PADMANABH MAFATLAL GROUP

Creating value. Sharing value.

Responsible Care®

July 5, 2022

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza,
Dalal Street, Fort,	Bandra Kurla Complex, Bandra (East),
Mumbai 400001	Mumbai 400051
Scrip Code: 532504	**Symbol: NAVINFLUOR EQ**

Dear Sir / Madam,

Sub.: Annual Report of the Company for the Financial Year 2021-22

Pursuant to Regulation 30 and Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, the Annual Report of the Company for the financial year 2021-22 along with the Notice of the 24th Annual General Meeting of the Members of the Company.

The Annual Report is also being made available on the Company's website at:
https://nfil.in/investor/annu_reports.html

This is for your information and record.

Thanking You,
Yours faithfully,
For **NAVIN FLUORINE INTERNATIONAL LIMITED**

Nmankad

Niraj B. Mankad
President Legal and Company Secretary

Encl.: a/a

Annual Report 2021-22

execution excellence

PADMANABH MAFATLAL GROUP

Creating value. Sharing value.

Navin Fluorine International Limited

Contents

Online Annual Report
www.nfil.in

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate **information**

Board of Directors

Mr. Vishad P. Mafatlal
(DIN: 00011350) Chairman

Mr. Mohan M. Nambiar
(DIN: 00046857) Director

Mr. Pradip N. Kapadia
(DIN: 00078673) Director

Mr. Sunil S. Lalbhai
(DIN: 00045590) Director

Mr. Sudhir G. Mankad
(DIN: 00086077) Director

Mr. Harish H. Engineer
(DIN: 01843009) Director

Ms. Radhika V. Haribhakti
(DIN: 02409519) Director

Mr. Atul K. Srivastava
(DIN: 00046776) Director

Mr. Ashok U. Sinha
(DIN: 00070477) Director

Mr. Sujal A. Shah
(DIN: 00058019)
(w.e.f. May 07, 2021) Director

Ms. Apurva S. Purohit
(DIN: 00190097)
(w.e.f. October 19, 2021) Director

Mr. Radhesh R. Welling
(DIN: 07279004) Managing Director

Company Secretary

Mr. Niraj B. Mankad

Chief Financial Officer

Mr. Basantkumar G. Bansal
(w.e.f. November 1, 2021)

Bankers

AXIS Bank Limited

HDFC Bank Limited

Bank of Baroda

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Solicitors

Vigil Juris

Manufacturing Units

Navin Fluorine, Surat 395023 (Gujarat)

Navin Fluorine, Dahej, District Bharuch 392130 (Gujarat)

Navin Fluorine, Dewas 455022 (Madhya Pradesh)

Registered Office

Office No. 602, 6th floor, Natraj by Rustomjee, Near Western Express Highway, 194, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069, India
Tel.: +91 22 6650 9999;
Fax: +91 22 6650 9800
E-mail: info@nfil.in;
Website: www.nfil.in

Registrar & Share Transfer Agent

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032
Tel.: +91 40 67162222-24
Telefax: +91 40 - 23001153
E-mail ID: einward.ris@kfintech.com
Website: www.kfintech.com

24th Annual General Meeting

On Wednesday, July 27, 2022 at 3.00 pm IST through Video Conferencing/Other Audio Visual Means

Our FY 2021-22 **performance** at a glance

1,404
Revenues
(₹ in crores)

20
Return on capital employed
(%)

393
EBITDA before exceptional items
(₹ in crores)

20,228
Market capitalisation as on March 31, 2022
(₹ in crs)

266
Net profit
(₹ in crs)

Revenue by geography

FY 2020-21

50%
Domestic

50%
Exports

FY 2021-22

50%
Domestic

50%
Exports

Revenue by business units

FY 2020-21

40%
Specialty chemicals

35%
Refrigerants and inorganic fluorides

25%
CRAMS

FY 2021-22

40%
Specialty chemicals

39%
Refrigerants and inorganic fluorides

21%
CRAMS

execution excellence

At Navin Fluorine, some of our overarching responsibilities comprise the ability to commission new capacities on schedule and within budgeted cost and deliver products with consistent timeliness, graduating projects towards desired outcomes and growing the business without compromising health, safety or environment compliances.

This commitment is derived from an organisational discipline comprising streamlined investments in people, processes and practices.

This power of execution has enhanced business dependability and sustainability, enhancing value for all the Company's stakeholders.

Corporate snapshot

Navin Fluorine has emerged as a reliable fluorochemicals partner for downstream users across sectors in India and across the world.

The Company prudently leveraged the role of culture, controls and competence in enhancing organisational effectiveness.

The Company is attractively placed to initiate a high growth phase following prudent investments in capacities, product platforms and relationships.

Our respect

At Navin Fluorine, we are respected as a pure-play fluorination Company the world over, among the few to be so positioned.

Our background

Navin Fluorine is the flagship Company of the Padmanabh Mafatlal Group, now being navigated by Mr. Vishad P. Mafatlal (Chairman), Mr. Radhesh R. Welling (Managing Director) and competent senior professionals.

Our brand

The Company's Mafron brand evokes the respect and trust of OEM and aftermarket customers in the refrigerant gas vertical.

Our footprint

The Company's headquarters are located in Mumbai (India). The Company's two manufacturing units in Surat (Gujarat) and Dewas (Madhya Pradesh) and one manufacturing unit of Navin Fluorine Advanced Sciences Limited in Dahej (Gujarat) are strategically located near ports to facilitate the import of raw materials and the export of finished products. The Company also enjoys an international presence through its manufacturing unit in Manchester, United Kingdom.

Our strengths

The Company is among handful global players with robust fluorination capabilities. It is a dependable supplier of specialty chemicals, refrigerants, inorganic chemicals and Contract Research and Manufacturing Services. It has been in business for more than five decades, possessing a multi-decade experience in complex fluorine chemistries and longstanding customer relationships.

Our products and position

- One of the world's largest manufacturers of BF3 gas
- Among the leading manufacturers of fluorinated specialty chemicals
- State-of-the-art CDMO services provider in the fluorination segment
- Among the largest manufacturers of inorganic fluorides in India

Our competence

The Company possesses a broad-based presence across four fluorine-based business segments. The Company has made prudent investments in R&D, assets and advanced technologies from its accruals, strengthening business sustainability.

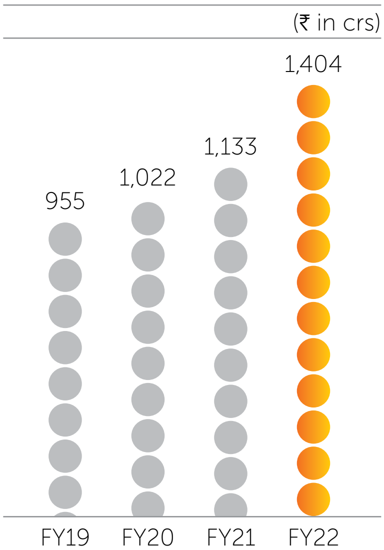
Our clients

At Navin Fluorine, the Company services the growing needs of marquee clients the world over. These customers comprise key global life science and crop science innovators, leading petrochemical players, stainless steel manufacturers, air-conditioner OEMs and other downstream fluorochemical users.

