of even date attached

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

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

Place: Ernakulam
Date: 15.05.2026

For and on behalf of the Board of Directors

Sd/-
**Sangram Kumar Mishra**
Chairman & Managing Director
DIN 11337117

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

Sd/-
**Subramonian H.**
Company Secretary

Place: Ernakulam, Kerala
Date: 15.05.2026

## Conslidated Statement of Profit and Loss for the period ended 31st March 2026

Rs. in Lakhs

| Particulars | Note No | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **INCOME:** | | | |
| Revenue from Operations | 22 | 57,376.13 | 53,586.76 |
| Other Income | 23 | 1,926.62 | 2,275.11 |
| **Total Income** | | **59,302.75** | **55,861.87** |
| **EXPENSES:** | | | |
| Cost of materials consumed | 24 | 39,834.00 | 42,695.49 |
| Changes in Inventories of Finished Goods and work-in- progress | 25 | 1,251.94 | (779.59) |
| Employee benefits expenses | 26 | 4,370.61 | 4,744.91 |
| Finance costs | 27 | 2,042.35 | 4,285.95 |
| Depreciation and amortization expenses | 28 | 193.91 | 164.18 |
| Other expenses | 29 | 13,677.74 | 15,539.18 |
| **Total Expenses** | | **61,370.55** | **66,650.12** |
| **Profit / (Loss) before exceptional items and tax** | | (2,067.80) | (10,788.25) |
| Add: Exceptional items | 30 | 681.64 | 50,275.38 |
| **Profit / (Loss) before Tax** | | (1,386.16) | 39,487.13 |
| (1) Current tax | | - | (333.00) |
| (2) Deferred tax | | - | - |
| (3) (Short)/Excess provision of earlier years | | 96.78 | - |
| **Less: Tax expenses** | | 96.78 | (333.00) |
| **Profit / (Loss) from Continuing Operation after tax** | | (1,289.38) | 39,154.13 |
| **Discontinued Operations** | | | |
| Profit/(loss) from discontinued operations before tax | 44 | 31.23 | 42.47 |
| Tax expenses of discontinued operations | | | |
| **Profit/(loss) from discontinued operations after tax** | | **31.23** | **42.47** |
| **Other Comprehensive Income from Continuing Operation** | | | |
| (I) Items that will not be reclassified subsequently to profit or loss | | | |
| a) Net fair value gain/loss on investment in equityinstruments through OCI | 4 | 13.34 | - |
| Income tax (expense)/benefit of the above | | (3.00) | - |
| b) Remeasurement in defined benefit plan (Gratuity) | 31 | 17.33 | (87.11) |
| **Other Comprehensive Income for the year, net of tax** | | **27.67** | **(87.11)** |
| **Other Comprehensive Income from discontinued Operation** | | | |
| **Total Comprehensive Income from continuing and discontinued operations** | | | |
| **Total Comprehensive Income for the year** | | **(1,230.48)** | **39,109.49** |
| Profit/(Loss) from Continuing Operation attributable to : | | | |
| a) Owners of the Company | | (1,289.38) | 39,154.13 |
| b) Non controlling interest | | | |
| Profit/(Loss) from Discontinued Operation attributable to : | | | |
| a) Owners of the Company | | 16.41 | 23.97 |
| b) Non controlling interest | | 14.82 | 18.50 |
| Net Profit/ (Loss) for the year attributable to : | | | |
| a) Owners of the Company | | (1,272.97) | 39,178.10 |
| b) Non controlling interest | | 14.82 | 18.50 |
| Other Comprehensive Income attributable to : | | | |
| a) Owners of the Company | | 27.67 | (87.11) |
| b) Non controlling interest | | | |
| Total Comprehensive Income attributable to : | | | |
| a) Owners of the Company | | (1,245.30) | 39,090.99 |
| b) Non controlling interest | | 14.82 | 18.50 |
| Earnings per share (Face value of Rs.10 each) | | | |
| (a) Basic - Continuing Operation | | (1.92) | 58.29 |
| (b) Diluted - Continuing Operation | | (1.92) | 58.29 |
| © Basic - Discontinued Operation | | 0.02 | 0.04 |
| (d) Diluted - Discontinued Operation | | 0.02 | 0.04 |
| (e) Basic - Continuing Operation & Discontinued Operation | | (1.90) | 58.33 |
| (f) Diluted - Continuing Operation & Discontinued Operation | | (1.90) | 58.33 |
| Accounting Policies | 2 | | |
| Notes to the Standalone Financial Statements | 1&3-63 | | |

As per our report of even date attached
For Balan & Co.
Chartered Accountants
FRN 340S

Sd/-
**M. Venugopal**
Partner Director (Finance)
Membership No.: 244882
UDIN:
Place: Ernakulam
Date: 15.05.2026

For and on behalf of the Board of Directors
Sd/-
Sangram Kumar Mishra
Chairman & Managing Director
DIN 11337117

Sd/-
**Yogendra Prasad Shukla**
Company Secretary
DIN 09674122

Place: Ernakulam, Kerala
Date: 15.05.2026

Sd/-
**Subramonian H.**

# Statement of Changes in Equity for the year ended 31st March, 2026

## EQUITY SHARE CAPITAL

### i) FOR THE CURRENT REPORTING PERIOD

Rs. in Lakhs

| Particulars | Balance as at | Changes in Equity Share Capital due to prior period errors | Restated balance as at | Changes in equity share capital during the current year | Balance as at |
|---|---|---|---|---|---|
| | 01.04.2025 | 2025-26 | 01.04.2025 | 2025-26 | 31.03.2026 |
| Equity shares of Rs.10 each | 6726.96 | - | 6726.96 | - | 6726.96 |

### ii) FOR THE PREVIOUS REPORTING PERIOD

Rs. in Lakhs

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

## B. OTHER EQUITY

| Particulars | Share application money pending allotment | Equity component of compound financial instrument | Reserves and surplus | | | | Items of Other Comprehensive Income (OCI) | | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Capital Reserve | Securities Premium | Other Equity | Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Eective portion of Cash Flow Hedges | Revaluation Surplus | Exchange di. on translating the financial statements of a foreign operation | Other items of OCI (Changes in Employees defined benefits | | |
| Current Reporting Period 2025-26 | | | | | | | | | | | | | | 2025-26 |
| Balance as at 01.04.2025 | - | - | - | 4,838.57 | 70,586.46 | (75,492.54) | - | - | - | 97,987.78 | - | (113.22) | - | 97,807.04 |
| Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 01.04.2025 | - | - | - | 4,838.57 | 70,586.46 | (75,492.54) | - | - | - | 97,987.78 | - | (113.22) | - | 97,807.04 |
| Profit/(Loss) for the year | - | - | - | - | - | (1,272.97) | - | - | - | - | - | - | - | (1,272.97) |
| Other Comprehensive Income (Net of Tax) | - | - | - | - | - | - | - | 10.34 | - | - | - | 17.33 | - | 27.67 |
| Total Comprehensive Income for the current year | - | - | - | - | - | (1,272.97) | - | 10.34 | - | - | - | 17.33 | - | (1,245.30) |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Additional Stake acquired without loosing control | - | - | - | - | - | (176.54) | - | - | - | - | - | - | - | (176.54) |
| Transfer to other equity | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Balance as at 31.03.2026 | - | - | - | 4,838.57 | 70,586.46 | (76,942.05) | - | 10.34 | - | 97,987.78 | - | (95.89) | - | 96,385.21 |
| Previous Reporting period 2024-25 | | | | | | | | | | | | | | 2024-25 |
| Balance as at 01.04.2024 | - | - | - | 4,838.57 | - | (114,670.64) | - | - | - | 97,987.78 | - | (26.11) | - | (11,870.40) |
| Changes in other equity due to changes in accounting policy or prior period errors (Note No.14b) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 01.04.2024 | - | - | - | 4,838.57 | - | (114,670.64) | - | - | - | 97,987.78 | - | (26.11) | - | (11,870.40 |
| Profit/(Loss) for the year | - | - | - | | - | - | 39,178.10 | - | - | - | - | - | - | 39,178.10 |
| Other Comprehensive Income (Net of Tax) | - | - | - | - | - | - | - | - | - | - | - | (87.11) | - | (87.11) |
| Total Comprehensive Income for the current year | - | - | - | - | - | 39,178.10 | - | - | - | - | - | (87.11) | - | 39,090.99 |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to other equity (Note No. 14c) | - | - | - | - | 70,586.46 | - | - | - | - | - | - | - | - | 70,586.46 |
| Balance as at 31.03.2025 | - | - | - | 4,838.57 | 70,586.46 | (75,492.54) | - | - | - | 97,987.78 | - | (113.22) | - | 97,807.04 |

As per our report of even date attached

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

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

Place: Ernakulam
Date: 15.05.2026

For and on behalf of the Board of Directors

Sd/-
**Sangram Kumar Mishra**
Chairman & Managing Director
DIN 11337117

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

Sd/-
**Subramonian H.**
Company Secretary

Place: Ernakulam, Kerala
Date: 15.05.2026

# Consolidated Cash flow Statement for the Year ended 31st March 2026

Rs. in Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| **Profit / (Loss) before Tax** | (1,386.16) | 39,487.13 |
| Adjustments for : | - | - |
| Depreciation/Loss on impairment of Property, Plant and Equipment | 193.91 | 164.18 |
| Profit(-) / Loss on sale of Property, Plant and Equipment | - | 0.24 |
| Interest Income | (1,702.35) | (1,695.80) |
| Excess prov written back | (10.40) | - |
| Waiver of GOI Interest | - | (54,582.29) |
| Interest & Finance Charges | 2,042.35 | 4,285.95 |
| Income from Investing activities | (78.03) | (76.64) |
| Changes in defined Employee benefit plan-other comprehensive income | 17.33 | (87.11) |
| **Operating Cash Flows before Working Capital changes (A)** | **(923.35)** | **(12,504.34)** |
| Adjustments for | | |
| (Increase)/Decrease in Inventories | 965.23 | 1,301.57 |
| (Increase)/Decrease in Trade & Other Receivables | 519.09 | 573.46 |
| Increase/(Decrease) in Trade Payables & Other Liabilities | (7,596.29) | 3,183.09 |
| Direct tax paid | (12.18) | - |
| Waiver of GOI Loan | - | 70,586.46 |
| **Cash Used in Operations (Working Capital Changes) (B)** | **(6,124.15)** | **75,644.58** |
| **Net Cash used in Operating activities (A+B)** | **(7,047.50)** | **63,140.24** |
| **CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Property, Plant and Equipment | (187.01) | (722.55) |
| Purchase of Investment in shares | (404.05) | - |
| Sale of Assets / held for sale | 0.03 | - |
| Interest Income | 1,748.17 | 1,669.19 |
| Income from Investment activities | 78.03 | 76.64 |
| **Net Cash from Investing activities** | **1,235.17** | **1,023.28** |
| **CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Increase/(Decrease) in Secured Loans | 7,874.30 | (62,747.50) |
| Increase/(Decrease) in Unsecured Loans | - | - |
| Interest Paid | (2,034.38) | (1,441.32) |
| Payment of Lease Liabilities | (30.22) | (28.80) |
| **Net cash from/(used) in Financing activities** | **5,809.70** | **(64,217.62)** |
| Net Increase Decrease in Cash and Cash Equivalents from Continuing Operations | (2.63) | (54.10) |
| Net Increase Decrease in Cash and Cash Equivalents from Discontinued Operations * | (13.20) | (29.19) |
| **Cash & Cash equivalents at the beginning of the year** | | |
| Continuing Operations | 18.91 | 73.01 |
| Discontinued Operations | 31.14 | 60.33 |
| **Cash & Cash equivalents at the end of the period** | **34.22** | **50.05** |
| **Cash & Cash equivalents as per above comprise of following Continuing Operations** | | |
| a) Balances with banks (of the nature of cash and cash equivalents): | | |
| Current Accounts | 16.27 | 18.34 |
| Deposits with original maturity of less than three months | - | - |
| b) Cash in hand | 0.01 | 0.57 |
| **Total Cash & Bank Balances - Continuing Operations** | **16.28** | **18.91** |
| **Discontinued Operations** | | |
| Current accounts | 7.94 | 0.20 |
| Deposits with original maturity of less than three months | 10.00 | 30.94 |
| Cash in hand | - | - |
| **Total Cash & Bank Balances - Discontinued Operations** | **17.94** | **31.14** |
| **Total Cash & Cash equivalents** | **34.22** | **50.05** |
| *** Net Increase /(Decrease) in Cash and Cash Equivalents from Discontinued Operations** | | |
| Operating Cash Flows before Working Capital changes | (109.87) | (160.65) |
| Cash Used in Operations (Working Capital Changes) | 250.92 | (158.23) |
| Net Cash from Investing activities | 132.74 | 289.70 |
| Net cash from/(used) in financing activities | (286.99) | (0.01) |
| Net Increase Decrease in Cash and Cash Equivalents from Discontinued Operations | (13.20) | (29.19) |

As per our report of even date attached

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

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

Place: Ernakulam
Date: 15.05.2026

For and on behalf of the Board of Directors

Sd/-
**Sangram Kumar Mishra**
Chairman & Managing Director
DIN 11337117

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

Sd/-
**Subramonian H.**
Company Secretary

Place: Ernakulam, Kerala
Date: 15.05.2026

**Notes to the Consolidated Financial statements for the period ended 31st March, 2026**

**1. Corporate Information**

Hindustan Organic Chemicals Limited (the Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Post bag No. 18, Ambalamugal P.O, Ernakulam District, Kerala - 682 302, India. The Company is principally engaged in the business of manufacturing bulk industrial chemicals and chemical intermediates.

**2. Material accounting Policy information:**

**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 up to two decimals, except when otherwise indicated. Wherever the amount represented Rs. '0' (zero) construes value less than Rupees a lakh.

**Accounting estimates, assumptions and judgements**

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

**Estimates and assumptions**

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

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

**2.2 Summary of accounting policies and estimates**

**a) Revenue recognition**

The Company earns revenue primarily from manufacturing chemical product.

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

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

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

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

**Sale of product**

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

**Rendering of services**

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

**Interest income**

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

**Rental Income**

Rental income arising from operating lease on investment properties is accounted for on a straight-line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

**b) Useful lives of Property, Plant and Equipment.**

The Company reviews the useful life of the Property, plant &

equipment and Intangible asset as at the end of each reporting period and these reassessments may result in change in depreciation expenditure in future period. (Refer No.3a)

**c) Current versus Non-Current classification**

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

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

All other assets are classified as non-current.

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

Liability is current when:

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

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

The Company classifies all other liabilities as non-current.

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

**d) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**e) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**f) Taxes**

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

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit and loss is either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**g) Employee benefits**

**i. Short-term obligations**

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

**ii. Other long-term employee benefit obligations**

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

**iii. Post-employment obligations**

The Company operates the following post-employment schemes:

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

(b) Defined contribution plans such as provident fund.

**iv. Defined benefit plans**

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

**v. Defined contribution plans**

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

**a. Gratuity**

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

**b. Pension and gratuity obligations**

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

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

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

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

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

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

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

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

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

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

**h) Foreign Currency Transactions and balances**

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise. Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets

**i) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss. When the recoverable amount of the CGU is less than it carrying amount, an impairment loss is recognised.