Our certifications

The Company's manufacturing units are certified for ISO 45000-1, ISO 14000-1 and ISO 9000-1. Navin Fluorine is a registered user of the Responsible Care logo.

How we have enhanced **financial sustainability** across the years



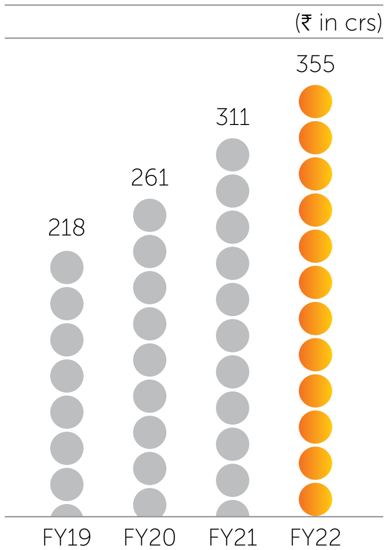
Revenues

Definition
Growth in sales net of taxes.

Why this is measured
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

What this means
Aggregate sales increased 24% during the year under review on account of a wider marketing footprint.

Value impact
The volume offtake remained creditable in an otherwise challenging year for the economy, protecting the Company's industry visibility.



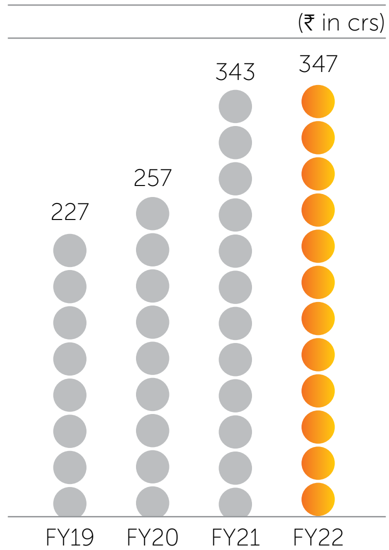
Operating EBITDA

Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers.

What this means
Helps create a robust surplus-generating engine that facilitates reinvestment.

Value impact
The Company reported 14% growth in EBITDA in FY 2021-22 due to better price realisations.



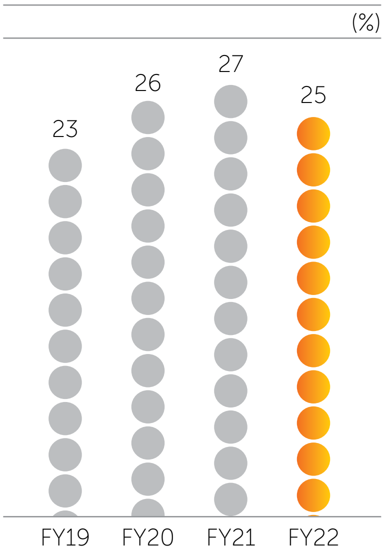
PBT before exceptional items

Definition
Profit earned during the year after deducting all expenses.

Why this is measured
This measure highlights the strength of the business model in enhancing shareholder value.

What this means
This ensures the quantum of cash available for reinvestment.

Value impact
The Company reported a 1% increase in profit before tax and exceptional items in FY 2021-22.



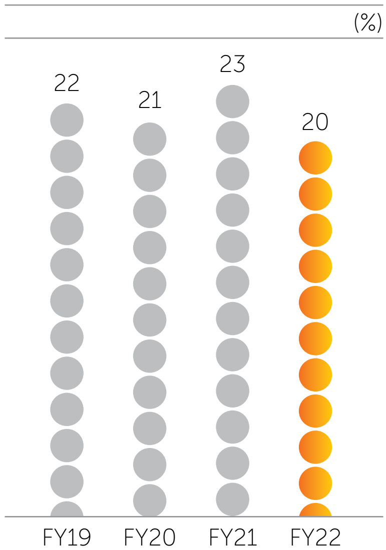
Operating EBITDA margin

Definition
EBITDA margin is a profitability measure to ascertain a company's operating efficiency.

Why this is measured
The EBITDA margin provides an index of how much a company earns (before interest and taxes) on each rupee of sales.

What this means
This measure demonstrates the buffer in the business, which, when multiplied by scale, can enhance the business surplus.

Value impact
The Company reported a near 211 bps decrease in EBITDA margin in FY 2021-22.



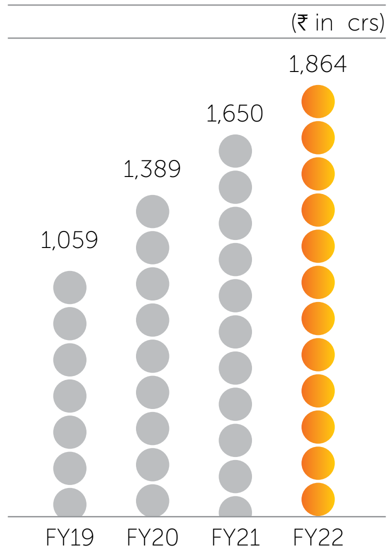
ROCE

Definition
This financial ratio measures efficiency with which capital is employed in the business.

Why this is measured
ROCE is an insightful metric to compare profitability across companies based on their capital efficiency.

What this means
Enhanced ROCE can potentially drive valuations and market perception.

Value impact
The Company reported a 306 bps decrease in ROCE in FY 2021-22.



Net worth

Definition
This is derived through the accretion of shareholder-owned funds.

Why this is measured
Net worth indicates the financial soundness of the Company – the higher the better.

What this means
This indicates the borrowing capacity of the Company that influences the gearing (which, in turn, influences the cost at which the Company can mobilise debt)

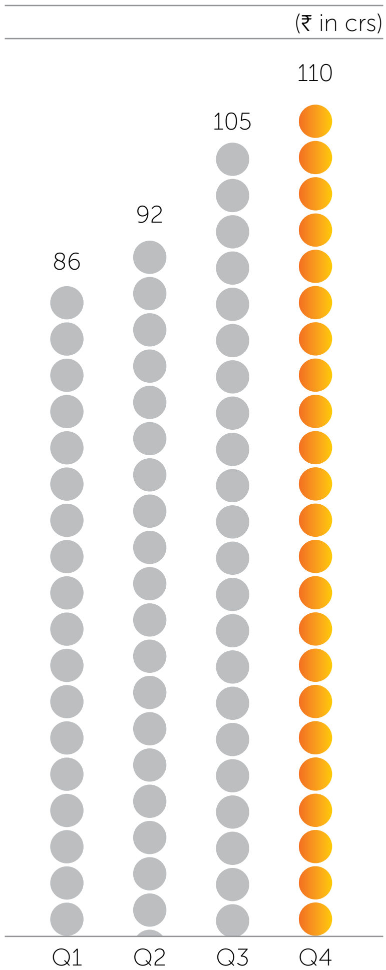
Value impact
The Company's net worth strengthened 13% during the year under review.

At Navin Fluorine, a distinctive **execution competence** is driving the Company's performance

Our quarterwise performance in the last financial year

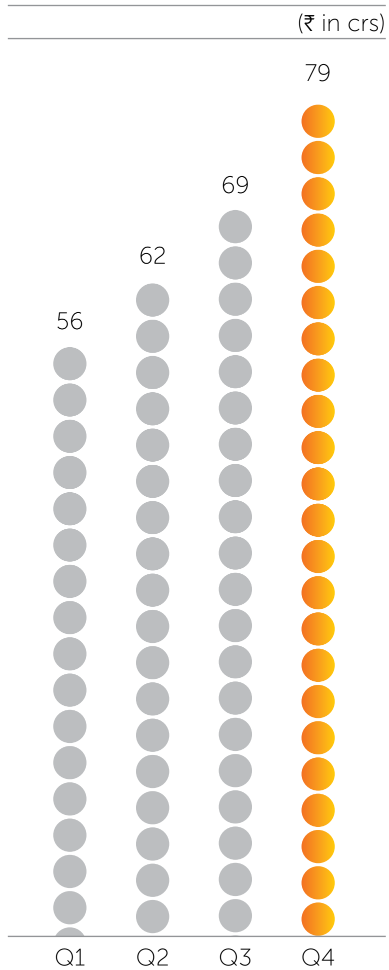
Revenues

FY 2021-22



EBITDA

FY 2021-22



Profit after tax

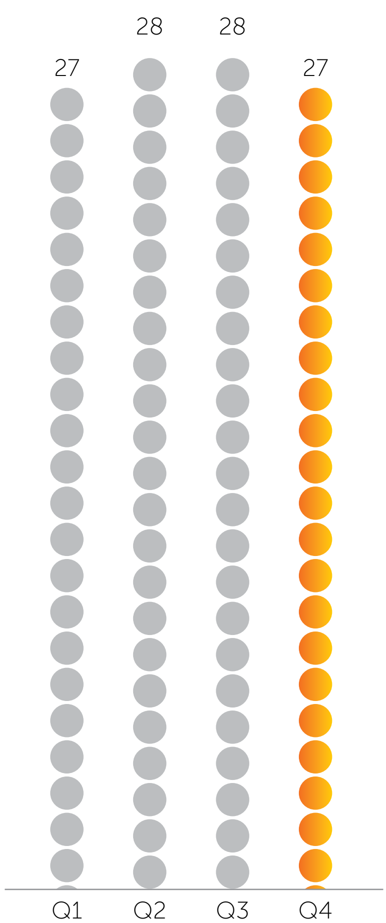
FY 2021-22

(₹ in crs)

Cash profit

FY 2021-22

(%)



EBITDA margin

FY 2021-22

Chairman's review

Execution excellence

Execution excellence means consistently raising the bar. It warrants doing things in a better way. This is not a cost but a competitiveness driver.

Dear shareowners,

Execution excellence means consistently raising the bar. It warrants doing things in a sustainable way, which is our differentiating factor.

Navin Fluorine has lived this culture since it went into existence.

In the last few years, the Company entered new partnerships, commissioned new projects, enhanced the value-added proportion of revenues and deepened environment respect.

At the Company, execution challenges are broken into project components. Each component is cascaded to a respective pocket of competence. Project components are addressed with speed, safety and scalability. This represents a robust framework for organisational sustainability.

This approach resonates with Thomas Edison's famous statement that 'Vision without execution is just hallucination.'

The Company's execution excellence is derived from prudent recruitment, responsible empowerment, cross-functional team working, robust systems, periodic appraisal and benchmarking with global best practices.

This culture comprises the ability to execute quicker. It allows us to continuously and consistently achieve higher goals.

This commitment was manifested during the year under review as the management and teams continued to deliver beyond the usual.

The execution was responsible, enduring, scalable and safe for our employees, customers and community.

Our standards will perpetually rise: what is 'excellent' today will rise to the next level to enhance stakeholder value in a sustainable way.

I must extend my gratitude to all our stakeholders for their support through uncertain times for the world.

Vishad P. Mafatlal
Chairman

Execution excellence

As we enter a new financial year, we see challenges on the horizon. Inflation, supply chain disruptions and interest rate increases could test our execution excellence. In the past few years, we demonstrated a strong ability to weather these challenges.

Dear shareholders,

The financial year 2022 was very good for the Company and its partners (employees, customers, suppliers and shareholders).

Our Company revenues grew ₹271 crores to ₹1,404 crs and our Specialty business revenue crossed ₹500 crores during the year under review. Besides, we are excited about the quality and quantum of the growth opportunities in the pipeline that would translate into profitable growth over the foreseeable future.

We closed the financial year under review with a capital expenditure of more than ₹1000 crores (and another capex announcement of more than ₹500 crores thereafter). These consolidated investments will help build a robust foundation for our future growth. Some of these investments have been directed towards the development of capabilities and scale in our building blocks, positioning us strongly for prospective collaborations and partnerships.

We are also investing in the upgradation of our R&D and pilot plant infrastructure in Surat. This will enhance our ability to undertake complex projects with global multinationals in existing and new segments. While we increase our investments in hardware, it is critical we continue to develop our people capabilities as well. During the year under review, the company engaged in significant recruitment in the T&D, R&D, Projects and Operations across locations and businesses.

Let me now provide a quick update on the progress, we have made during the year on the business framework of 3Ps.

In the area of Partnerships, we now have two client relationships fast approaching revenues of US$ 100MM a year and another two shaping into potential US$ 100MM+ relationships.

In the area of Products, we started by focusing on three value chains and building blocks, out of which two are scaling up well. We identified two new building blocks of substance that we expect to grow. These building blocks offer us opportunity to own critical value chains, offering our customers with clear risk mitigation.

In the area of Platforms, we have been working on new chemistry and engineering technologies which can be widely applied across businesses, reinforcing our technology leadership.

These products and platforms will help Navin Fluorine deepen its position as a partner of choice for our select clients.

As we enter a new financial year, we see some challenges on the horizon. Inflation, supply chain disruptions and interest rate increases could test our execution excellence. In the past few years, we demonstrated strong ability to weather similar challenges.

With strong teamwork and support from all our stakeholders, we remain confident of doing so yet again and sustaining our journey in becoming a billion-dollar enterprise.

Warm regards,

Radhesh R. Welling
Managing Director

The financial **competitiveness** of our business model

At Navin Fluorine, we have strengthened the financial competitiveness of our business model with the objective to drive long-term stability, visibility and sustainability

Profitable growth

Our business model has been defined by the need for profitable growth, where our profit growth in percentage terms is higher than the revenue growth in percentage terms. We believe that profitable growth validates that our competitiveness has been protected and that our projects are aligned with our objectives.

Margins

We have generally worked around superior EBITDA margins, measured at 27% during the year under review (32% in FY 2020-21). Even as we continue to expand aggressively, we expect to protect our EBITDA margin within the 25-30% band, based on our existing synergies, competitive advantage, resource stability, projected demand-supply dynamics and order book visibility.