**j) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**k) Cash flow Statement**

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

**l) Cash dividend**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**m) Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit are recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**n) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

**o) Export Benefits:**

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

**p) Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**q) Share-Based Payments:**

Measurement and disclosure of the employee share based payment plans are done in accordance with Ind AS 102, Share-Based Payment. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight-line basis.

**r) Errors and Omissions of earlier period:**

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

The Consolidated Financial Statement have been prepared on the following basis:

i. The financial statements of the Holding Company and its Subsidiary have been consolidated on a line by- line basis by adding together of like items of assets, liabilities, income, and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standard. Accounting policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

ii. Offset (eliminate) the carrying amount of the Parent's investment in subsidiary and the Parent's portion of equity of subsidiary.

iii. The Consolidated Financial Statement are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act.

iv. Non-controlling interests ('NCI') in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

v. Profit or loss and each component of OCI are attributed to the equity holders of the parent and to the NCI, even if this results in the NCI having a deficit balance.

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

**Accounting policy:**

Items of Property, Plant and Equipment including capital-work in-progress are stated at cost (except land valued at fair value), net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bring the asset to its working condition for its intended use. Such cost includes the cost of replacing parts of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives as prescribed in schedule II of Companies Act,2013. All other repair and maintenance costs are recognised in statement of profit or loss, when incurred. In respect of additions to /deletions from the Property, Plant and Equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Property, Plant and Equipment.

The Holding Company adopts an annual revaluation policy to accurately reflect the fluctuating fair value of its land. The fair value of the land under PPE has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The said land has been revalued by Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 29.03.2026 and has a revaluation surplus of Rs. 19,441.99 lakhs as of 31 March 2026.

Property, Plant & Equipment are physically verified once in three year. The management's considered view is that estimated useful lives as per the Schedule II of the Companies Act, 2013 are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company reviews the useful life of the Property, plant & equipment and Intangible asset at the end of each reporting period and these reassessment may result in change in depreciation expenditure in future period.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives, as per Schedule II of the Companies Act 2013,which is as under:

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

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

| Desccription | Land and Land Development* | Land Revaluation | Buildings | Plant and Equipment | Furniture & Fittings | Vehicles | Office Equipment | Library Books | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | |
| Balance as at April 1, 2025 | 578.25 | 19,441.99 | 1,366.11 | 25,259.70 | 192.91 | 119.47 | 733.15 | 13.47 | 47,705.05 |
| Additions | - | - | 13.86 | 406.40 | 30.88 | 0.25 | 30.88 | - | 482.27 |
| Disposals | - | - | - | - | - | - | 0.63 | - | 0.63 |
| **Balance as at March 31, 2026** | 578.25 | 19,441.99 | 1,379.97 | 25,666.10 | 223.79 | 119.72 | 763.40 | 13.47 | 48,186.69 |
| **Accumulated Depreciation** | | | | | | | | | |
| Balance as at April 1, 2025 | - | - | 967.06 | 23,274.94 | 110.08 | 111.09 | 659.69 | 13.43 | 25,136.28 |
| Disposals | - | - | - | - | - | - | 0.58 | - | 0.58 |
| Depreciation for the year | - | - | 29.84 | 97.90 | 10.79 | 0.89 | 20.70 | - | 160.12 |
| **Balance as at March 31, 2026** | **-** | **-** | **996.90** | **23,372.84** | **120.87** | **111.98** | **679.81** | **13.43** | **25,295.82** |
| **Net Carrying Amount as at March 31, 2026** | **578.25** | **19,441.99** | **383.07** | **2,293.26** | **102.92** | **7.74** | **83.59** | **0.04** | **22,890.87** |
| **Net Carrying Amount as at March 31, 2025** | **578.25** | **19,441.99** | **399.05** | **1,984.76** | **82.84** | **8.38** | **73.46** | **0.04** | **22,568.76** |

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

b) The Holding Company has valid title to 352.45 Ares of factory land situated within the factory premises. Out of the above, 109.75 Ares of land situated in the ETP Lower area is in the possession of the Company, as certified by the Village Officer, Puthencruz, vide Possession Certificate dated 19.12.2015

c) The Holding Company had title to 261.12 Ares of land. Out of the above, 2.27 Ares of land was transferred to the Health Centre Department, Government of Kerala, for operating a health centre. Accordingly, the Company has recognised and valued 258.85 Ares of land, which is in the possession of the Company.

During the year, a digital survey conducted by the Kerala State Revenue Department indicated an excess extent of 6.44 Ares of land (267.56 Ares as against 261.12 Ares). The Revenue Authorities have informed that such excess extent identified during digital surveys is normal in cases involving measurement of large extents of land and that the excess land will be regularised in favour of the Company. The relevant documents in this regard are yet to be received and the matter is under process. The Company has remitted land tax during the year based on the extent determined as per the digital survey.

**3 b) Capital Work-in-Progress**

**Accounting policy:**

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

Rs. In Lakhs

| Description | Buildings | Plant and Equipment | Furniture, Fixtures & Equipments | Amount |
|---|---|---|---|---|
| Balance as at April 1, 2025 | 72.48 | 284.16 | 28.05 | 384.69 |
| Additions: | | | | |
| < 1 year | - | 89.44 | - | 89.44 |
| 1-2 Year | - | 0.00 | - | |
| 2-3 Year | 0.00 | 0.00 | - | |
| Less: Capitalise during the year | 72.48 | 284.16 | 28.05 | 384.69 |
| Balance as at March 31, 2026 | - | 89.44 | - | 89.44 |
| Balance as at March 31, 2025 | 72.48 | 284.16 | 28.05 | 384.69 |

**3 c) Investment Properties**

**Accounting policy:**

The Holding Company uses the carrying value as the deemed cost of investment properties. Investments in property that are not intended to be occupied substantially for use by, or in the operations of the company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and borrowing cost, wherever applicable. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

The company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Rs. In Lakhs

| Description | Investment Property Land* | Investment Property Building | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| Balance as at April 1, 2025 | 16.71 | 136.89 | 153.60 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **Balance as at March 31, 2026** | **16.71** | **136.89** | **153.60** |
| **Accumulated Depreciation** | | | |
| Balance as at April 1, 2025 | - | 71.35 | 71.35 |
| Disposals | - | - | - |
| Depreciation for the year | - | 2.16 | 2.16 |
| **Balance as at March 31, 2026** | **-** | **73.51** | **73.51** |
| **Net Carrying Amount as at March 31, 2026** | **16.71** | **63.38** | **80.09** |
| **Net Carrying Amount as at March 31, 2025** | **16.71** | **65.54** | **82.25** |

1. The Holding Company had given 1.03 acre of land at Ambalamugal in Kochi to M/s. Sterling Gas Limited as operating lease under cancellable lease agreement. Investment properties are distinguished from owner occupied property based on area covered under lease agreement and the value of investment has been determined using pro-rata basis.
2. The Holding Company own 184 residential flats at Kochi comprising of 155104 Sq. Ft. out of which, 55 flats covering 46594 Sq. ft. has been earmarked as investment property for letting out.

*The fair value of investment property has been determined by external independent registered valuers, as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, who have experience in the location and category of the property being valued. The land at Kochi has been revalued by professionally qualified independent Registered Valuer Er. Jose Tom, Structural Consultant and Registered Valuer (IBBI), IBBI/RV/05/2021/13810, on 29.03.2026.

Rs. In Lakhs

| Fair value of investment property (Land) | 2025-26 | 2024-25 |
|---|---|---|
| Investment property-Sterling Gas Ltd | 174.89 | 174.89 |
| Investment property-Township | 445.62 | 445.62 |
| **Total** | **620.51** | **620.51** |

| Amounts recognised in profit or loss for investment properties | 2025-26 | 2024-25 |
|---|---|---|
| Rental income including contingent rent | 38.12 | 36.48 |
| Direct operating expenses from property that generated Rental Income | 17.83 | 9.00 |
| Direct operating expenses from property that did not generate rental income | 11.02 | 7.50 |
| **Income from investment properties before depreciation** | **9.27** | **19.98** |
| Depreciation | 2.16 | 2.16 |
| **Income from investment properties** | **7.11** | **17.82** |

### 3 d) Other Intangible Assets

**Accounting policy:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with definite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Research costs are expensed as and when incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Rs. In Lakhs

| Description | Computer software | Total |
|---|---|---|
| **Gross Carrying Amount** | | |
| Balance as at April 1, 2025 | 455.80 | 455.80 |
| Additions | - | - |
| Deletions | - | - |
| **Balance as at March 31, 2026** | **455.80** | **455.80** |
| Amortization | | |
| Balance as at April 1, 2025 | 439.48 | 439.48 |
| Deletions | - | - |
| Amortization for the year | 5.55 | 5.55 |
| **Balance as at March 31, 2026** | **445.03** | **445.03** |
| **Net Carrying Amount as at March 31, 2026** | **10.77** | **10.77** |
| **Net Carrying Amount as at March 31, 2025** | **16.32** | **16.32** |

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

### 3 e) Assets held for sale

**Accounting policy:**

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale transactions rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortised once classified as held for sale and they are revalued at every three to five years depending on observation of external and internal indicators of impairment.

Rs. In Lakhs

| Description | NET CARRYING AMOUNT | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Land | 94,425.42 | 94,425.42 |
| Buildings | 65.15 | 65.15 |
| Plant and Equipment | 58.81 | 58.81 |
| Furniture, Fixtures and Equipment | 0.94 | 0.94 |
| **Total** | **94,550.32** | **94,550.32** |

Note: The Company is in the process of implementing of the Govt. Approved restructuring plan vide order dated May 22, 2017, the Company has closed the Rasayani Unit, plant and equipment scrapped has been disposed off. Sale of unencumbered land (Direct sale of 152 acres of land to BPCL) in Rasayani through NBCC and Panvel land through e-auction are in progress. The Phenol plant at Kochi is in operation.

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

   During the year, there were no changes in the status of the assets classified as "Assets Held for Sale." The Management continues to be committed to the plan to sell these assets. The delay in completion of the sale has occurred due to circumstances beyond the control of the Management. Accordingly, the assets continue to be classified as "Assets Held for Sale" in accordance with the applicable accounting standards. The Management expects the sale of these assets to be completed within one year.

b) As per the communication received from Municipal commissioner Panvel, regarding the actual area of plot No.11 & 12 of survey No.738 on which there is a public road passing through and thereby the total area of Panel land available for sale has reduced from 8 acre to 7.09 acre. Accordingly the reserve price (fair value) has been reduced to Rs.158 crore. Collector of Raigad in the report on the issue of NOC has recommended charging of 40% as unearned income. The company is in the process of obtaining necessary approval from Administrative Ministry. The sale transaction has not been finalised or confirmed as at 31st March 2026. Accordingly, no liability towards unearned income or any other related obligation has been recognised in the financial statements for the year ended 31st March 2026.

c) The land of the Subisiary Company is revalued as per Ind AS and the original land value before Ind AS revaluation is Rs.59 lakh. Factory land of 126.13 acres is located at Rudraram P.O., Kandi Mandal, Sangareddy Dist. Telangana State and land is freehold. HOCL is secured part of land to the extent of 84.31 acres.

d) The Subsidiary Company's fair value of total land as on 31.03.2026 is Rs.14763.57 lakh. Since the fair value of the land is higher than the carrying value as per books of accounts, carrying value of the land held for sale continues to be reported in accordance with para 15 of Ind AS 105.

e) Buildings of the Subsidiary Company's include Time Office building (Gross value of Rs.4.33 lakh), Security Post (Gross value of Rs. 4.55 lakh) and Fencing & Compound Wall (Gross value of Rs.145.58 lakh). Total Gross value Rs.154.46, Accumulated depreciation: Rs.39.56 lakh and Net value Rs.114.90. Depreciation not provided during the year since there are no operations in the company.

**4. Financial Assets**

**4a Investments**

Rs. In Lakhs

| **Description** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| **Non Current Asset** | | |
| **Investments designated at fair value through OCI** | | |
| Investment in Unquoted Equity Shares of Kerala Enviro Infrastructure Ltd * | | |
| (50000 Unquoted Equity Shares @ Rs.10/-) | 5.00 | 5.00 |
| Add: Fair Value Gain in value of investment (Market value as on 31.03.2026 Rs.36.68 Less Face value Rs.10 per share | 13.34 | - |
| **Total** | **18.34** | **5.00** |
| Aggregate amount of unquoted investments (Fair Value) | 18.34 | - |
| Aggregate amount of unquoted investments | 5.00 | 5.00 |
| Aggregate value of fair value gain of investment | 13.34 | - |
| **Total** | **18.34** | **5.00** |

*The Holding Company has measured its investment in equity shares of Kerala Enviro Infrastructure Limited at fair value through Other Comprehensive Income (FVTOCI) in accordance with applicable provisions of Ind AS 109 and Ind AS 113. The fair valuation of the investment as at 31 March 2026 was conducted by an independent registered valuer, CA Pantu Jose (IBBI Registration No. IBBI/RV/06/2024/15622).

The valuation was carried out using the Income Approach – Discounted Cash Flow (DCF) Method, which was considered appropriate based on the nature of the investment and future cash flow projections. The valuer determined the fair value of the equity shares at Rs. 36.68 per share. Accordingly, a fair value gain of Rs.13.34 lakhs arising on remeasurement of the investment has been recognised in Other Comprehensive Income (OCI) during the year.

**4b Other Financial Assets**

Rs. In Lakhs

| **Description** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| (Considered good - Unsecured) | | |
| Carried at amortized cost | | |
| **Deposits:** | | |
| I ) KSEB | 253.78 | 253.41 |
| ii) EMD & Rent | 3.19 | 47.49 |
| iii) Telephone Deposit | 1.68 | 1.68 |
| iv) Accrued Income on Employee Advances | 0.26 | 1.62 |
| **Total** | **258.91** | **304.20** |

**5. Other Non-Current Assets**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| I) Other Deposits with authorities and high court | 276.89 | 276.89 |
| **Total** | **276.89** | **276.89** |

**6. Inventories**

**Accounting policy:**

(I) Stores and spares, packing materials and raw materials are valued at lower of cost and net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Semi-finished products and finished products are valued at lower of cost and net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

(iii) By-products are valued at estimated net realizable value.

(iv) Trading goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Allowances against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use, on the basis of technical assessment. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date providing provision for slow-moving inventory at 50% and in the case of obsolete items at 100%.

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| a. Raw materials | 413.85 | 550.56 |
| b. Work in progress | 815.37 | 1,028.93 |
| c. Finished goods | 1,146.80 | 2,185.18 |
| d. Stores, Spare Parts and Packing Material | 2,544.94 | 2,143.74 |
| e. Stores in Transit | 38.58 | 18.79 |
| Less: Allowances for obsolescence of stores and spares. * | (329.42) | (331.85) |
| Total | 4,630.12 | 5,595.35 |

* During the year, the Company has written back excess allowances for obsolescence of stores and spares amounting to Rs.2.43 Lakhs.