Revenue engines

We have invested in growing revenue engines: our Inorganic Fluorides business grew 42% from ₹193 crs in FY 2020-21 to ₹274 crs in FY 2021-22; our Specialty Chemicals business grew 25% from ₹453 crs in FY 2020-21 to ₹566 crs in FY 2021-22; our CRAMS business grew 6% from ₹279 crs in FY 2020-21 to ₹297 crs in FY 2021-22. In view of our low global share of these large spaces, we expect to grow our presence attractively and sustainably.

Hygiene

The Company sustained its working capital cycle at around 90 days of turnover during the year under review; the Company expects to grow its business without stretching this working capital cycle (on account of its secure resource supply chain, strong product basket and customer relationships).

Globalisation

The Company is rapidly globalising its revenue profile: Around 50% of the revenue being derived from international operation. The export orientation of the CRAMS and Speciality Chemicals businesses could sustain or increase the share of international revenues.

Projects implementation

The Company expects to sustain revenue growth following the disciplined execution of its projects. The Company expects to commission ₹1100 crs greenfield projects during the current financial year, the full outcome of which is likely to be visible from FY 2023-24 onwards.

Enduring drivers

We believe that the underlying realities driving the various segments of our business will continue to stay favourable. For instance, Specialty Chemicals demand from the agrochemical and pharmaceutical industries will remain robust; our Company is attractively placed on account of our strong proprietary R&D and process technology, multi-year customer engagement and engagement with a more customers during the last financial year. Similarly, in the CRAMS business, we enjoy a low share of a large mature market that could progressively correct itself.

Revenue visibility

The Company's projects have been provided complete assured offtake commitments by long-standing customers, eliminating open positions and strengthening revenue visibility. The relationship-driven approach of the Company is reflected in the fact that good amount of revenues of the Company in FY 2021-22 were generated from customers of three years or more.

Under-leveraged

The Company's subsidiary (NFASL) was sanctioned ₹500 crs of debt during the year under review to fund its greenfield projects. Even after this entire quantum has been drawn in phases, the Company will remain relatively under-leveraged. This debt will finance projects with a revenue potential of ₹1000 crs, the returns from which will be adequate to cover the related interest outflow and loan repayment.

Integrated value

How the power of execution has **enhanced value** in an integrated way for all our stakeholders

Overview

In the modern world and in our Company, it is no longer enough to enhance shareholder value. The operative term being increasingly used is 'stakeholder value'.

By this reference, 'stakeholder' does not merely refer to the interest group that owns shares in our Company. It refers to every single individual or sentient being likely to be influenced by the Company's brand, product or operations. In short, it refers to everyone and everything, living or not.

This framework attempts to explain how value is sought to be created in an integrated manner across all stakeholders, a measure by which companies are now beginning to be appraised. This Integrated Value-Creation Report is being increasingly respected for its appraisal of 'hard' and 'soft' initiatives in its reporting format. The report draws on diverse strands (financial, management commentary, governance, remuneration and sustainability reporting) in explaining an organisation's ability to create, enhance and sustain value.

Interestingly, the influence of an Integrated Report enhances an understanding across diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers), underlining the need for an organisation to enhance value in a sustainable manner.

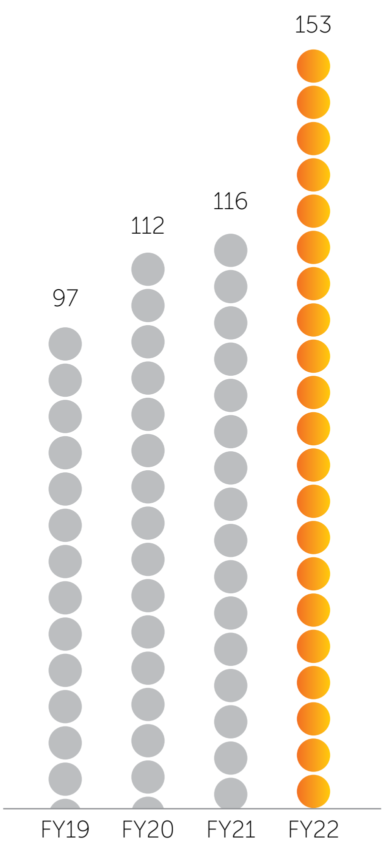
Our strategy

Our capitals	Key facilitators		
Manufacturing capital	Timely investments in mechanisation, automation and digitisation	Specific outcome-driven projects by the Company to enhance value or integrate the business backwards	Building an outperformance-focused culture through training, empowerment, best practices and benchmarking
Intellectual capital	Increased focus on R&D through investments in equipment, infrastructure, projects and people	Creation of a robust product portfolio with headroom for scalability	Timely investments in technology teams
Financial capital	A robust Balance Sheet, marked by net debt-free status and attractive operating margins and offtake visibility from long-standing customers	A stringent cost management framework that enhances organisational competitiveness across market cycles	Paid an interim dividend of ₹5 per share in FY 2021-22; recommended a final dividend of ₹6 per share
Human capital	Growing focus on building a pool of specialised talent to enhance organisational future-readiness	Growing investments in training and development	Retention of employees during the year under review helped in strengthening knowledge-based outcomes
Natural capital	Following a defined policy to moderate the Company's carbon footprint	Moderated water consumption; recycled process water and process waste	Deepened a culture of statutory compliances coupled with extensive disclosures
Social and Relationship capital	Touched and improved approx. 23,613 lives through community development initiatives	CSR engagement driven by a structured policy cleared by the Board of Directors	Invested ₹5.28 crs in CSR activities in FY 2021-22

Our **value-creation** down the years

Employee value

(₹ in crores)

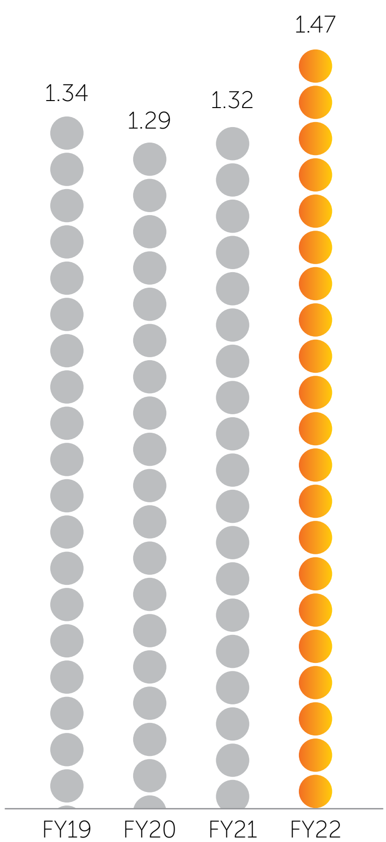


Salaries and wages

The Company has progressively invested a larger amount in employee training, skill development, overall welfare and growth, highlighting its role as a responsible employer

People productivity

(₹ in crores)

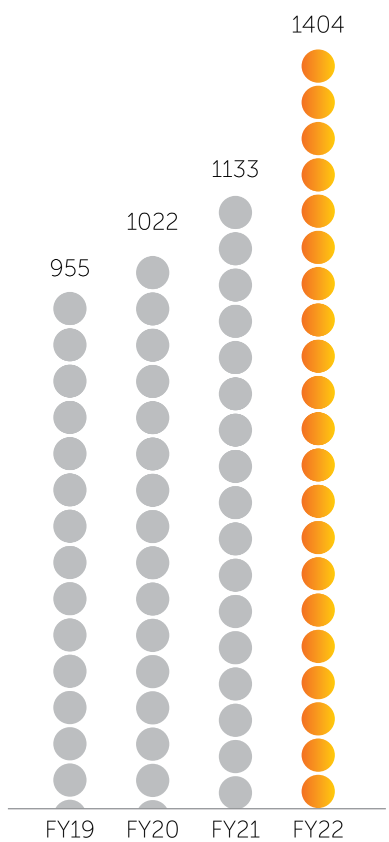


Revenue per person

The Company's investment in its people (training, empowerment and career growth) resulted in enhanced output, as measured in terms of revenue per person

Customer value

(₹ in crores)

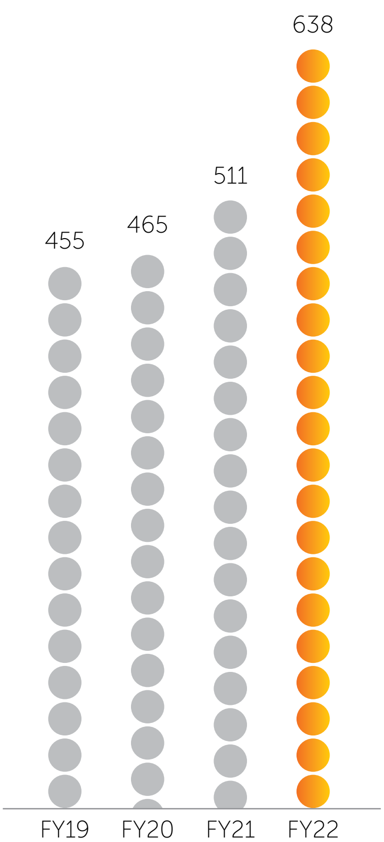


Revenues

The Company has generated higher revenues, an index of the value created for customers along with an increase in average items sold to each customer.

Vendor value

(₹ in crores)

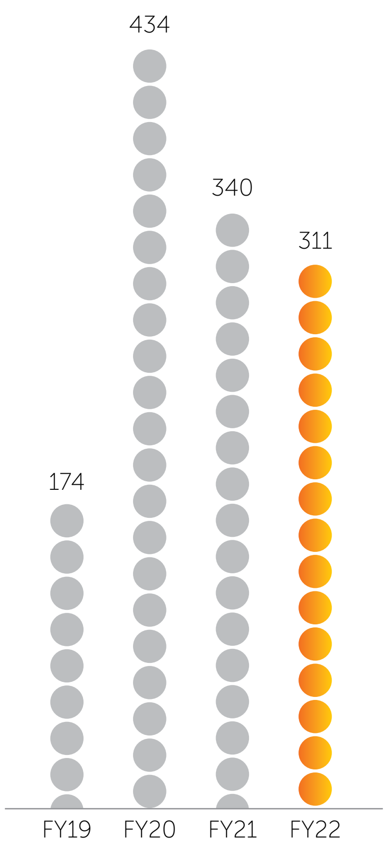


Procurement

The Company acquired a larger amount of resources through the years, reinforcing procurement economies

Shareholder value

(₹ in crores)

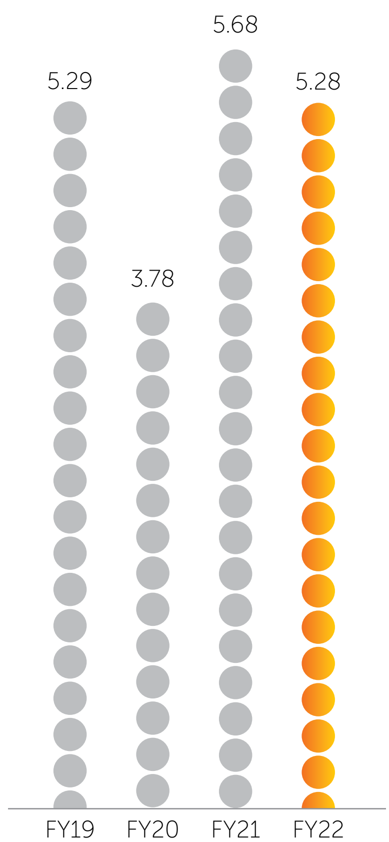


Free cash

The Company reinforced shareholder value through a combination of judicious business strategy and accruals reinvestment, leveraging its value chain and cost management.

Community

(₹ in crores)



CSR investment

The Company improved the livelihood of communities in the geographies of its presence in India through a combination of various initiatives

Business driver

How we reinforced our **manufacturing excellence** in FY 2021-22

Overview

At Navin Fluorine, we progressively invested in manufacturing technologies that represented cutting-edge standards of the day which represent efficient standards, as reflected in the extent of capacity utilisation, extended uptime, operational safety and attractive raw material yield.

The Company has been continuously upgrading AHF and Mafron technologies, Boron Trifluoride (BF3) technology and state-of-the art multi-purpose plant (MPP) has been in use since 2012. During the year under review, the Company engaged in capacity debottlenecking and technology upgradation that facilitated increased throughput and cost reduction.

At Navin Fluorine, manufacturing excellence is pursued through a recommended technology roadmap provided by the customer, coupled with proprietary customisation that makes it possible for timely molecule sampling, sample approval by the client and onward commercialisation. In other instances, the customer approaches the Company for molecule development, which is then developed though proprietary capabilities, approved by the client leading to a time-based agreement and commercial production.

This collaborative approach between the research and manufacturing functions represents a responsible lifecycle approach that commences with research-based insights (process and product) at one end and consummates in consistent quality manufacturing at the other.

Strengths

Brand: Navin Fluorine is not only recognised for thought and market leadership; it is recognised as a business-strengthening brand across stakeholders

Expertise: At Navin Fluorine, we possess a competence in fluorine chemistry that has deepened across the decades, resulting in the Company emerging as a turn-to provider in this part of the world

Scale: The Company invested in different facilities to produce a range of quantities – from 500 grams to multi hundred tonnes, servicing the diverse needs of customers and enhancing its respect as a one-stop fluorine chemistry solution provider

Manufacturing: The Company invested in state-of-the art manufacturing facilities (Surat and Dewas), strengthening its capacity to respond to different customer needs round the highest quality standards

Talent: The Company invested in enriching its talent pool through prudent recruitment, renewal (training) and retention across disciplines, strengthening innovative and customised outcomes

Trust: The Company emerged as a dependable products and solutions provider for downstream industries, translating into multi-year customer agreements leading to revenue visibility

Technology: The Company invested in advanced equipment in handling bromine, hydrofluoric acid and a range of toxic hazardous chemicals, enhancing process safety and integrity

Quality: The Company enhanced stakeholder assurance through credible certifications - ISO 45000-1, ISO 14000-1, ISO 9000-1

Challenges and responses

The Company faced challenges while transferring the molecules to the plant for scale-up. The new plant, which was commissioned, had a manufacturing capacity of 10 tonnes per month, but in the initial 2-3 months the plant failed to run to its full capacity and achieved 8.5 tonnes. The Company addressed the challenge through experiments in R&D, which helped achieve the desired manufacturing capacity of 10 tonnes per month. After achieving 10 tonnes of capacity, the customer was happy.