### 7. Trade Receivables

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 1,303.53 | 2,136. 32 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables- credit impaired | 1,003.76 | 1,003.76 |
| Less: Allowance for doubtful trade receivable | (1,003.76) | (1,003.76) |
| Less: Bills Receivables discounted | - | - |
| Less: Discount payable to customers | (463.56) | (485.49) |
| **Total** | **839.97** | **1,650.83** |

I) In the books of the Holding company allowance for doubtful trade receivable is made, which in the opinion of the management are considered credit impaired. The Company is consistently following the practice of creating allowance for those trade receivables which remain outstanding for more than three years or doubtful of recovery. Trade receivables between two to three years showing significant credit risk have been provided for allowance.

ii) In the books of subsidiary company balance standing to the debit/credit of parties is subject to confirmation by them and review by the Company.

iii) In the books of Subsidiary company, Debts over due includes towards case filed in High Court of Andhra Pradesh, which is pending amounting to Rs.129.16 Lakhs (Previous year Rs 129.16 lakhs)

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

Rs. In Lakhs

| Allowance for Doubtful Trade Receivables | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Provision at the beginning of the year | 1,003.76 | 1,503.20 |
| Provisions made during the year | - | 1.41 |
| Released during the year * | - | 500.85 |
| **Provision at the end of the year** | **1,003.76** | **1,003.76** |

* During the year, the Holding Company has not written off any trade receivables (previous year: Rs. 500.85), against which an allowance had already been provided in earlier periods.

**Trade Receivables ageing schedule**

Rs. In Lakhs

| Particulars | Not due (less than 60 days) | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1year | 1-2 years | 2-3 years | More than 3 years | |
| **Current Year 2025-26** | | | | | | | |
| (i) Undisputed Trade receivables - considered good | 430.39 | 280.42 | | | | | 710.81 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | | | | | | | 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | | | | | | 1.41 | 1.41 |
| (iv) Disputed Trade Receivables-considered good | | | | | | 129.16 | 129.16 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | | | | | | 970.70 | 970.70 |
| (vi) Disputed Trade Receivables - credit impaired | | | | | | 331.65 | 31.65 |
| Total | 430.39 | 280.42 | 0.00 | 0.00 | 0.00 | 1,132.92 | 1,843.73 |
| Less: Allowances for expected credit loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,003.76 | 1,003.76 |
| **Net Amount** | **430.39** | **280.42** | **0.00** | **0.00** | **0.00** | **129.16** | **839.97** |

| Particulars | Not due (less than 60 days) | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1year | 1-2 years | 2-3 years | More than 3 years | |
| **PreviousYear 2024-25** | | | | | | | |
| (i) Undisputed Trade receivables - considered good | 1,521.67 | | | | | | 1,521.67 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | | | | | | | 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | | | | | | 1.41 | 1.41 |
| (iv) Disputed Trade Receivables-considered good | | | | | | 129.16 | 129.16 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | | | | | | 970.70 | 970.70 |
| (vi) Disputed Trade Receivables - credit impaired | | | | | | 331.65 | 31.65 |
| Total | 1,521.67 | 0.00 | 0.00 | 0.00 | 0.00 | 1,132.92 | 2,654.59 |
| Less: Allowances for expected credit loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,003.76 | 1,003.76 |
| **Net Amount** | **1,521.67** | **0.00** | **0.00** | **0.00** | **0.00** | **129.16** | **1,650.83** |

### 8. Cash and cash equivalents

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Balances with banks (of the nature of cash and cash equivalents): | | |
| Current Accounts | 24.21 | 18.44 |
| Deposits with original maturity of less | 10.00 | 30.94 |
| Cash on Hand | 0.01 | 0.57 |
| **Cash and cash equivalents as per the statement of Cash flow** | **34.22** | **50.05** |

## 9. Other Bank Balances

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Fixed Deposit against BG/LC | 5,866.30 | 5,892.45 |
| Deposit with original maturity of more than three months but less than twelve months | 19,131.35 | 19,479.83 |
| **Total** | **24,997.65** | **25,372.28** |

The Holding Company Bank overdrafts have been availed against fixed deposits. The outstanding overdraft balance as at 31 March 2026 amounts to Rs. 13,198.36 lakhs (previous year: Rs. 11,139.61 lakhs).

The subsidiary company's fixed deposit includes an amount of Rs. 1,612.16 lakh deposited with SBI, Saifabad Branch, Hyderabad, as per the direction of the Court. This includes sale proceeds of plant and other assets amounting to Rs. 1,418.35 lakh, which were deposited on 31.03.2023.

## 10. Loans (Current Asset)

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **(A) Loans to employees** | | |
| Loans Receivables unsecured, considered good | 16.55 | 16.50 |
| Less: Provision for Doubtful repayment | (4.49) | (4.49) |
| | 12.06 | 12.01 |
| **(B) Advance to suppliers** | | |
| Unsecured, Considered doubtful | 65.00 | 65.00 |
| Less: Allowance for doubtful advance to suppliers | 65.00 | 65.00 |
| | - | - |
| **Total (A+B)** | **12.06** | **12.01** |

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

## 11. Other Financial Assets

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **A) Interest receivable (Unsecured, Considered good)** | | |
| (I) Accrued Interest on Deposits (a) | 656.18 | 693.63 |
| (ii) Accrued Interest on Advance* | 106.08 | 106.08 |
| Less: Provision for Doubtful repayment | 106.08 | 106.08 |
| **Net amount (B)** | - | - |
| **B) ) Escrow account ©** (Refere Note No. 17)** | 957.98 | - |
| **Total (A+B+C)** | **1,614.16** | **693.63** |

*Accrued interest of Rs. 106.08 lakhs was due for receipt as at the balance sheet date and accordingly has been classified under Current Assets.

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

***In accordance with the provisions of the SEBI (Delisting of Equity Shares) Regulations, the Company deposited Rs. 1,362.03 lakhs into an escrow account. Out of the total amount, Rs. 404.05 lakhs was utilised towards acquisition of public shareholding pursuant to the delisting process. The remaining balance of Rs. 957.98 lakhs continues to be held in the escrow account as at March 31, 2026.

## 12. Other Current Assets

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| I) Deposits with the Collectorate of Central Excise and Customs | 1.89 | 1.89 |
| Less : Allowances for doubtful advance | 1.89 | 1.89 |
| **Sub-total (a)** | **-** | **-** |
| ii) Statutory receivables - Duties & Taxes, Prepaid Taxes | 393.10 | 783.61 |
| Less : Allowances for doubtful advance | - | - |
| **Sub-total (b)** | **393.10** | **783.61** |
| iii) Advances to Suppliers | 31.54 | 83.35 |
| Less : Allowances for doubtful advance | 1.83 | 1.83 |
| **Sub-total ©** | **29.71** | **81.52** |
| iv) Prepaid Expense | 126.66 | 121.28 |
| v) Other Advances Recoverable | 45.29 | 106.80 |
| vi) Recoverable from Employees | 71.46 | 71.46 |
| **Sub-total** | **243.41** | **299.54** |
| Less : Allowances for doubtful advance | 60.64 | 60.64 |
| **Sub-total (d)** | **182.77** | **238.90** |
| **Total (a+b+c+d)** | **605.58** | **1,104.03** |

**13. Equity Share Capital**

Rs. in Lakhs

| Description | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | Nos. | Rs. | Nos. | Rs. |
| **Authorised Share Capital** | | | | |
| Equity Shares of Rs. 10 each | | | | |
| Opening Balance | 100,000,000.00 | 10,000.00 | 100,000,000.00 | 10,000.00 |
| Increase/(decrease) during the year | - | - | - | - |
| **Closing Balance** | **100,000,000.00** | **10,000.00** | **100,000,000.00** | **10,000.00** |
| Preference Shares of Rs. 10 each | | | | |
| Opening Balance | 270,000,000.00 | 27,000.00 | 270,000,000.00 | 27,000.00 |
| Increase/(decrease) during the year | - | - | - | - |
| **Closing Balance** | **270,000,000.00** | **27,000.00** | **270,000,000.00** | **27,000.00** |
| **Total authorised capital** | **370,000,000.00** | **37,000.00** | **370,000,000.00** | **37,000.00** |
| **Issued equity capital** | | | | |
| Equity shares of Rs. 10 each issued, subscribed and fully paid | | | | |
| **Opening Balance** | **67,173,100.00** | **6,717.31** | **67,173,100.00** | **6,717.31** |
| Add: Paid-up amount on shares forfeited | - | 9.65 | - | 9.65 |
| Increase/(decrease) during the year | - | - | - | - |
| **Total - Equity share capital** | **67,173,100.00** | **6,726.96** | **67,173,100.00** | **6,726.96** |

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having at par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

| Name of the shareholder | As at 31.03.2026 | | As at 31.03.2025 | | % change during the year |
|---|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding | |
| Equity shares of INR 10 each fully paid: The Government of India (Promoter) | 39,481,500 | 58.78% | 39,481,500 | 58.78% | Nil |

During the year 2010-11, the Company forfeited 1,93,000 shares of Rs.10 each (Rs.5 paid up) for non payment of allotment and call monies and the amount paid towards application money in respect of these forfeited shares has been transferred to “Share’s Forfeiture Account”.

**Promoters Shareholding at the end of the Year (Subsidiary Company)**

| Name | No. of shares | % of Total Shares | % change during the year |
|---|---|---|---|
| Hindustan Organic Chemicals Ltd | 13,335,084 | 68.04% | 12% |
| Telangana State Industrial Infrastructure Corporation Ltd. (TSIIC) | 870,000 | 4.44% | 0% |
| **Total** | | **72.48%** | |

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary HFL.

### 14. Other Equity

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **a) Securities Premium *** | | |
| **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 | (75,492.54) | (114,670.64) |
| Restated balance at the beginning of the period | (75,492.54) | (114,670.64) |
| Add: Profit / (Loss) for the year | (1,272.97) | 39,178.10 |
| Additional Stake acquired without loosing control** | (176.54) | - |
| Add: Gain/Loss recognised through OCI (sale of land) | - | - |
| **Closing Balance** | **(76,942.05)** | **(75,492.54)** |
| **c) Other Equity** | **As at 31.03.2026** | **As at 31.03.2025** |
| Opening Balance | 70,586.46 | - |
| Add: Waiver of GoI loan and Preference shares** | - | 70,586.46 |
| **Closing Balance** | **70,586.46** | **70,586.46** |
| **d) Other comprehensive income** | **As at 31.03.2026** | **As at 31.03.2025** |
| **I) Revaluation of Property, plant & Equipment** | | |
| Opening Balance | 97,987.78 | 97,987.78 |
| Add: Revaluation during the year (Note No.3a) | - | - |
| Add/(Less): Income tax (expense)/ benefit of the above | - | - |
| Less: Gain/Loss recognised through OCI (sale of land) | - | - |
| Add : Income tax (expense)/ benefit of the above | - | - |
| **Closing Balance** | **97,987.78** | **97,987.78** |
| **ii) Equity Instrument through Other Comprehensive Income** | | |
| Opening Balance | - | - |
| Add/Less: Net fair value gain/loss on investment in equity instruments through OCI | 13.34 | - |
| Less: Income tax (expense)/ benefit of the above | (3.00) | - |
| **Closing Balance** | **10.34** | **-** |
| **iii) Changes in Employees defined benefits plan** | | |
| Opening Balance | (113.22) | (26.11) |
| Add/Less: Revaluation during the year | - | - |
| Add/Less: Remeasurement of defined benefit plan | 17.33 | (87.11) |
| **Closing Balance** | **(95.89)** | **(113.22)** |
| **Total** | **97,902.23** | **97,874.56** |
| **Total Other Equity** | **96,385.21** | **97,807.04** |

* Securities Premium Reserve - Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

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

### 15a. Lease

**Accounting policy:**

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

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

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

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

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

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

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

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

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

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

**The Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

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

Rs. In Lakhs

| | Category of ROU asset | | |
|---|---|---|---|
| **2025-26** | Vehicle | Building | Total |
| Balance as at April 1, 2025 | - | 81.11 | 81.11 |
| Additions | 82.14 | 49.93 | 132.07 |
| Disposals | - | 70.45 | 70.45 |
| Depreciation | 9.58 | 16.50 | 26.08 |
| Balance as at March 31, 2026 | 72.56 | 44.09 | 116.65 |
| **2024-25** | | | |
| Balance as at April 1, 2024 | - | 106.73 | 106.73 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Depreciation | - | 25.62 | 25.62 |
| Balance as at March 31, 2025 | - | 81.11 | 81.11 |

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

**The following is the break-up of current and non-current lease liabilities as at March 31, 2026**

Rs. In Lakhs

| **Description** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Current liability | 22.94 | 23.94 |
| Non-current liability | 96.51 | 66.52 |
| **Total** | **119.45** | **90.46** |

**The movement in lease liabilities during the year ended March 31, 2026 as follows :**

Rs. In Lakhs

| | Category of ROU asset | | |
|---|---|---|---|
| **2025-26** | Vehicle | Building | Total |
| Balance as at April 1, 2025 | - | 90.46 | 90.46 |
| Additions | 82.14 | 49.79 | 131.93 |
| Finance cost accrued during the period | 3.25 | 4.73 | 7.98 |
| Deletions | - | (80.85) | (80.85) |
| Payment of lease liabilities | (11.41) | (18.66) | (30.07) |
| Translation Difference | - | - | - |
| **Balance as at March 31, 2026** | **73.98** | **45.47** | **119.45** |
| **2024-25** | | | |
| Balance as at April 1, 2024 | - | 111.51 | 111.51 |
| Additions | - | - | - |
| Finance cost accrued during the period | - | 7.75 | 7.75 |
| Deletions | - | - | - |
| Payment of lease liabilities | - | (28.80) | (28.80) |
| Translation Difference | - | - | - |
| **Balance as at March 31, 2025** | **-** | **90.46** | **90.46** |

During the financial year 2025–26, the Company terminated its earlier office lease agreement and entered into a new lease for office premises for a period of five years.The Company has also entered into a separate lease agreement for a fire tender vehicle for a period of five years. Both leases have been accounted for using the lease liability method, and accordingly, right-of-use assets and corresponding lease liabilities have been recognized in the Balance Sheet in accordance with applicable accounting standards.

**15 b. Provisions (Long term liability)**

Rs. In Lakhs

| **Description** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| I) Employee's Benefits - Leave encashment (Refer Note No.31) | 864.80 | 970.75 |
| iii) Other provision | 23.76 | 23.76 |
| Total | 888.56 | 994.51 |

**16. Deferred Tax liabilities**

**Accounting policy:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in the temporary differences will not reverse in the foreseeable future Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Fair Value of Land | 17,495.52 | 17,495.52 |
| Fair Value of Investment in KEIL | 3.00 | - |
| Net Deferred tax liability [Note No.39] | 17,498.52 | 17,495.52 |
| | | |

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

17. **Borrowings**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **17 a) Non Current Financial Liabilities-Borrowings** | | |
| **Term Loan** | | |
| EMC Loan (Secured)* | 134.56 | 191.30 |
| **Total Non Current (a)** | **134.56** | **191.30** |
| **17 b) Current Financial Liabilities-Borrowings** | | |
| **From Bank** | | |
| Bank Overdraft*** | 19,067.58 | 11,139.61 |
| **From Other Loans** | | |
| Loan from GOI ** | 9,167.00 | 9,167.00 |
| Current maturity on EMC LOAN (Secured)* | 56.56 | 53.49 |
| **Total Current (b)** | **28,291.14** | **20,360.10** |
| **Total Borrowings (a+b)** | **28,425.70** | **20,551.40** |
| Aggregate Secured loans | 19,258.70 | 11,384.40 |
| Aggregate Unsecured loans | 9,167.00 | 9,167.00 |

Note

*Borrowings are initially recognised at fair value, net of transaction costs incurred. Subsequently, they are measured at amortised cost. Any difference between the net proceeds (after deducting transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowing using the effective interest rate (EIR) method.The Company availed a term loan of Rs. 299 lakhs from the Energy Management Centre (EMC) on 20 March 2024. The loan is repayable in 60 equal monthly instalments over a period of five years and is secured by a bank guarantee.The loan is measured at amortised cost using the effective interest rate method, with an effective interest rate of 5.59% per annum. Upfront processing fees and other transaction costs amounting to Rs. 12.67 lakhs have been deducted from the loan proceeds and are being amortised over the tenure of the loan using the EIR method.The term loan was obtained for the purpose of replacing existing compressors with energy-efficient compressors. The installation of the new compressors was completed on 28 July 2025.