Highlights, FY 2021-22

Surat unit

- The Company's Surat plant developed technologies for several products, of which four products were commercialised
- The Company engaged in product development, some manufactured through proprietary capabilities and others in association with external agencies.
- The Company increased the capacity of one of the inorganic product by 50% through business process re-engineering
- The Company addressed diverse customer requirements and enhanced products quality, strengthening customer retention
- The Company further implemented BMR (Batch Manufacturing Records), enhancing data capture directly from the distributed control system
- The Company reduced variable costs, expected to enhance business sustainability

Dewas unit

- The Company invested ₹75 crs in capital investment to enhance and debottleneck manufacturing capacity
- The Company made equipment modifications that empowered the unit to perform reactions at deep sub-zero temperatures
- The Company strengthened systems to moderate production cycle time of some products by two-thirds of the time taken
- The Company installed cutting-edge technologies that empowered it to perform reactions at 170^{0}C.
- The Company moderated water consumption by ~15% through control measures across plant outpoints
- The Company invested in a distinctive membrane system in its effluents treatment unit, expected to enhance recovery
- The Company installed specialised software and engaged an international consultant to strengthen its documentation management system

Outlook

Navin Fluorine Advanced Sciences Limited's new process plant at Dahej is likely to be commissioned in FY 2022-23; it is engaged in commissioning MPP at Dahej for fluoro specialty products. The Company expects to generate attractive revenue growth and contribution margin arising from the expansion, strengthening business viability.

Business driver

Our Research and Development competence

Overview

In a knowledge-intensive business marked by a high degree of quality standards, there is a premium on the need to invest in competent Research and Development ('R&D'). Across the decades, Navin Fluorine invested in cutting-edge R&D, graduating it towards sectorial leadership. A deep research-based culture translated into the timely development of new products cum grades, superior customer value, high product quality and robust product characteristics. This comprehensive capability translated into marquee customer accretion and retention, strengthening revenue visibility.

Investments

The Company increased the engagement of research professionals leading to a strong R&D team by the close of the year under review. The Company invested in larger premises and going ahead expected to invest ₹40 crs in the upgradation of R&D and pilot facilities. The Company expects to add new molecules, broadbase the portfolio and create a strong foundation. The Company engaged industry and subject matter experts to enhance specialisation.

Achievements, FY 2021-22

Surat unit

- The Company developed four products that were transferred to the main plant for onward commercialisation
- The Company developed 10+ products, which are likely to be commercialised in the current financial year
- The Company's deep R&D capabilities translated into long-term supply agreements with prominent customers, strengthening business sustainability
- The Company's R&D capabilities helped grow Specialty chemicals revenues from ₹453 crs in FY 2020-21 to ₹566 crs in FY 2021-22

Dewas unit

- Revenues derived from new products introduced in the last few years increased to nearly 50%, validating R&D effectiveness

Outlook

The Company intends to deepen its R&D capabilities, commissioning two plants in the first half of the current financial year.

Health-Safety-Environment

At Navin Fluorine, we continue to deepen our commitment to **responsible HSE**

Overview

Navin Fluorine is engaged in the business where the manufacturing process comprises the use of products, resources and chemicals in a 'major accident hazard' unit. In such an environment, there is a premium on complete safety at all times across all plants covering all employees and contractors. This over-arching commitment to the health, safety & environment represents the framework around which the business model of the Company has been structured.

There is a growing emphasis on aligning business priorities with United Nations' 10 principles for manufacturing responsibility and environmental sustainability covering human rights, labour interests, environmental responsibility, and anti-corruption initiatives. Besides, these stringent environmental norms are helping reduce resource depletion, water scarcity, pollution, and harmful impacts, while strengthening process safety practices.

At Navin Fluorine, we undertake HSE reviews for new projects as well as plant modifications. We have established a screening process wherein the statutory compliances and possible risks are reviewed before execution. The Company's HSE team comprises 40 members across manufacturing sites.

The Company has reinforced its HSE credentials through membership in the Indian Chemical Council. The Company has strengthened its credentials through a proactive willingness to be subjected to audits by the Indian Chemical Council, a customer review and ISO certification body. The Company possessed respect-enhancing certifications namely ISO 45000-1, ISO 14000-1, ISO 9000-1 and Responsible Care Logo

Our Environment Commitment

At Navin Fluorine, our environment management is marked by a growing relevance to environment conservation. The Company was accorded with Silver rating by EcoVadis (the world's most trusted provider of business sustainability ratings), reflecting its commitment to environmental sustainability

Systems driven

The Company continues to invest in environmental management systems, coupled with environmental due diligence and disaster planning & response systems. It outlined a strategic framework and delegated regular monitoring to dedicated professionals, strengthening specialisation. The Company invested in advanced processes and systems, reinforcing respect for audits and compliances.

Minimising carbon footprint

The Company has outlined a policy to progressively reduce energy and greenhouse emissions intensity while utilising cleaner processes and fuels. The Company made investments (assets, equipment, people, processes, and practices) in environmental protection and reducing emissions.

Audit discipline

The Company addressed the HSE subject through a documental and process discipline, marked by audits and compliances, strengthening business sustainability

Our Environment Conservation Initiatives

Navin Fluorine enhanced its environmental priority through various initiatives that leveraged the 3Rs (reduce, replace and recycle).

The Company's manufacturing units moved closer to carbon neutrality; Treated wastewater from the community wastewater treatment plant was recycled to conserve freshwater at its Surat unit and recycled 2000 KL of wastewater per day in the cooling towers

The Company's Dewas unit is operating a zero liquid discharge facility, and the treated wastewater was recycled for utility operations & irrigation purposes

Waste streams were converted into calcium chloride and sold to end-users, enhancing waste reuse

The Dewas unit participated in the Green Mahotsav programme organised by the Madhya Pradesh State environment ministry, strengthening tree plantation.

The Company took an initiative to supply a few finished products in bulk packaging, eliminating packaging waste.

The Company's process emission is connected with a monitoring system equipped with a notifying mechanism in the event of abnormality.

In a few process plants, the Company installed two-stage scrubbing units to eliminate fugitive emissions

Our Health Component

At Navin Fluorine, we emphasise the importance of health as the bottom line of who we are and what we are engaged in. This covers the interests of employees, community members and trade partners. In line with this, we invested in activities and processes that would not compromise workers' health and well-being.

Besides, the Company is ensuring a safe workplace by reviewing and monitoring near-misses with the objective to safeguard the health of the workforce and environment. This forward-looking perspective makes it possible for the Company to be resilient and ensure business continuity.