**Details of Borrowings as at 31.03.2026 of Term Loan:** Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Net Carrying Amount at the beginning of the year | 244.79 | 286.33 |
| Principal Loan Amount | - | - |
| Interest charged for the Financial Year | 12.11 | 13.27 |
| Less: Processing Fees Paid | - | - |
| Less: Amount paid during the Financial Year | 65.78 | 54.81 |
| Net Carrying Amount | 191.12 | 244.79 |

**In accordance with the provisions of the SEBI (Delisting of Equity Shares) Regulations, the Company deposited Rs. 1,362.03 lakhs into an escrow account, funded through a loan obtained from its subsidiary. Out of the total amount, Rs. 404.05 lakhs was utilised towards acquisition of public shareholding pursuant to the delisting process. The remaining balance of Rs. 957.98 lakhs continues to be held in the escrow account as at March 31, 2026.

a) GOI has disbursed to subsidiary company a loan of Rs. 7370 lakh on 22.05.2020 and Rs.217 lakh on 15.03.2022 as interest free loan to the subsidiary company for settling the dues of employees, creditors and closure of loans as per decision of CCEA.

b) The Term loan from holding company of Rs.753.02 lakh is Interest bearing @ 10.25% to 14.50% repayable in 5 annual instalments commencing from FY 2010-11, as per the loan agreement. During the financial year 2012–13, the Company made a payment of Rs.300 lakh towards the loan. However, the Company has been in continuing default in repayment of the remaining principal amount of Rs.453.01 lakh along with the accumulated interest up to 31.03.2023. Since HOCL Board approved for waiver of interest from 01.04.2023 onwards, no interest has been provided from 01.04.2023 onwards.

c) The subsidiary company had outstanding plan loan of Rs.360 lakh availed from Government of India for manufacture of MPTFE and Rs.1320 lakh availed for refurbishment of the Plant @11.5% p.a. and both the loans repayable in 5 annual instalments commencing from F.Y. 2015-16. The Company had repaid Rs.100 lakh with interest of Rs.24.92 lakh during the month of March, 2017 and accordingly principal and interest outstanding's were adjusted. The instalment due for F.Y. 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 amounting to Rs.1580.00 lakh. 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.1580 lakh will be freezed up to 31.03.2019. Hence interest has not been provided from the year 2019-20 onwards.

d) The interest of Rs.636.00 lakhs earned on the unspent Government of India loan was utilized towards closure-related liabilities and regulatory obligations, including share delisting expenses.

***The Holding Company has been sanctioned working capital facility from Bank on the basis of security of Fixed Deposits with Bank and is not required to submit any quarterly return or statements with the bank in respect of this facility. Additionally, during the year, the Company has availed a Cash Credit (CC) facility for working capital purposes, secured against inventory and trade receivables, with a sanctioned limit of Rs.6000.00 lakhs. The outstanding amount utilized under this facility as at the reporting date is Rs. 5,869.22 lakhs.

During the year 2025-26, on April 1, 2025, a transfer of Rs. 45.00 lakhs was made from PNB account to SBI account and was duly recorded in the SBI account on the same date. However, due to a technical issue at PNB, the transaction is reflected in the PNB account statement dated March 31, 2025. A clarification letter regarding this matter has been obtained from PNB.

**18. Trade Payables**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current - Trade Payables** | | |
| i) Outstanding dues of micro and small enterprises | 28.51 | 42.99 |
| ii) Outstanding dues of other than micro and small enterprises | 1,501.47 | 4,749.80 |
| Total | 1,529.98 | 4,792.79 |

**Amount due to Micro, Small and Medium enterprises**:

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| a) i) Principal amount remaining unpaid as at the end of each accounting year | 28.51 | 42.99 |
| ii) Amount of Interest paid by the buyer in terms of MSME Act 2006 | - | - |
| iii) Interest due and payable for the period of delay in payment | - | - |
| iv) Interest accrued and remaining unpaid | - | - |
| v) Interest due and payable even in | - | - |

b) Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. All the dues to them are paid within due date and there is no overdue amount as on the closing date.

**Trade payable ageing schedule**

Rs. In Lakhs

| Particulars | Not due (Less than 30 davs) | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Current Year 2025-26** | | | | | | |
| i) MSME | 27.86 | 0.65 | 0.00 | 0.00 | 0.00 | 28.51 |
| ii) Others | 1437.,29 | 1.54 | 62.64 | 0.00 | 0.00 | 1501.47 |
| iii) Disputed dues-MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iv) Disputed dues.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** | 1465.15 | 2.19 | 62.64 | 0.00 | 0.00 | 1529.98 |
| **Previous Year 2024-25** | | | | | | |
| i) MSME | 42.99 | 0.00 | 0.00 | 0.00 | 0.00 | 42.99 |
| ii) Others | 4700.82 | 48.98 | 0.00 | 0.00 | 0.00 | 4749.80 |
| iii) Disputed dues-MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iv) Disputed dues.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **TOTAL** | 4743.81 | 48.98 | 0.00 | 0.00 | 0.00 | 4792.79 |

**19. Other Current Financial Liabilities**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| i)Interest on GOI loan | 787.54 | 787.54 |
| ii) Deposits from Vendors / Customers | 342.05 | 409.78 |
| iii) Creditors for capital goods | 2.50 | 452.54 |
| **Total** | **1,132.09** | **1,649.86** |

**20. Other Current Liabilities**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current - Trade Payables** | | |
| I) Advances from customers | 295.74 | 236.02 |
| ii) Statutory Liabilities | 520.10 | 126.39 |
| iii) Employee related Liabilities | 141.25 | 156.01 |
| **iii) Net defined Benefit Asset with Gratuity Fund Trust (Refer Note No.31)** | | |
| Defined Benefit Obligation | 1,442.29 | 1,493.08 |
| Fair Value Of Plan Assets | (1,367.85) | (1,459.16) |
| Net Liability | 74.44 | 33.92 |
| iv) Payroll Recoveries Payable | 12.29 | 16.92 |
| v) Other Liabilities | 2,688.16 | 7,226.26 |
| **Total** | **3,732.49** | **7,795.93** |

**21. Short Term Provisions**

Rs. In Lakhs

| Description | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current - Trade Payables** | | |
| I) Employee Benefits-Leave encashment (Refer Note No.31) | 255.92 | 218.40 |
| ii) Provision for wages | 1,299.00 | 1,047.00 |
| iii) Provision for Income Tax | - | 333.00 |
| **Total** | **1,554.92** | **1,598.40** |

**22. Revenue from operations**

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| Revenue from operations - Sales of Products | | |
| Phenol | 34,246.51 | 31,565.64 |
| Acetone | 16,868.70 | 17,080.48 |
| Hydrogen Peroxide | 2,525.00 | 2,233.01 |
| H. E. of Cumene | 2,193.51 | 1,889.95 |
| Cumox Oil | 1,003.70 | 817.68 |
| Cumene | 538.71 | - |
| **Total Revenue from Operations.** | **57,376.13** | **53,586.76** |

### 23. Other Income

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Direct income:** | | |
| Sale of Scrap | 51.74 | 111.73 |
| **Sub-total (a)** | **51.74** | **111.73** |
| **Interest income on** | | |
| On Call and Term Deposits (Gross)* | 1,702.35 | 1,694.58 |
| On Income tax refund | - | 1.22 |
| On Advances and Deposits with KSEB and others | 21.75 | 25.48 |
| Delayed payment & Finance charges from trade receivable | 2.12 | - |
| **Sub-total (b)** | **1,726.22** | **1,721.28** |
| Other non-operating income | | |
| Estate Rent | 54.16 | 51.16 |
| Exchange rate Diff - Gain | 10.07 | - |
| Excess provision written back | 2.43 | 321.05 |
| Unclaimed credit** | 10.15 | 44.16 |
| Miscellaneous Income*** | 71.85 | 25.73 |
| **Sub-total (C)** | **148.66** | **442.10** |
| **Total (a+b+c)** | **1,926.62** | **2,275.11** |

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| *** Excess Provision written back include the following:** | | |
| 1. Reversal of excess provision for doubtful debts**** | - | 319.40 |
| 2. Provision no longer required in various cases | - | 1.65 |
| 3. Excess Provision written back-Stores & Spares | 2.43 | - |
| **Total** | **2.43** | **321.05** |

*An amount of Rs. 0.58 lakhs (previous year Rs. 0.83 lakhs) has been recognized as income during the period on account of interest earned on a call term deposit. This deposit represents a security deposit placed in relation to lease arrangements accounted for under Right-of-Use (ROU) assets and corresponding lease liabilities.

**During the financial year 2025–26, unclaimed credit balances amounting to Rs. 10.15 lakhs (Previous Year Rs. 44.16 Lakhs) pertaining to various accounts were identified and, in accordance with applicable accounting policies, have been written back and recognized as income.

***During the year, the Holding Company has recognised miscellaneous income of Rs. 10.39 lakhs. This includes income arising from the termination of a lease agreement relating to the Mumbai office premises. On termination, the Company derecognised the lease-related balances, resulting in a net income of Rs. 0.21 lakhs, being the difference between the security deposit of Rs. 2.70 lakhs and the prepaid Right-of-Use (ROU) asset of Rs. 2.49 lakhs. Accordingly, the net impact of Rs. 0.21 lakhs has been included under miscellaneous income in the Statement of Profit and Loss.

****During the year 2024-25 an amount of Rs. 310.21 lakhs has been received towards old dues from M/s Indian Drugs and Pharmaceuticals. The corresponding provision has been written back.

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

### 24. Cost of Raw Materials and Components Consumed

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| Stock at the beginning of the year | 550.56 | 1,918.97 |
| Add: Purchases | 39,697.29 | 41,327.08 |
| Less: Stock at the end of the year | 413.85 | 550.56 |
| **Total Cost of raw materials and components consumed** | **39,834.00** | **42,695.49** |

### 25. Changes in Inventories of Finished Goods and WIP

(Increase) / Decrease in inventory

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| Stock at the beginning of the year | | |
| (I) Stock-in-Process | 1,028.93 | 1,010.56 |
| (ii) Stock for Captive consumption | 344.05 | 227.36 |
| (iii) Finished Goods | 1,798.37 | 1,157.37 |
| (iv) By Products | 42.76 | 39.23 |
| **Sub-total (a)** | **3,214.11** | **2,434.52** |
| Stock at the end of the year | | |
| (I) Stock-in-Process | 815.37 | 1,028.93 |
| (ii) Stock for Captive consumption | 34.87 | 344.05 |
| (iii) Finished Goods | 1,083.97 | 1,798.37 |
| (iv) By Products | 27.96 | 42.76 |
| **Sub-total (b)** | **1,962.17** | **3,214.11** |
| **Changes in Inventories of finished goods and work in progress (a-b)** | **1,251.94** | **(779.59)** |

### 26. Employee Benefit Expense

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| a) Salary, Wages and allowances * | 3,287.84 | 3,473.22 |
| b) Contribution to Provident and Other funds | 317.31 | 328.39 |
| c) Gratuity payment including premium for Group Gratuity - cum-Life assurance scheme (Refer Note No.31) | 59.66 | 47.89 |
| d) Provision for Leave Encashment | 199.73 | 307.93 |
| e) Contribution to NPS | 39.70 | 134.77 |
| f) Staff welfare expenses | | |
| Medical amenities | 147.39 | 117.78 |
| Canteen and Nutrition amenities | 245.46 | 261.31 |
| Other welfare expenses | 73.52 | 73.62 |
| **Total** | **4,370.61** | **4,744.91** |

*Board recommended to implement salary revision of employees w.e.f. 25.01.2021 and the same was submitted to the Ministry of Chemicals and Fertilizers for approval. Company has provided Rs. 252 lakhs for the year 2024-25 and 2025-26 each.

**27. Finance Costs**

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Interest:** | | |
| On Fixed Loans (Govt. Loan)* | - | 2,499.39 |
| On Preference shares | - | 337.50 |
| Interest on advance from customers | 1,001.27 | 921.68 |
| Interest on Lease Liability | 7.98 | 7.75 |
| Interest onBank Over Draft | 962.25 | 500.45 |
| Interest on EMC Loan | 12.11 | 13.27 |
| Interest Others | 5.14 | - |
| **Total** | **1,988.75** | **4,280.04** |
| Other Borrowing Cost-Bank charges | 53.60 | 5.91 |
| **Total finance costs** | **2,042.35** | **4,285.95** |
| * Refer Note No. 30(a) | | |

**28. Depreciation and Amortization Expense**

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Depreciation** | | |
| Property, Plant and equipment | 160.12 | 129.09 |
| Investment Properties | 2.16 | 2.16 |
| Right-of-Use Asset | 26.08 | 25.62 |
| Amortization of intangible assets | 5.55 | 7.31 |
| **Total** | **193.91** | **164.18** |

**29. Other Expenses**

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Consumption of Stores and Spares** | | |
| I) Catalyst and Chemicals | 553.92 | 671.59 |
| ii) Consumable stores | 194.12 | 778.55 |
| iii) Packing materials | 444.26 | 366.99 |
| **Subtotal (a)** | **1,192.30** | **1,817.13** |
| **Utilities** | | |
| Power | 2,192.51 | 2,302.97 |
| Fuel | 8,100.95 | 8,486.71 |
| Water | 336.60 | 365.22 |
| **Subtotal (b)** | **10,630.06** | **11,154.90** |
| Repairs & Maintenance: | | |
| Building | 75.37 | 224.29 |
| Plant and Machinery | 204.87 | 571.58 |
| Other Assets | 54.69 | 68.53 |
| **Subtotal (c)** | **334.93** | **864.40** |
| Administration Expenses: | | |
| Rent/Lease rent | 0.66 | 0.91 |
| Insurance | 419.67 | 324.13 |
| Rates and taxes | 344.71 | 359.09 |
| Consultancy, Professional and Legal Charges | | |

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **Payment to Auditors:** | | |
| Audit Fee | 4.60 | 4.60 |
| Taxation matters | 0.90 | 0.90 |
| Reimb. of Expenses | 0.34 | 1.03 |
| Other services | 0.30 | 0.30 |
| **Other expenses:** | | |
| Power for Township | 17.11 | 18.30 |
| Water for Township | 14.25 | 13.73 |
| Security Expenses | 247.68 | 248.43 |
| Other administrative expenses | 160.41 | 191.37 |
| Advertisement Expenses | 6.38 | 9.94 |
| Hire of Vehicles Expenses | 54.97 | 52.46 |
| Disposal of Assets | - | 0.24 |
| Other Misc. Exp. | 97.61 | 127.76 |
| **Subtotal (d)** | 1,520.45 | 1,651.21 |
| **Provisions:** | | |
| Provision for Stock Obsolescence | - | 50.91 |
| Provision for Unidentified assets | - | 0.63 |
| **Subtotal (e)** | **-** | **51.54** |
| **Total (a+b+c+d+e)** | **13,677.74** | **15,539.18** |

**30. Exceptional Items**

Rs. In Lakhs

| Description | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|
| **a) Waiver off interest on GOI loan and Preference Shares** | | |
| Interest on GOI loan | - | 47,359.79 |
| Interest on Preference Shares | - | 7,222.50 |
| **Total (a)** | **-** | **54,582.29** |
| b) Legal Cases (Harichandrai ) | | |
| Rent | - | 1,324.14 |
| Interest amount | (681.64) | 2,982.77 |
| **Total (b)** | **(681.64)** | **4,306.91** |
| **Total (a-b)** | **681.64** | **50,275.38** |

a) During the previous year, pursuant to Government of India (GOI) Order No. 1600/9/2024-IFD dated 21 March 2025, the GOI waived the long outstanding loan of Rs. 43,586.46 lakhs and Redeemable Preference Shares amounting to Rs. 27,000 lakhs, along with the accrued interest on the GOI loan of Rs. 47,359.79 lakhs, interest on preference shares of Rs. 7,222.50 lakhs, and penal interest on preference shares of Rs. 9,967.96 lakhs, outstanding as at 30 September 2024.