Our health initiatives

- To enhance safety during the pandemic, each manufacturing facility was segregated into zones with separate entry and exit points
- The Company initiated daily thermal screening, and oxygen and pulse monitoring of all employees and contractors as part of COVID protocols.
- To enable effective two-way communication across the manufacturing network, the Company set up two teams to drive a communication network during crises :

(a) RMO - Risk Management Office at the head office, closely connected with

(b) Site Risk Management Committee (SRMC) at each manufacturing site

- Risk Management Office (RMO) that will be the key point of contact, which will work with the Site Risk Management Committees at Surat, Dewas, and our International Office locations to assess, review & monitor situations, so as to make appropriate decisions, communications and advisory on a regular basis to prevent and have a mitigation plan to abate overall risk.

Our Safety Engagement

In a business marked by hazardous processes and engagement with volatile chemicals, the Company prioritised the subject of safety. The Company has provided a safe working environment through ongoing hazards identification and workplace risk assessment. The Company has implemented safety measures around global benchmarks and best practices, enhancing the predictability of outcomes.

Our safety initiatives

- The Company secured the integrity of processes and practices through a Job Hazard Analysis coupled with Standard Operating Procedures.

All manufacturing units have carried out activity-based risk assessments and job safety analysis for every routine and non-routine activity in plant operations.

- The Company has a robust engineering control system for handling toxic chemicals through pipeline within the facility and eliminating chemical exposure & manual handling hazards.
- The Company provided PPEs to all employees and contractors, and provisions of a breathing airline system while working in confined areas and handling toxic materials in plant operations
- The Company installed well designed Fire Life safety system at each manufacturing unit in compliance with National Standards and State Factories rules.
- The Company implemented behavior-based safety programs to enhance and strengthen the safety culture.

Board of Directors

At Navin, our business strategy is navigated by our Board of Directors. The effectiveness of our Board – the core of our governance commitment – has been enhanced through prudent appointment, clarity on Director roles, balance of Independent and Executive Directors and a conducive environment to debate issues affecting our sector and Company.

Composition of the Board as on March 31, 2022

12
Directors on the Board of the Company

9
Independent Directors on the Board of the Company

2
Executive Directors on the Board of the Company

17%
Women on the Board i.e. 2 of 12 Directors

Sr. No.	Name	Designation
1.	Mr. Vishad P. Mafatlal	Executive Chairman
2.	Mr. Mohan M. Nambiar	Non-Independent Non-Executive Director
3.	Mr. Pradip N. Kapadia	Independent Director
4.	Mr. Sunil S. Lalbhai	Independent Director
5.	Mr. Sudhir G. Mankad	Independent Director
6.	Mr. Harish H. Engineer	Independent Director
7.	Ms. Radhika V. Haribhakti	Independent Director
8.	Mr. Atul K. Srivastava	Independent Director
9.	Mr. Ashok U. Sinha	Independent Director
10.	Mr. Sujal A. Shah	Independent Director
11.	Ms. Apurva S. Purohit	Independent Director
12.	Mr. Radhesh R. Welling	Managing Director

Board Committees

Audit Committee			
Sr. No.	**Name**	**Category**	**Chairman/Member**
1.	Mr. Sunil S. Lalbhai	Independent Director	Chairman and Member
2.	Mr. Pradip N. Kapadia	Independent Director	Member
3.	Mr. Mohan M. Nambiar	Non-Independent, Non-Executive	Member
4.	Ms. Radhika V. Haribhakti	Independent Director	Member

Nomination and Remuneration Committee			
Sr. No.	**Name**	**Category**	**Chairman/Member**
1.	Mr. Sunil S. Lalbhai	Independent Director	Chairman and Member
2.	Mr. Mohan M. Nambiar	Non-Independent, Non-Executive	Member
3.	Mr. Harish H. Engineer	Independent Director	Member
4.	Ms. Apurva S. Purohit (appointed as Member w.e.f. May 8, 2022 at the Board Meeting held on May 7, 2022)	Independent Director	Member

Stakeholders' Relationship Committee			
Sr. No.	**Name**	**Category**	**Chairman/Member**
1.	Mr. Pradip N. Kapadia	Independent Director	Chairman and Member
2.	Ms. Radhika V. Haribhakti	Independent Director	Member
3.	Mr. Atul K. Srivastava	Independent Director	Member

Corporate Social Responsibility Committee			
Sr. No.	**Name**	**Category**	**Chairman/Member**
1.	Mr. Sudhir G. Mankad	Independent Director	Chairman and Member
2.	Mr. Vishad P. Mafatlal	Promoter - Executive Director	Member
3.	Mr. Harish H. Engineer	Independent Director	Member

Risk Management Committee			
Sr. No.	**Name**	**Category**	**Chairman/Member**
1.	Mr. Vishad P. Mafatlal	Promoter - Executive Director	Chairman and Member
2.	Mr. Radhesh R. Welling	Managing Director	Member
3.	Mr. Atul K. Srivastava	Independent Director	Member
4.	Mr. Basant Kumar Bansal	Non Director	Member
5.	Mr. Lalit Soni	Non Director	Member

Year	FY 2019-20	FY 2020-21	FY 2021-22
Number and % of Directors who are Independent	7 of 10 Directors i.e. 70%	8 of 11 Directors i.e.73%	9 of 12 Directors i.e. 75%
Number and % of Directors who are women	1 of 10 Directors i.e. 10%	1 of 11 Directors i.e. 9%	2 of 12 Directors i.e. 17%

Board of Directors profile

Mr. Vishad P. Mafatlal

Mr. Mafatlal is the Executive Chairman designated as Chairman of the Company. He is an industrialist having varied experience of over 25 Years in the field of Textiles and Chemicals.

He holds a Bachelor of Science Degree in Economics from University of Pennsylvania, Wharton School.

Mr. Mohan M. Nambiar

Mr. Nambiar has a vast experience of over 59 years and was associated as President/Chairman/ Member of prestigious institutions like Cement Manufacturers Association, National Council for Cement Industry, The Associated Chamber of Commerce and Industry of India, Bombay Chamber of Commerce, etc. He was also associated for more than 26 years with Associated Cement Company Limited including 6 years as Managing Director.

He is a commerce graduate and member of the Institute of Chartered Accountants of India.

Mr. Pradip N. Kapadia

Mr. Kapadia is a senior partner in Vigil Juris, advocates and solicitors, Mumbai and has an experience of over 45 years in the legal field. He is on the Board of various other companies.

By qualification, he is B.A., LLB. He is advocate and solicitor.

Mr. Sunil S. Lalbhai

Mr. Lalbhai is an industrialist having varied experience of over 32 years in chemicals and general management.

He is a science graduate and holds M.S degree in chemistry from USA and also M.S degree in economic planning & policy from the Boston University of USA.

Mr. Sudhir G. Mankad

Mr. Mankad is a retired IAS officer. He was the Chief Secretary to the Government of Gujarat from 2005 to 2007 and has also held important positions in the Central Government (Ministries of Finance, Agriculture, and Human Resource Development) and the Government of Gujarat.

He holds a Master's degree in Arts (History) from the University of Delhi and also has a diploma in Development Studies from the Cambridge University.

Mr. Harish H. Engineer

Mr. Engineer has varied experience of over 44 years in the banking sector. He retired as executive director, wholesale banking of HDFC Bank Ltd.