Accordingly, the principal amounts aggregating to Rs. 70,586.46 lakhs have been transferred to Other Equity. Further, the waiver of accrued interest and penal interest aggregating to Rs. 64,550.25 lakhs has been recognised as miscellaneous income in the Statement of Profit and Loss. Consequent to the waiver of the original interest liability, the interest on interest amounting to Rs. 68,294.06 lakhs, which was disclosed as contingent liability, no longer survives and has accordingly been withdrawn from contingent liabilities.

b) During the financial year 2024–25, the Company recognised a liability of Rs. 4,306.91 lakhs pursuant to the Order dated December 4, 2024, passed by the Hon'ble Bombay High Court in the matter of Mohit Suresh Harchandrai and Others vs. Hindustan Organic Chemicals Limited (HOCL). The Hon'ble High Court directed the Company to pay mesne profits amounting to Rs. 5,070 lakhs for the period from June 1, 2000 to April 23, 2014, together with interest thereon at the rate of 8% per annum. The Company had earlier deposited Rs. 250 lakhs in compliance with the said Order.

Subsequently, the Company filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the aforesaid Order of the Hon'ble Bombay High Court. Pursuant to the directions of the Hon'ble Supreme Court, the applicable rate of interest was revised from 8% per annum to 6% per annum.

Consequent to the above revision, during the financial year 2025–26, the Company reversed excess interest amounting to Rs. 745.69 lakhs that had been recognised in the previous financial year. Further, the Company recognised interest expense at the revised rate of 6% per annum up to February 3, 2026, amounting to Rs. 106.05 lakhs.

Accordingly, the Company has recognised a net exceptional income of Rs. 639.64 lakhs (being reversal of excess interest of Rs. 745.69 lakhs net of interest expense of Rs. 106.05 lakhs) during the financial year 2025–26. In addition, interest income of Rs. 42.00 lakhs earned on deposits has also been recognised under exceptional items.

The Company has deposited the entire amount, as directed by the Hon'ble Court, with the Hon'ble High Court on February 3, 2026.

**31 EMPLOYEES BENEFIT PLAN:**

**A. Provision for leave encashment**

The Company has made a provision and levied Rs.1,120.72 Lakhs (previous year Rs.1,189.15 Lakhs) for leave encashment as on 31st March, 2026, as per the Ind AS-19 based on Actuarial Valuation and the unpaid amount of leave encashment claims submitted by the employees.

**B. Provident fund**

Employees receive benefits from the provident fund managed by the Company upto 30th June 2018. From 1st July 2018 onwards the Company has transferred the Provident fund accounts of all employees to Employees Provident Fund Organisation (EPFO) and managed by EPFO. The employee and employer each make monthly contributions to the Provident Fund/Pension Fund plan equal to 12% of the employees' salary/wages.

**C. Gratuity**

Gratuity plan is governed by the Payment of Gratuity Act, 1972 and employee who has completed five years of service is entitled to gratuity and the level of benefits provided depended on the member's length of service and salary at retirement age. The Employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the Trust through an Annuity Scheme maintained with Life Insurance Corporation of India (LIC). The Company has considered return on plan assets as Other Comprehensive Income for the period. The balance fund available with LIC is Rs.1,367.85 Lakhs (Previous year Rs.1,459.16 Lakhs) including deposit with ICICI Bank Rs.0.45 Lakhs (Previous year Rs. 0.45 Lakhs)

All dues on account of gratuity pertaining to employees of the Rasayani unit and Kochi unit who were relieved up to 31 March 2026 have been fully settled. Accordingly, there are no outstanding gratuity liabilities in respect of such employees as at the reporting date.Further, during the year, the Company has made provision for gratuity in accordance with the applicable provisions of the new labour code, including coverage for temporary, contract, and fixed-term employees (FTE), as applicable.

**1. Funded Status of the plan**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Present value of funded obligations | 1,442.29 | 1,493.08 |
| Fair value of plan assets | 1,367.85 | 1,459.16 |
| **Net Liability (Asset)** | **74.44** | **33.92** |

**2a. Profit and loss account for current period**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Current Service Cost | 59.38 | 57.16 |
| Past Service cost and loss/gain on curtailments and settlement | - | - |
| Net Interest cost | 0.28 | (9.27) |
| **Total included in 'Employee Benefit Expense' (P&L)** | **59.66** | **47.89** |

**2b. Other Comprehensive Income for the current period**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | (22.83) | 77.40 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | 15.04 | 13.91 |
| Return on plan assets including amounts included in interest income | (9.54) | (4.20) |
| **Amounts recognized in Other Comprehensive Income** | **(17.33)** | **87.11** |

**3. Reconciliation of defined benefit obligation**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Opening Defined Benefit Obligation | 1,493.08 | 1,550.72 |
| Transfer in/(out) obligation | - | - |
| Current service cost | 59.38 | 57.16 |
| Interest Cost | 91.08 | 99.60 |
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | (22.83) | 77.40 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | 15.04 | 13.93 |
| Past Service Cost | - | - |
| Loss(gain) on curtailments | - | - |
| Liabilities Extinguished on settlement | - | - |
| Liabilities assumed in an amalgamation in the nature of purchase | - | - |
| Exchange differences on foreign plans | - | - |
| Benefits paid | (193.46) | (305.73) |
| Closing defined benefit Obligation | 1,442.29 | 1,493.08 |

**4. Reconciliation of plan Assets**

Rs. In Lakhs

| **Particulars** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Opening value of plan assets | 1,459.16 | 1,651.81 |
| Transfer in (out) plan assets | - | - |
| Expenses deducted from the fund | - | - |
| Interest Income | 90.80 | 108.87 |
| Return on plan assets excluding amounts included in interest income | 9.54 | 4.21 |
| Assets distributed on settlements | - | - |
| Contributions by employer | 1.81 | - |
| Assets acquired in an amalgamation in the nature of Purchase | - | - |
| Exchange rate differences on foreign plans | - | - |
| Benefits paid | (193.46) | (305.73) |
| **Closing value of plan assets** | **1,367.85** | **1,459.16** |

**5. Reconciliation of net defined benefit liability**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Net opening provision in books of accounts | 33.92 | (101.09) |
| Transfer in (out) obligation | - | - |
| Transfer (in) out plan assets | - | - |
| Employee benefits Expense | 59.66 | 47.89 |
| Amounts recognized in other comprehensive income | (17.33) | 87.12 |
| | 76.25 | 33.92 |
| Benefits paid by the Company | - | - |
| Benefits settled (Rasayani Unit) | - | - |
| Contributions to plan assets | (1.81) | - |
| Closing provision in the books of accounts | 74.44 | 33.92 |

**Reconciliation of Assets Ceiling**

Rs. In Lakhs

| **Particulars** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Opening Value of Assets Ceiling | - | - |
| Interest on Opening Value of Assets Ceiling | - | - |
| Loss/Gain on Assets due to surplus/Deficit | - | - |
| **Closing Value of Plan Assets Ceiling** | **-** | **-** |

**6. Composition of the Plan assets**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Opening Value of Assets Ceiling | - | - |
| Government of India Securities | 0% | 0% |
| State government securities | 0% | 0% |
| High Quality Corporate Bonds | 0% | 0% |
| Equity shares of listed companies | 0% | 0% |
| Property | 0% | 0% |
| Special Deposit Scheme | 0% | 0% |
| Policy of Insurance | 100% | 100% |
| Bank Balance | 0% | 0% |
| Other Investments | 0% | 0% |
| Total | 100% | 100% |

**7. Bifurcation of liability as per schedule III**

Rs. In Lakhs

| **Particulars** | **As at 31.03.2026** | **As at 31.03.2025** |
|---|---|---|
| Current liability | 74.44 | 33.92 |
| Non - Current liability | - | - |
| **Net Liability** | **74.44** | **33.92** |

### 8. Principle actuarial assumptions

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discount Rate | 6.90% | 6.60% |
| Salary Growth rate | 6.00% | 6.00% |
| Withdrawal rates | 3% at Younger ages reducing to 1% p a% at older | 3% at Younger ages reducing to 1% p a% at older |
| **Rate of Return on Plan Assets** | **6.90% pa** | **6.60% pa** |

### 9. Maturity Profile of Defined Benefit Obligation

| | As at 31.03.2026 | |
|---|---|---|
| | **Cash Flows Rs. In Lakhs** | **Distribution (%)** |
| Year 1 Cash Flow | 296.10 | 13.70% |
| Year 2 Cash Flow | 170.70 | 07.90% |
| Year 3 Cash Flow | 272.93 | 12.60% |
| Year 4 Cash Flow | 214.67 | 09.90% |
| Year 5 Cash Flow | 84.66 | 03.90% |
| Year 6 to Year 10 | 497.44 | 23.00% |

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

The expected contribution for the next year is Rs 74.44 Lakhs.

The Average outstanding term of obligations (years) as at valuation date is 5.22 years

### 10. Sensitivity to key assumptions

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discount Rate Sensitivity | | |
| Increase by 0.5 % | 1,405.74 | 1,453.84 |
| (% change) | -2.53% | -2.63% |
| Decrease by 0.5% | 1,480.75 | 1,534.39 |
| (% change) | 2.67% | 2.77% |
| Salary Growth rate Sensitivity | | |
| Increase by 0.5 % | 1,456.45 | 1,508.39 |
| (% change) | 0.98% | 1.03% |
| Decrease by 0.5% | 1,426.87 | 1,476.26 |
| (% change) | -1.07% | -1.13% |
| Withdrawal rate(W R) Sensitivity | | |
| W. R x 110% | 1,445.78 | 1,496.66 |
| (% change) | 0.24% | 0.24% |
| W. R x 90% | 1,438.81 | 1,489.72 |
| (% change) | -0.24% | -0.22% |

**A description of methods used for sensitivity analysis and its Limitations:**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if the two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

**Appendix A: Break-up of defined benefit obligation**

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Vested | 1,402.88 | 1,483.30 |
| Non-vested | 39.41 | 9.77 |
| **Total** | **1,442.29** | **1,493.07** |

**Appendix B: Age wise distribution of defined benefit obligation**

Rs. In Lakhs

| Age (In years) | DBO | |
|---|---|---|
| | **As at 31.03.2026** | **As at 31.03.2025** |
| Less than 25 | 0.71 | - |
| 25 to 35 | 33.51 | 9.98 |
| 35 to 45 | 187.23 | 211.71 |
| 45 to 55 | 628.52 | 741.88 |
| 55 and above | 592.32 | 529.50 |
| Accrued gratuity for Left Employees | - | - |
| **Total** | **1,442.29** | **1,493.07** |

**Appendix C: Past service wise distribution of defined benefit obligation**

Rs. In Lakhs

| Age (In years) | DBO | |
|---|---|---|
| | **As at 31.03.2026** | **As at 31.03.2025** |
| 0 to 4 | 37.66 | 9.77 |
| 4 to 10 | 1.76 | 3.63 |
| 10 to 15 | 104.68 | 155.27 |
| 15 and above | 1,298.19 | 1,324.40 |
| Accrued gratuity for Left Employees | - | - |
| **Total** | **1,442.29** | **1,493.07** |

## MAJOR RISK TO THE PLAN

**A. Actuarial 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 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discount rate | 6.60% p.a | 6.60% p.a |
| Salary Growth rate | 6.00% p a | 6.00% p a |
| Rate of Return on Plan Assets | 6.90% p a | 6.60% p a |

Demographic Assumptions

**Withdrawal rates p.a (Table 10)**

| Age Band | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| 25 and below | 3.00% | 3.00% |
| 25 to 35 | 2.50% | 2.50% |
| 35 to 45 | 2.00% | 2.00% |
| 45 to 55 | 1.50% | 1.50% |
| 55 and above | 1.00% | 1.00% |

Mortality rates

**Sample rates p.a of Indian Assured Lives Mortality (2012-14) Table 11**

| Age Band | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| 20 | 0.09% | 0.09% |
| 30 | 0.10% | 0.10% |
| 40 | 0.17% | 0.17% |
| 50 | 0.44% | 0.44% |
| 60 | 1.12% | 1.12% |

Method of Valuation

Actuaries has used projected unit credit (PUC) Method to value the Defined benefit obligation.

**32. INVESTMENT**

a) Hindustan Fluorocarbons Limited ("HFL") is a subsidiary company of Hindustan Organic Chemicals Limited ("HOCL"). The Company holds an investment of Rs. 1,106.00 lakhs in the equity shares of its subsidiary, HFL (1,10,60,000 equity shares of face value of Rs. 10 each). The Government of India, pursuant to the decision of the Cabinet Committee on Economic Affairs (CCEA) dated 29 January 2020, approved the closure of HFL.

The Company initiated the process for delisting the equity shares of the subsidiary company from BSE Limited. Accordingly, a Merchant Banker was appointed and an amount of Rs. 1362.03 lakhs was deposited in an Escrow Account for payment to 76,69,100 public shareholders at Rs. 17.76 per share. In accordance with Notice No. 20260122-22 dated 22 January 2026 issued by BSE Limited, the equity shares of the Company's subsidiary were delisted from the records of BSE with effect from 6 February 2026.Pursuant to the said delisting, the Company, being the acquirer, acquired 22,75,084 equity shares of the subsidiary company on 31 March 2026 at a price of Rs. 17.76 per share. The acquisition has been confirmed by the stock broker, M/s Nikunj Stock Brokers Limited in the Demat account held with NSDL and by RTA M/s KFin Technologies Limited. The valuation methodology adopted for determining the share value was based on the Net Asset Value (NAV) approach. The valuation was carried out by Independent Registered Valuer, Mr. Bhavesh M. Rathod, Registered Valuer – Securities or Financial Assets (Registration No. IBBI/RV/06/2019/10708), vide valuation report dated 07 October 2024. Such shares held with the aforementioned parties has been recognised as investent on 31st March 2026 at fair value determined by a registered valuer.

As at 31 March 2026, the investment in equity shares of HFL has been valued at Rs. 17.92 per share based on the valuation carried out by Independent Registered Valuer, Mrs. Sreedevi S Kumar, Registered Valuer – Securities or Financial Assets (Reg. No. IBBI/RV/06/2025/15970), vide valuation report dated 07.05.2026, using the Net Asset Value (NAV) method.Consequent to the change in the valuation basis from quoted market price to NAV, the fair value hierarchy of the investment has been reclassified from Level 1 to Level 3 in accordance with the applicable accounting standards.

The share value of HFL equity shares has been determined at Rs. 17.92 per share as at 31 March 2026 as against Rs. 12.52 per share as at 31 March 2025. The resultant fair value gain on investment in the equity shares of the subsidiary company has been recognised in Other Comprehensive Income.

b) During the year 2007–08, the Modified Draft Rehabilitation Scheme (MDRS) for the revival of Hindustan Fluorocarbons Limited ("HFL"), a subsidiary company, was approved by BIFR for implementation. As part of the implementation of the MDRS, Hindustan Organic Chemicals Limited ("HOCL") waived accumulated interest amounting to Rs. 2,260.26 lakhs on loans granted to HFL and converted the unsecured loan amounting to Rs. 2,744.07 lakhs into a Zero Coupon Loan (ZCL). The said loan was secured by creation of a first charge on the immovable properties of HFL in favour of HOCL.The Zero Coupon Loan was repayable in seven equal annual instalments commencing from 2010–11, aggregating to Rs. 2,744.07 lakhs (Previous Year: Rs. 2,744.07 lakhs), which has become due and payable in full.Further, the Company had extended additional loans to HFL aggregating to Rs. 453.01 lakhs (Previous Year: Rs. 453.01 lakhs) carrying interest ranging from 10.25% to 14.50% per annum, which have also become due and payable in full. These loans are likewise secured by a first charge on the immovable properties of HFL. Interest accrued on these loans up to 31 March 2023 amounted to Rs. 1,075.05 lakhs.

Additionally, the Company had incurred an amount of Rs. 125.03 lakhs towards delisting expenses and day-to-day operational expenses of HFL. During the year, the Company received Rs. 1,362.03 lakhs from HFL. Out of the said amount, accrued interest receivable amounting to Rs. 1,075.05 lakhs was fully settled, and the balance amount of Rs. 286.98 lakhs was adjusted against the principal amount of the loan.

As per the valuation report by an external registered independent valuer having professional qualification the value of the secured property of 84 acre and 31 gunthas acre of land is Rs.10,196.71 lakhs ( Rudram Village 32 acre and 26 gunthas valued at Rs.4,898.81 Lakhs and Edathanoor village 52 acre and 5 gunthas valued at Rs. 5,297.99 Lakhs),as on date 31.03.2026. The company will recover the said receivables from the proceeds of the secured property, hence no provision is required to be made in this regard.

**33. EARNING PER SHARE**

| Earnings per share has been calculated as follows: | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Net Profit/(Loss) after Tax (Rs. in lakhs)** | **(1272.97)** | **39,178.10** |
| Weighted average number of equity shares | 67,173,100.00 | 67,173,100.00 |
| Nominal Value per equity share (Rs.) | 10.00 | 10.00 |
| Basic / Diluted Earning per equity share (Rs.) | (1.90) | 58.32 |

**34. SEGMENT REPORTING**

Since the Company is manufacturing only Chemicals, there are no separate reportable primary and secondary segments and all the chemicals manufactured by the Company are considered to have been representing as single reportable segment. The requirements of Indian Accounting Standard 108 with regard to disclosure of segmental results are therefore considered not applicable to the Company.

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

Rs. In Lakhs

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **I) Contingent Liabilities** | | |
| **a) Claims against the Company not Acknowledged as debts:*** | | |
| I) Income Tax Claims | 91.99 | 91.99 |
| ii) Excise duty / Service tax | 104.63 | 104.63 |
| iii) Gratuity for School teachers | 75.31 | 75.31 |
| iv) Other claims (Legal cases) | | |
| a) MACT Thrissur | 118.00 | 118.00 |
| b) ESIC | 2.17 | 2.17 |
| c) M/s Shetusha Engineers & Constructions Pvt. Ltd.(SECPL) | 113.35 | 113.35 |
| d) M/s Vakharia Construction Company | 39.38 | 39.38 |
| e) Saikripa food Service Pvt ltd | 34.00 | 34.00 |
| f) Employees Related claims | 83.42 | 83.42 |
| g) EPFO Ernakulam | 38.44 | 38.44 |
| h) Employees from Rasayani | 10.00 | 10.00 |
| i) Other Claims (Legal cases) | 1,109.82 | 1,099.00 |
| v) JNPT lease rent | 3,318.86 | 3,318.86 |
| vi) GST | 41.97 | 41.97 |
| vii) ESI | 13.46 | 13.46 |
| viii) Damages on Delayed Payment of Provident Fund with Interest * | 94.89 | 94.89 |
| | **5,289.69** | **5,278.87** |
| **b) Bank Guarantees issued from Banks** | 5,866.30 | 5,892.45 |
| **ii) Commitments:** | | |
| Estimated amount of Contracts remaining to be executed on capital account and not provided for: | | |

* In respect of the aforementioned contingent liabilities, the timing and amount of any potential

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

Note: The differential interest @ 2.75% (14.25%-11.50%) on Govt. Plan loan has not been provided in the books of the Subsidiary Company as GoI had freezed interest up to 31.3.2019.

**a) Claims against the Company not Acknowledged as debts:**

**I) Income Tax Claims: Rs.92.00 Lakhs.**

There are various appeals for Assessment years are pending before authorities i.e. ITAT, High Court and other forums. The Company is awaiting for hearing, the details are as follows:-

A Y 2002-03 Rs. 70.49 Lakhs and AY 2011-12 Rs.21.50 Lakhs.

The above assessments are under disputes at various appellate authorities. The Company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

**ii) Excise duty / Service tax**

The Company has ongoing disputes with Central excise authorities relating to the period 2006-07, amounting to Rs.104.63 Lakhs. Company has filed Appeals at various Tribunals.

The above assessments are under disputes at various appellate authorities. The Company has not acknowledged the debts and the interest / penalty that would be leviable on the claims are not ascertainable.

**iii) Gratuity for School teachers**

Case filed by the teaching staff of HOC Rasayani School for the period up to March 1997, pending before Bombay High Court (Rs.75.31 Lakhs) (as on 31.03.2026).

**iv) Other claims (Legal cases): Rs.272.90 Lakhs.**

a) Case filed by the Company against the award passed by MAC Tribunel, Trichur in relation to Phenol Tanker accident in 1994 (Rs.118 Lakhs)(as on 31.03.2026)

b) ESI corporation has raised a demand for contribution during the period from 01.04.1992 to 31.10.1992 amounting to Rs.2.17 lakhs. The matter is pending with ESI Court, Ernakulam, as desired by the ESI Court we had applied for exemption from ESI Act to the Govt. of India, hence no liability is created and a contingent liability to that extend is provided.

c) The Holding Company had invited open tender for work of construction of "Civil and Structural works for Construction of Plant Building, Technical Service Building, R&D Building, etc of PU System House Project. Company had issued the Work Order to M/s Shetusha Engineers & Constructions Pvt. Ltd. (SECPL). On account of delay and other shortcomings in the completion, company had deducted Liquidated damages. SECPL objected for the said deductions and filed an Arbitration Application before the Hon'ble High Court, Mumbai. Later the M/s SECPL had unconditionally withdrawn the said Arbitration Application from the Court. Further, M/s SECPL had filed Suit before the Hon'ble High Court, Mumbai against the Company for passing the Decree against the Company towards payment of Rs.113.35 Lakh including interest. The case is pending for final hearing (as on 31.03.2026).

d) The Holding Company invoked the performance guarantee given by M/s Vakharia Construction Company, Mumbai (VCC) to whom civil contracts had been allotted 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 guarantee. The appeals filed before the Hight Court were dismissed. Now M/s VCC raised demand for bank guarantee commission paid to the bank and interest at the rate of 18% as the money decree passed by the Trial Court in favour of VCC was stayed due to filing civil application by the company. The liability estimated on this is Rs.39.38 lakhs and the matter is pending before court of law and accordingly shown under contingent liabilities (as on 31.03.2026).

e) Saikripa was a contractor engaged by HOCL Limited to provide canteen services at the Rasayani Unit under an agreement from 01.03.2013 to 28.02.2014, which was subsequently extended up to March 2016. Due to the poor financial condition of HOCL Limited, the company was unable to pay the monthly bills raised by Saikripa. As a result, Saikripa was unable to deposit the Provident Fund (PF) contributions of its employees with the PF authorities due to lack of funds. Subsequently, in October 2021, the Regional PF Commissioner-II, R.O. Thane (South), passed an order directing Saikripa to pay Rs.12.13 lakhs to the PF authorities towards interest. Saikripa has filed a case against this order before the Central Government Industrial Tribunal (CGIT), Mumbai. The estimated liability in this matter is Rs. 34.00 lakhs, and the case is currently pending before the CGIT, Mumbai.(as on 31.03.2026)

f) The Holding Company has given the mandate for the personal loan of the employees to Canara Bank. Accordingly, Applicant had borrowed the loan from Canara Bank and HOC Limited was deducting EMI and depositing the same in bank. Further, HOC Limited informed the employees certain cut-off date for deduction from their salaries and informed employees to deposit their EMI directly in bank. The Applicant had not paid EMI after cut-off date fixed by HOC Limited. Further, Applicant filed the said case for not depositing the amount deducted by HOC Limited up to cut-off date. The estimated liability as on 31.03.2026 is Rs. 83.42 Lakhs(2+33+36+8+4.42)

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

h) A case has been filed before the Central Government Industrial Tribunal (CGIT), Ernakulam, by workmen who were transferred from the Rasayani unit, claiming the benefit of three additional increments granted to employees of the Kochi unit under a separate wage settlement in 2007. The three increments were granted to Kochi employees in recognition of the unit's performance. Following the closure of the Rasayani unit, certain workmen were transferred to Kochi and have subsequently raised an industrial dispute seeking parity in increments. The matter is pending adjudication before the CGIT.The estimated liability as on 31.03.2026 is Rs. 10.00 Lakhs

**c) Other Claims (Legal cases of Subsidiary company): Rs.1109.82 lakhs**

1. The WA No. 457/2026 in WP/24588/2013 was filed before Hon'ble High court judicature for the state of Telangana by Mr. T.Eshwaraiah, Ex-Chief Mgr (HR) who had opted VRS in 2009 and relieved from the services on 31.01.2009. Consequent to revision of pay scales of 1997 & 2007 a writ petition was filed by him in June, 2013 on account of wage revision arrears. HFL has won this case. Aggrieved by the Judgement in WP 24588/2013 he has filed WA No.457/2026. Vakalat and Counter is filed by the company. Matter is pending before Hon'ble High Court; The Subsidiary Company's Board had also clarified that VRS-2009 optees are not eligible for wage revision arrears. Even the DCPC also clarified the same. Hence, in the view of the Company, the case is not tenable in law. The final hearing was held on 11.11.2024 and the Court has dismissed his claim and Disposed the case.
2. The WA No. 430/2026 in WP 12909/2013 was filed before Hon'ble High court judicature for the state of Telangana by Mr.V Giridhar

and T Govinda Rao who have opted VRS in 2009 and relieved from the services on 31.01.2009. Consequent to revision of pay scales of 1997 & 2007 a writ petition was filed by him in June, 2013 on account of wage revision arrears. HFL has won this case. Aggrieved by the Judgement in WP 12909/2013 they have filed WA No.430/2026. Vakalat and Counter is filed by the company. Matter is pending before Hon'ble High Court; The Subsidiary Company's Board had also clarified that VRS-2009 optees are not eligible for wage revision arrears. Even the DCPC also clarified the same. Hence, in the view of the Company, the case is not tenable in law. The final hearing was held on 11.11.2024 and the Court has dismissed his claim and Disposed the case.

3. LC ID-1 of 2015, before Hon'ble Central Govt. Industrial Tribunal, Hyd.: Mr. N. Rambabu, Production Chemist filed ID before ALC (Central), Hyd. A Counter has been filed by the respondent company. The Subsidsiary Company had terminated the employee during January, 2014 after following the laid down provisions of Certified standing orders of the company. Since the Company had terminated him by following the approved procedures, hence the case will not tenable before the Honorable Court.
4. ID No.72 of 2012 before the Hon'ble Central Govt. Industrial Tribunal-cum labour Court, Hyderabad: The Subsidiary Company's workers' trade union-A 4397 has raised an ID before ALC (Central), Hyd with a request to intervene in the matter of non-payment of overtime wages. In this connection, joint proceedings were held and issue could not settle amicably, having divergent views, the conciliation officer has submitted its failure report to Govt. of India. The respondent Subsidiary Company has filed counter petition. As per GOI guidelines, the financial impact on account of Pay revisions for both 1997 and 2007 need to be borne by the company, since no budgetory support was not extended. Based on the commitment to DPE in writing by the recognized representative union A-3954, the GoI, had issued orders for pay revision was approved by the Board of HFL and implemented. The non-representative union -A 4397 had approached court of law for non-payment of overtime wages and filed a petition, hence this case is pending before court of law. Since existing employees are already availing the compensatory off in lieu of over time, the case will not tenable before the Honourable Court. On 25.04.2023 the case was heard and reserved for Judgement.
5. WP/9697/2000 & WA 483/2013 WA No.1194/ 2012 before Hon'ble High court, AP Hyd: Mrs. K. Nagaratnam, Asst. Mgr (Finance) has reinstated into service without back wages. Aggrieved on the order, she has filed writ appeal and counter was filed by the respondent Subsidiary Company. The employee was re-instated as per High court order without back wages and superannuated from the services of the company on 31-Aug-2016. She has filed an appeal for back wages in the Hon'ble High court, Hyderabad and case is pending. The case is pending . The case is listed again on 28.02.2024 and continuing. On 30.12.2024 the final hearing was held and case is referred to C.A.V from CAV it was reopend and listed on 2.5.2025. The Contempt Case No. 268/2013 filed by Smt Nagaratnam in reinstating her service as per cour order is pending.
6. WA No. 874/2025 in WP No. 20076/2019 before Hon'ble High Court Hyderabad: Smt K Rajani, Ex-Company Secretary, T.No. 262 had filed the WP against the reverification of "Pay Scale / Basic Pay anomaly fixed in September 2011" and the case was Dismissed. Aggrieved by the Order in WP 20076/2019 she filed WA No.874/2025. Some of the Officers have represented the Subsidiary Company that there is an anomaly in fixation of Pay Scale and Basic Pays against 1997 Pay Revision and have requested for refixation. The same is refixed in September 2011 to 18 Officers, one of them being Smt K Rajani. whose Pay scale and Basic Pay also refixed under anomaly. She had filed a case in High Court that the reverification and refixation of her pay scale / basic pay in February 2019 is not correct and the same is Dismissed vide Order Dated:10.07.2025. The writ appeal is pending.
7. CGIT No. 134/2018: The Subsidiary Company's Employees Union A 3954. For implementation of 2017 Wage Revision.
8. OP No. 709/1998 before CCC, Hyderabad in CMA 2861/203 before High Court in CMA 918/2018 before High Court, COP No. 42/2019 in CMA 981/2018 before XXIV Addl. Chief Judge, CCC, Hyderabad, COMCA 16/2020 before XXIV Chief Judge, CCC, Hyderabad is Dismissed through Common Judgement by the Division Bench on 12.06.2025 allowing COM CA No. 16/2020. The Subsidiary Company has filed SLP (C) No. 026436/2025 before Hon'ble Supreme Court of India against the Common Judgement in CMA No. 918/2018. The Rockwell Industries has filed Review Petition No. 3/2025 challenging "allowing of COM C A No. 16/2020 beofre the same Bench. The Bench allowed the Review Petition and directed Subsidiary Compnay to furnish security or Bank Guarantee for Rs.12,90,59,567/-. Aggrieved by the Order , the Subsidiary Company filed SLP (C) No. 010153/2026 before Hon'ble Supreme Court. The both SLPs (C) were tagged.
9. WP No.35920/2021 in Hon'ble High Court, Hyderabad: The TSSPDCL has levied the differential wheeling charges and issued notice to pay the wheeling charges around Rs.614.00 Lakhs for the period 2002 to 2004. If the same is not paid within fifteen days along with the monthly power bill the service will be disconnected. Aggrieved by the Notice of TSSPDCL, HFL has approached the Hon'ble High Court and the matter was heard and the Hon'ble High Court had granted Stay on 24.12.2021.
10. WP No. 17624/2022 (Bet: E Surya Rao, Ex-DGM (Fin) Vs. HFL) was filed by Mr E Surya Rao for payment of withheld amount of Rs.2.5 Lakhs which was withheld by the company under Vigilance Case. The case is pending in High Court.

**v) JNPT lease rent: Rs.3,318.86 Lakhs.**

The Company has entered into MoU with Jawaharlal Nehru Port Trust (JNPT) to hand over the land allotted to the Company for setting up Liquid Tank Farm on lease basis along with assets of the Company 'as is where is basis'. The JNPT raised a demand of Rs.4,124 lakhs towards lease rentals and other charges. The Company has instituted arbitral proceedings and Arbitral Tribunal issued the award in favour of the Company. The assets of the Company valued as per the MoU at Rs.1,638.50 lakhs and same is agreed and paid by M/s.JNPT. The undisputed amount of lease rent payable by the Company to JNPT was computed on a mutual understanding between the Parties on the basis of arbitral award is Rs. 805.13 lakhs and the same is paid by the Company. The disputed amount includes lease rentals Rs.2,974.51 lakhs, water charges 0.65 Lakhs, way leave charges Rs.297.09 Lakhs and Service tax of way leave charges Rs.46.61 lakhs. The Company has shown balance amount of demand of JNPT after adjusting undisputed 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 uncertainties in crystallisation of demand at this stage of litigation.

**vi) GST Demand Rs. 41.97 Lakhs.**

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

vii) ESI: Rs.13.46 lakh: ESI demand by ESI Corporation dues of Rs.15,99,902/- towards contribution of 153 employees for the period from 01.01.1997 to 30.09.2000. The Subsidiary company has remitted Rs.7,99,951/- as per court order towards 50% of the principal amount. Interest claimed up to 31.03.2001 was Rs.5,46,139. Therefore, the balance amount of Rs.13,46,090 (1599902+546139-799951) shown as contingent liability.

viii) Damages on Delayed Payment of Provident Fund with Interest Rs.94.89 lakh. This is the damages demanded by EPFO towards delayed payment of PF dues during the period 2000-01 to 2010-11. The Subsidiary Company has written to Central Provident Fund Commissioner for waiver of damages for delayed payment of PF dues during the period 2000-01 to 2010-11 considering the fact that the company was a BIFR referred Company.

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.

**b) Bank Guarantees issued Rs.5866.30 Lakhs**

The Holdng Company has submitted bank guarantees to Kerala State Electricity Board amounting to Rs.250.35 lakhs, BPCL Rs.4,850.00 Lakhs, IOCL Rs. 520.00 lakhs and Rs.245.95 Lakhs to others. The Holding Company does not expect any outflow in respect of the above.

**II) Estimated amount of Contracts remaining to be executed on capital account and not provided.**

| Work order issued for the following contracts. | 2025-26 | 2024-25 |
|---|---|---|
| a) Resurfacing of roads in Township | - | - |
| Total | - | - |

## 36 RELATED PARTY DISCLOSURE AS PER Ind- AS 24

Since Government of India owns 58.78% of the Company's equity share capital (under the administrative control of Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind AS 24.

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Rs. In Lakhs

| Sl. No. | Name of the Related Party Relationship | Relationship | Details of Transaction | Amt. of Transaction during 2025-26 | Outstanding at the end of the year (31.03.2026) | Amt. of Transaction during 2024-25 | Outstanding at the end of the year (31.03.2025) |
|---|---|---|---|---|---|---|---|
| 1 | Bharat Petroleum Corporation Ltd | Controlled by Government of India. | Purchase of Raw material (LPG, Benzene, FO, & H2) | 51,887.71 | 1,131.25 | 54,634.83 | 4,300.22 |
| 2 | Indian Oil Corporation Limited | Controlled by Government of India. | Purchase of Raw materials/ Fuel | 5,865.34 | 55.65 | 4,875.94 | (4.71) |
| 3 | GAIL | Controlled by Government of India. | Purchase of Raw materials/Fuel | 281.38 | 4.24 | - | - |
| 4 | The Fertilisers and Chemicals Travancore Limited (FACT) | Controlled by Government of India. | Purchase of Raw materials (Sulphuric Acid) | 61.76 | (0.73) | - | - |

**Trust constituted by the Company**

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | HOCL Group Gratuity Trust | Investment and interest on investment | 193.45 | 1,367.85 | 192.66 | 1,459.16 |

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Rs. In Lakhs

| Description | Short-term employee benefits | Post-term employee benefits | Other long-term benefits | Termination benefits | Share-based payments | Total |
|---|---|---|---|---|---|---|
| **2025-26** | | | | | | |
| **A. Remuneration to Whole time Director, Managing Director and/or Manager:** | | | | | | |
| Shri. Sangram Kumar Mishra, CMD (From 08.10.2025) | 17.26 | 3.23 | - | - | - | 20.49 |
| Shri. Sajeev B, CMD (Up to 31.05.2025) | 32.56 | 2.19 | - | - | - | 34.75 |
| Shri. Yogendra Prasad Shukla | 35.04 | 4.74 | - | - | - | 39.78 |
| **B. Remuneration to Other Directors** | | | | | | |
| **i) Govt. Nominee Directors** | | | | | | |
| Smt. Vandana (From 10.06.2025) | - | - | - | - | - | - |
| Shri Kanishk Kant Srivastava. | - | - | - | - | - | - |
| Shri Manoj Sethi | - | - | - | - | - | - |
| **ii) Independent Directors** | | | | | | |
| Shri. Subodh Kumar (From 21.05.2025) | 1.30 | - | - | - | - | 1.30 |
| Shri. Vinay Kumar Sharma (From 05.06.2025) | 1.30 | - | - | - | - | 1.30 |
| **C. Key Managerial Personnel** | | | | | | |
| Shri. Subramonian H | 16.17 | 2.23 | - | - | - | 18.40 |
| **Total** | **103.63** | **12.39** | **-** | **-** | **-** | **116.02** |
| **2024-25** | | | | | | |
| **A. Remuneration to Whole time Director, Managing Director and/or Manager:** | | | | | | |
| Shri. Sajeev B, CMD | 41.77 | 5.32 | - | - | - | 47.09 |
| Shri. Yogendra Prasad Shukla (From 04.07.22) | 32.22 | 4.48 | - | - | - | 36.70 |
| **B. Remuneration to Other Directors** | | | | | | |
| **I) Govt. Nominee Directors** | | | | | | |
| Shri Kanishk Kant Srivastava. | - | - | - | - | - | - |
| Shri Manoj Sethi | - | - | - | - | - | - |
| **ii) Independent Directors** | | | | | | |
| Dr. Bharat J. Kanabar (Up to 23.12.2024) | 1.10 | - | - | - | - | 1.10 |
| Shri Pratyush Mandal (Up to 23.12.2024) | 1.10 | - | - | - | - | 1.10 |
| **C. Key Managerial Personnel** | | | | | | |
| Shri. Subramonian H | 14.70 | 2.04 | - | - | - | 16.74 |
| **Total** | **90.89** | **11.84** | **-** | **-** | **-** | **102.73** |

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-37 Financial Instruments :**

**Accounting policy:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets:**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus(or minus) transaction costs. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

**Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)**

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions tha are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

e) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

**Trade receivables and Other receivables**

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial Instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**A Fair value measurement**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

**Level 1:** Includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset

**Financial assets and liabilities measured at fair value-recurring fair value measurements :**

Rs. In Lakhs

| Description | As at 31st March, 2026 | | | | As at 31st March, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets :** | | | | | | | | |
| Loans | - | - | 12.06 | 12.06 | - | - | 12.01 | 12.01 |
| Trade Receivables | - | - | 839.97 | 839.97 | - | - | 1,650.83 | 1,650.83 |
| Investments | - | - | 18.34 | 18.34 | - | - | 5.00 | 5.00 |
| Cash and cash equivalents | - | - | 34.22 | 34.22 | - | - | 50.05 | 50.05 |
| Bank balances other than Cash | - | - | 24,997.65 | 24,997.65 | - | - | 25,372.28 | 25,372.28 |
| Other Financial Assets | - | - | 1,873.07 | 1,873.07 | - | - | 997.83 | 997.83 |
| **Total Financial assets** | **-** | **-** | **27,775.31** | **27,775.31** | **-** | **-** | **28,088.00** | **28,088.00** |
| **Financial Liabilities** | | | | | | | | |
| Borrowings | - | - | 28,425.70 | 28,425.70 | - | - | 20,551.40 | 20,551.40 |
| Lease liabilities | | | 119.45 | 119.45 | | | 90.46 | 90.46 |
| Trade payables | - | - | 1,529.98 | 1,529.98 | - | - | 4,792.79 | 4,792.79 |
| Other Financial Liabilities | - | - | 1,132.09 | 1,132.09 | - | - | 1,649.86 | 1,649.86 |
| **Total Financial Liabilities** | **-** | **-** | **31,207.22** | **31,207.22** | **-** | **-** | **27,084.51** | **27,084.51** |

**Categories of Financial Instruments**
**A Fair Values hierarchy :**

Rs. In Lakhs

| Description | As at 31st March, 2026 | | | | As at 31st March, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets :** | | | | | | | | |
| Loans | - | - | 12.06 | 12.06 | - | - | 12.01 | 12.01 |
| Trade Receivables | - | - | 839.97 | 839.97 | - | - | 1,650.83 | 1,650.83 |
| Investments | - | 18.34 | - | 18.34 | - | 5.00 | - | 5.00 |
| Cash and cash equivalents | - | - | 34.22 | 34.22 | - | - | 50.05 | 50.05 |
| Bank balances other than Cash | - | - | 24,997.65 | 24,997.65 | - | - | 25,372.28 | 25,372.28 |
| Other Financial Assets | - | - | 1,873.07 | 1,873.07 | - | - | 997.83 | 997.83 |
| **Total Financial assets** | **-** | **18.34** | **27,756.97** | **27,775.31** | **-** | **-** | **28,083.00** | **28,088.00** |
| **Financial Liabilities** | | | | | | | | |
| Borrowings | - | - | 28,425.70 | 28,425.70 | - | - | 20,551.40 | 20,551.40 |
| Lease liabilities | | | 119.45 | 119.45 | | | 90.46 | 90.46 |
| Trade payables | - | - | 1,529.98 | 1,529.98 | - | - | 4,792.79 | 4,792.79 |
| Other Financial Liabilities | - | - | 1,132.09 | 1,132.09 | - | - | 1,649.86 | 1,649.86 |
| **Total Financial Liabilities** | **-** | **-** | **31,207.22** | **31,207.22** | **-** | **-** | **27,084.51** | **27,084.51** |

## Note No. 38 Financial risk management

### i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**a) Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company but as company balance in foreign currency hence company is not exposed to foreign currency exchange rate risk

**b) Interest rate risk**

The Company's investments are primarily in subsidiary through quoted equity share and unquoted equity share of other entity therefore none of the investment activity is generating interest out of the investment. Hence, the Company is not significantly exposed to interest rate risk.

### ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets, company generating revenue for individually in excess of 10% or more of the Company's revenue for the year ended March 31, 2026 from the below mention customer.

| Name of customer | Amt of revenue (Rs. Lakhs) | % of total revenue |
|---|---|---|
| POOJA PETRO CHEMICALS | 25,749.05 | 45% |
| ICHEM | 10,192.94 | 18% |
| PONPURECHEMICAL INDIA P LTD | 9,177.30 | 16% |

**Geographic concentration of credit risk**

Geographical concentration of trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets is allocated based on the location of the customers.

### iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, continuously monitoring forecast and actual cash flow and by matching the maturity profiles of financial assets and liabilities.

## Note No.39 Deferred Tax

For the Year 2025-26

Rs. in Lakhs

| Description | Opening Balance 01.04.2025 | Recognised in P & L | Reversal on account of Probability checking of Future Profit | Recognised in P & L | Recognised in OCI | Closing Balance 31.03.2026 |
|---|---|---|---|---|---|---|
| **Deferred Tax Liability** | | | | | | |
| Excess Provision W/back | - | - | - | - | - | - |
| Provision for impairment W/Back | - | - | - | - | - | - |
| Revaluation of land in Fair Value | 22,522.52 | - | - | - | - | 22,522.52 |
| Reversal of deferred tax liability on disposal of revalued of PPE | (5,027.00) | - | - | - | - | (5,027.00) |
| Fair Value of Investment in KEIL | | | | | 3.00 | 3.00 |
| | **17,495.52** | **-** | **-** | **-** | **3.00** | **17,498.52** |
| **Deferred Tax Asset** | | | | | | |
| Depreciation | - | 8.00 | (8.00) | - | - | - |
| Provision for Leave Encashment | - | 50.00 | (50.00) | - | - | - |
| Provision for Gratuity | | 15.00 | (15.00) | | | |
| Voluntary Retirement Benefits (VRS/VSS) | - | - | - | - | - | - |
| Provision for Doubtful Debts | - | - | - | - | - | - |
| Provision for Doubtful Advances | - | - | - | - | - | - |
| Provision for Long Term Agreements | - | - | - | - | - | - |
| Provision for Obsolescence | - | - | - | - | - | - |
| Provision for Statutory claims | - | - | - | - | - | - |
| Accumulated Income tax loss to the extent of deferred tax liability | - | - | - | - | - | - |
| | **-** | **73.00** | **(73.00)** | **-** | **-** | **-** |
| **Net Deferred tax liability** | **17,495.52** | **(73.00)** | **73.00** | **-** | **3.00** | **17,498.52** |

For the Year 2024-25

Rs. in Lakhs

| Description | Opening Balance 01.04.2024 | Recognised in P & L | Reversal on account of Probability checking of Future Profit | Recognised in P & L | Recognised in OCI | Closing Balance 31.03.2025 |
|---|---|---|---|---|---|---|
| **Deferred Tax Liability** | | | | | | |
| **Deferred Tax Liability** | | | | | | |
| Revaluation of land in Fair Value | 22,522.52 | - | - | - | - | 22,522.52 |
| Reversal of deferred tax liability on disposal of revalued of PPE | (5,027.00) | - | - | - | - | (5,027.00) |
| Fair Value of Investment in HFL | - | - | - | - | - | - |
| | **17,495.52** | **-** | **-** | **-** | **-** | **17,495.52** |
| **Deferred Tax Asset** | | | | | | |
| Depreciation | - | 19.00 | (19.00) | - | - | - |
| Provision for Leave Encashment | - | 90.00 | (90.00) | - | - | - |
| Provision for Gratuity | - | 14.00 | 14.00 | - | - | - |
| Voluntary Retirement Benefits (VRS/VSS) | - | - | - | - | - | - |
| Provision for Doubtful Debts | - | - | - | - | - | - |
| Provision for Doubtful Advances | - | - | - | - | - | - |
| Provision for Long Term Agreements | - | - | - | - | - | - |
| Provision for Stock Obsolescence | - | 15.00 | (15.00) | - | - | - |
| Provision for Statutory claims | - | - | - | - | - | - |
| | **-** | **138.00** | **(138.00)** | **-** | **-** | **-** |
| **Net Deferred tax liability** | **17,495.52** | **(138.00)** | **138.00** | **-** | **-** | **17,495.52** |

Note: During the year, the Company has re-measured deferred tax at the tax rate of 25.17% in accordance with Section 115BAA of the Income-tax Act, 1961.

## 40. Additional disclosures

### Financial, Liquidity and Other Ratios

| Ratios | Components of Numerator | Components of Denominator | For the Year ended 31.03.2026 | For the Year ended 31.03.2025 | % Variance | Explanation by Management |
|---|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liabilities | 3.60 | 3.65 | -1.37% | |
| Debt Equity Ratio | Total debt | Shareholders' Equity | 0.28 | 0.20 | 40.00% | During this year, due to utilization of bank overdraft facilities to meet working capital requirements. The increase in short-term borrowings |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt service | 0.00 | 2.08 | -100.18% | The waived-off accrued interest on the GOI loan and preference shares has been treated as income during the previous year |
| Return on Equity Ratio | Net profit after tax | Shareholders' Equity | -1.00% | 71.00% | -101.41% | |
| Inventory Turnover Ratio | Sales | Average Inventory | 22.17 | 18.97 | 16.85% | |
| Trade Receivables Turnover Ratio | Net Sales | Average Trade Receivables | 46.07 | 29.39 | 56.75% | Reduction in average collection period from customers, reflecting better recovery efficiency. |
| Trade Payables Turnover Ratio | Net Credit Purchases | Average Trade Payables | 12.56 | 7.09 | 77.15% | In March 2026, the plant underwent a shutdown because of non-availability of LPG, resulting in reduced raw material purchases and consequently lower creditor balances. This led to a higher turnover ratio compared to the previous period. |
| Net Capital Turnover Ratio | Net Sales | Average Working Capital | 0.60 | 1.30 | -53.85% | The long outstanding GOI loan, preference shares, and the interest accrued thereon have been waived off during the previous year. This has improved the ratio. |
| Net Profit Ratio | Net profit after tax | Net Sales | -2.00% | 73.00% | -102.74% | The waived-off accrued interest on the GOI loan and preference shares has been treated as income during the previous year |
| Return on Capital Employed | Profit Before Interest and Taxes (PBIT) | Capital Employed | 1.00% | 31.00% | -96.77% | The long outstanding GOI loan, preference shares, and the interest accrued thereon have been waived off during the previous year. This has improved the ratio |
| Return on Investment | Dividend | Share Price | - | - | NA | NA |

**41** The Holding Company was non-compliant with regulation 17(1)(b) of SEBI LODRR, 2015 and section 149 (4) of the Companies Act, 2013 regarding the requirement of half of the total board strength as Independent Directors during the year under review. Further, the company was non-complaint with regulation 17(1)(c) of SEBI LODRR, 2015 regarding the requirement of at least six (6) Directors during the period from 01st April 2025 to 08th October 2025. There was non-compliance with regulation 17(2A) of SEBI LODRR, 2015 with regard to quorum due to the absence of Independent Directors in the Board meetings held during April & May 2025. The Audit Committee, Stakeholders' Relationship Committee, and Nomination & Remuneration Committee of the Company were non-functional during the period from 01st April 2025 to 18th June 2025, consequently there was non-compliance of regulations 18, 19, and 20 of the SEBI (LODR) Regulations, 2015 and section 177, and 178 of the Companies Act, 2013.The matter has been regularly taken up with the Administrative Ministry for making the necessary appointments. The company has not complied with certian provisons of DPE Guidelines on corporate governance regarding constitution of board and constitution of committe until 18.06.2025

**42 Going concern:**

The Group has reported net loss of Rs. 1230.48 lakhs (Previous year net profit Rs. 39,109.49 lakhs) including other comprehensive income. Also, the company has accumulated loss amounting to Rs 6,355.59 lakhs (Previous year Rs.4,906.08 lakhs) with a net worth of Rs.5,209.94 (Previous year Rs. 6,659.45 lakhs) excluding other comprehensive income. The group has a balance under current assets of cash and cash equivalents and other bank balances of Rs 25,031.87 lakhs (Previous year Rs.25,422.33 lakhs) as at the year end. After considering these conditions, the consolidated financial statement of the group have been prepared on going concern basis.

The Holding Company is in the process of implementing the restructuring plan pursuant to the Government of India Order dated 22 May 2017. In connection therewith, the Rasayani Unit has been closed and the related scrap plant and equipment have been disposed of. The said unit includes assets having a carrying amount of Rs. 94,550.32 lakhs, including 517.819 acres of land. The process for sale of unencumbered land at Rasayani and Panvel is under progress and, upon successful completion of such sale, the Company expects significant improvement in its cash flows and overall financial position.

LPG is the key raw material used in the production of Phenol and Acetone and is supplied by BPCL Kochi Refinery. Propylene required for the production process is extracted from the LPG, and the balance LPG is returned to BPCL. The supply of LPG was suspended with effect from 06 March 2026 pursuant to directions issued by the Ministry of Petroleum & Natural Gas vide Order dated 05 March 2026, which mandated that LPG procured/marketed by Public Sector Oil Marketing Companies be supplied exclusively to domestic LPG consumers in view of the ongoing US–Iran conflict. Subsequently, the supply of LPG was resumed from 17 April 2026 despite continuation of the conflict between US and Iran. Since the supply of LPG has been re-established and the plant is operating at normal capacity, the accounts have been prepared on a going concern basis.

The Holding Company achieved sales turnover of Rs. 57,376.13 lakhs during FY 2025-26 as compared to Rs. 53,586.76 lakhs during FY 2024-25. The Company reported a net loss (excluding other comprehensive income) of Rs. 1,289.38 lakhs during FY 2025-26 as compared to a net profit of Rs. 39,154.13 lakhs during FY 2024-25. The net worth of the Company stood at Rs. 12,017.54 lakhs as at 31 March 2026 as compared to Rs. 13,306.89 lakhs as at 31 March 2025.Further, the Company had cash and cash equivalents and other bank balances aggregating to Rs. 23,401.77 lakhs as at 31 March 2026 (Previous year: Rs. 22,560.85 lakhs).

Subsidiary Company : As per the letter dated January 29, 2020, from the Ministry of Chemicals and Fertilizers, Department of Chemicals & Petrochemicals, under which the Subsidiary Company functions, the Cabinet Committee on Economic Affairs (CCEA), in its meeting held on January 22, 2020, granted its approval.

a) Shutting down the operations of the plant/unit of the Subsidiary Company & 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.7587.00 lakhs by Govt. Of India to HFL to be utilized exclusively for closure related expenditure including (a) implementation of VRS/VSs for HFL employees, their dues, statutory dues, payment to suppliers/contractors/utilities dues and repayment of SBI working capital loan (b) salary/wages and administrative expenses of HFL's skeletal staff to be temporarily retained for completing the closure of HFL for two years.

d) Above interest free loan will be repaid by HFL to Govt. of India from the sale proceeds of land and other assets of the company, as and when disposed off and after settling all the liabilities related to closure of the Subsidiary company.

e) after settlement of all liabilities related to closure of HFL and repayment of interest free loan, surplus proceeds from disposal of land and other assets, if any, will be used for repayment of HFL's outstanding Govt of India (Rs.1580.00 lakhs) and interest thereon, with freezing of interest up to 31.3.2019. Full or part of the principal loan amount (Rs.1580 lakhs) and interest thereon up to 31.3.2019 remaining unpaid due to insufficient sale proceeds is to be written off/waived.

f) for facilitating disposal of HFL's land, M/s NBCC (India) Ltd may be appointed as Land Management Agency (LMA) to manage and assist in the land disposal subject to outcome of the decision of Telangana Govt/TSIIC on purchasing land of HFL.

g) Disposal of plant, machinery and movable assets were done in March 2023 by HFL through e-auction by MSTC Ltd.h) In pursuance of the said decision, HFL had received an amount of Rs.7370.00 lakhs on 26.05.2020 and Rs.217.00 lakhs on 15.03.2022 as interest free loan from GoI. As per the above CCEA Order and as at 31.03.2023, all the employees were relieved before 31.08.2022 except five skeleton staff who were transferred to the roll of HOCL in Sept 2022. All the undisputed dues including delisting expenses except Govt. loans and HOCL loans were settled by utilising the interest free loan sanctioned by the Govt. of India.

The Government of India had approved the closure of the Subsidiary Company on 29.01.2020. Accordingly, the Subsidiary Company had initiated the closure of the facility and undertook closure activities as per the mandate given, up to the year ended 31.03.2025. Pursuant to the above, management had made VRS payments to employees, settled bank loan, and made payments towards various outstanding dues. Plant and machinery were sold during March 2023 and the sale proceeds were deposited as a fixed deposit in SBI. Consequently, there is an existence of material uncertainty which had impacted the Going Concern Status. The Subsidiary Company is no longer Going Concern. The provisions of Ind-AS 105, "Non-Current Assets held for Sale and Discontinued Operations," become applicable and are being followed by the Subsidiary Company.

43. No scheme of arrangement has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013 during the year 2025-26

**44. Extract of Results for the Discontinued Operations**

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Other Income | 145.61 | 212.45 |
| Finance Cost | 0.01 | 0.01 |
| Other expenses* | 114.37 | 169.97 |
| Profit/(loss) from discontinued operations | 31.23 | 42.47 |

**Information regarding the % of individual net assets and Profit / Loss to Consolidated Net Assets and Profit / Loss.**

| Name of enterprise | As % of Consolidated Net Assets | Amount (Rs. in lakhs) | As % of Consolidated Profit/Loss | Amount (Rs. in lakhs) |
|---|---|---|---|---|
| **Holding Company** | | | | |
| Hindustan Organic Chemicals Limited | 108.08% | 109,669.32 | 102.48% | (1,289.38) |
| **Subsidiary Company** | | | | |
| Hindustan Fluoro Carbons Limited | -8.08% | (8,195.91) | -2.48% | 31.23 |

45 The final approval for delisting of Subsidiary Companys's was received from BSE vide Notice No. 20260122-22, Notice dated 22.01.2026. Accordingly, the trading in the equity shares of Subsidiary Company's (Scrip Code: 524013) has been discontinued w.e.f. Friday, January 30, 2026. Further, the equity shares have been delisted from the Exchange records w.e.f. Friday, February 06, 2026.

46 In the Inter-Ministerial Committee (IMC) meeting held on 09.01.2026 in respect of CPSEs approved for closure, it was decided that DCPC would expedite the closure of HFL by examining the merger of HFL with HOCL. DCPC is in the process of obtaining the necessary approvals through DPE.

47 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

48 No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49 Relationship with Struck off Companies.

During the financial year ended 31st March 2026 the Holding company does not have any relationship with struck off companies.

**50 Subsequent event:**

Subsequent to the reporting date and before the approval of the financial statements, the Holding Company acquired an additional 2,66,741 equity shares of the subsidiary company for an aggregate consideration of 47.37 lakh under the ongoing delisting process pursuant to the decision of the Cabinet Committee on Economic Affairs (CCEA) dated 29.01.2020. This represents a non-adjusting event in accordance with Ind AS 10 – Events after the Reporting Period and, accordingly, no adjustment has been made to the financial statements for the year ended 31 March 2026. The above event has no impact on the financial position or the results of the group as at the reporting date.

51 In accordance with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, an Escrow Account was opened on 25.07.2025 by depositing an amount of Rs.1,362.03 lakhs to facilitate the exit opportunity to the public shareholders of the Subsidiary Company. Interest on borrowings amounting to Rs.1,075.05 lakhs was adjusted against the said deposit, and the balance amount of Rs.286.98 lakhs was deducted from the principal amount payable to payable to the Holding Company.

52 The Subsidiary Company has proposed a Scheme of Amalgamation for merger of the Company with its Holding Company, subject to obtaining necessary approvals from the appropriate authorities. Pending such approvals, no effect of the proposed amalgamation has been given in the financial statements.

53 No Loans or Advances in the nature of loan is granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person during the year, which are repayable on demand or without specifying any terms of repayment.

54 The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

55 There is no intangible assets under development.

56 No proceedings have been initiated or pending against the Holding Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

57 The Holding Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

58 The Company has no transaction recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) and no previously unrecorded income and related assets have been recorded in the books of account during the year.

59 The Holding Company is not mandatorily required to undertake Corporate Social Responsibility (“CSR”) activities under Section 135 of the Companies Act, 2013, considering the losses incurred during the previous years and the non-fulfilment of the prescribed threshold criteria. The write-off of Government of India dues, resulting in the extinguishment of liability and recognition of income in the Profit and Loss Account (even if classified as an exceptional item), should not be considered as an amount representing unrealized gain, notional gain,

or revaluation of assets for the purpose of Section 135 read with Section 198 of the Companies Act, 2013.Such exclusions generally pertain to accounting entries that do not represent realized cash flow or actual profit available for distribution or appropriation in the conventional sense. Accordingly, the income arising on account of such write-off would ordinarily form part of the net profit for the purpose of computation under Section 198.However, considering that the Company does not fulfil the prescribed threshold criteria under Section 135 of the Companies Act, 2013, the net profit including such write-off would not result in any CSR obligation for the relevant financial year

60 The Holding Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

61 The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 15.05.2026. The Standalone Financial statements of Subsidiary Company were passed by the Board of Directors on 14.05.2026.

62 The Holding Company has not revalued any of its intangible assets during the year.

63 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

| | |
|---|---|
| As per our report of<br>even date attached | For and on behalf of<br>the Board of Directors |
| **For Balan & Co.**<br>Chartered Accountants<br>FRN 340S | **Sangram Kumar Mishra**<br>Chairman & Managing Director<br>DIN 11337117 |
| **M. Venugopal**<br>Partner<br>Membership No.: 244882<br>UDIN: 26244882 YFVSND2342 | **Yogendra Prasad Shukla**<br>Director (Finance)<br>DIN 09674122 |
| | **Subramonian H.**<br>Company Secretary |
| Place: Ernakulam<br>Date: 15.05.2026 | Place: Ernakulam, Kerala<br>Date: 15.05.2026 |