He has a Bachelor's degree in Science and also a Diploma in Business Management from the Hazarimal Somani College, Mumbai.

Ms. Radhika V. Haribhakti

Ms. Haribhakti has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large companies and led their Equity and Debt offerings in Domestic as well as International Capital Markets. She now offers advisory services as RH Financial, but is primarily engaged as an Independent Director on multiple Boards.

She is a commerce graduate and holds Post Graduate Diploma in Management from IIM, Ahmedabad.

Mr. Atul K. Srivastava

Mr. Srivastava has an experience of over 45 years in large corporates, in the areas of Finance, Accounting, Taxation and Commerce.

He is a Science Graduate and a Fellow Chartered Accountant - B. Sc (Hons), FCA.

Mr. Ashok U. Sinha

Mr. Sinha has a wealth of experience, competencies and expertise from his leadership journey at Bharat Petroleum Corporation Ltd. He spent 33 years in BPCL and served on the Board of BPCL for 15 years – first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005. His core competencies include Finance & Accounts, Sales, Marketing, Commercial, Manufacturing, Quality and Supply Chain, M & A and Business Development.

He has a BTech in Electrical Engineering from IIT, Kanpur, and a Post Graduate Diploma in Management from IIM, Bangalore, with specialisation in Finance.

Mr. Sujal A. Shah

Mr. Shah has an experience of over 29 years in the fields of Valuation, Due Diligence, Corporate Restructuring, Audit and Advisory.

He is a commerce graduate and member of the Institute of Chartered Accountants of India.

Ms. Apurva S. Purohit

Ms. Purohit is a prominent Indian Business leader with over 30 years of experience in the media and entertainment industry. She has managed a diverse portfolio of businesses in partnership with private equity players and promoters, from early stage businesses to mature ones. She has been named as one of the Most Powerful Women in Business by India Today Group and Fortune India over several years.

She has a postgraduate diploma in management from IIM, Bangalore

Mr. Radhesh R. Welling

With 25 years of work experience, Mr. Welling has worked in and handled many functions ranging from Innovation to Sales & Marketing to Corporate Strategy to Manufacturing, across multiple geographies.

He has obtained Mechanical Engineering degree from National Institute of Technology, India and has done his Masters in International Business from IIFT, New Delhi. He has also done his MBA from IMD, Lausanne, Switzerland.

Our business verticals

Specialty chemicals

Overview

Navin Fluorine entered the niche specialty chemicals space a couple of decades ago and developed respect for emerging as a premier Indian player. The Company's specialty chemicals business produces niche fluorine-based molecules, with downstream applications across the crop science, pharma key starting materials and industrial chemicals. The Company delivers products around the highest purity standards, addressing customised requirements. As a result, the Company shares longstanding relationships with prominent global pharmaceutical, agro chemical and industrial chemical players.

The India story

The specialty chemicals sector is riding an inflection point. Prominent global companies in the crop science segment, who had been sourcing resources from China, are developing a Plan B for their sourcing needs. The result is that India is expected to account for a larger slice of the product outsourcing proposition, strengthening its eco-system.

Our potential

- The Company's product pipeline is being derived from crop science, pharmaceutical key starting materials and industrial chemicals largely from major global players in these spaces
- The Company enjoys a competitive advantage with multi-year partnership capabilities in the areas of product development, commercialisation and scale-up
- The Company addresses a large headroom, the size of contract manufacturing in the crop science specialty chemicals segment is estimated to grow from around US$ 1-1.5 billion to around US$ 3 billion in five years, putting the Company in a position to carve away a disproportionately larger slice of the opportunity.
- Almost 40-50% of the upcoming new products in crop science and life science segments has fluorine molecule in it, enhancing the relevance of the business.

Strengths

- Seamless execution as a result of which we could timely honour customer commitments
- Competent technology and design team comprising experienced professionals with the validated ability to provide innovative solutions
- Robust knowledge platforms that can be scaled into profitable opportunities
- More than 70% of the portfolio is value-added; the Company is the only producer of BF3 gas in India; it accounts for major market share for this gas in North America; it is one of the largest producer of Tri-fluoro derivatives in India.

566
Revenues in FY 2021-22 (₹ in crores)

40
Share of total revenues (in %)

25
Growth over FY 2020-21 (in %)

Challenges and responses

- The Company encountered pandemic-induced manufacturing disruptions, which were addressed from the experiences of the first wave. The Company leveraged available manpower, equipment automation, safety controls and pandemic protection.
- The Company faced a disrupted import of raw materials and logistics-related challenges, which were addressed through backward integration of some of the key raw materials and through large imports stocked in third-party warehouses in addition to leveraging global import contracts of some major clients
- The Company encountered a sharp rise in commodity prices, which could not be passed through to clients; the Company increased supply chain security that ensured timely resource availability.

Highlights, FY 2021-22

- The specialty chemicals business grew 25% despite logistic challenges.
- The Company embarked on initiatives to manufacture specific resources with the objective to secure access, reduce costs and enhance value-addition
- The Company extended beyond just-in time procurement, enhancing its storage and reducing its exposure to an inflationary environment
- The Company strengthened its technology and design team to enhance technology and design capabilities
- The Company revamped its pilot and R&D facility to ensure seamless & safer process scale-up and enhance production and throughput of complex proposed products
- The Company added three products, two from the crop science segment and one from the performance chemical segment.

Outlook

The Company is engaged in the development of a new product around the fluoropyridine platform, expecting to emerge as the first such producer in India when the product is launched at the close of 2023 with multi-year revenue possibilities.

Specialty business expects to achieve around 20% revenue growth in FY 2022-23, catalysed by its new Dahej site being commissioned in July 2022.

Our business verticals

Contract Research and Manufacturing Services (CRAMS)

Overview

Navin Fluorine entered the CRAMS business around 12 years ago. Today, the Company offers development and manufacturing services to innovator companies worldwide. Our niche speciality lies in fluorination, where we are seeing significant growth in the clinical pipeline molecules.

The Company developed respect for its ability to offer CRAMS around a value-enhancing proposition that empowers customers to launch their products in a time-bound manner. The Company focused on speed, which is a key driver in the CRAMS business.

Strengths

- The Company's differentiation in chemistry and handling complex reactions has enabled customers to work on new therapeutic segments.
- The Company enjoys traction with large multinational companies; seven of the ten leading pharmaceutical companies are the company's clients on account of product and service differentiation
- The Company's experienced business development team in the western hemisphere has helped enter and deepen associations with multi-national customers
- The Company's R&D has been comprehensively dovetailed into its manufacturing function, to ensure time bound supplies to customers globally.

297
Revenues in FY 2021-22 (₹ in crs)

21
Share of total revenues (in %)

6
Growth over FY 2020-21 (in %)

Challenges and responses

The first quarter of FY 2021-22 proved challenging in the wake of the second pandemic wave; there was a need to balance employee wellbeing with customer deliveries. The Company reinforced its business continuity plan, marked by different in-plant manufacturing zones that contained the virus impact.

The Company established an equipped occupational health centre in Dewas to address the needs of the ailing. Meetings were conducted daily to enhance employee awareness. The Company engaged with customers regularly to share the ground reality at the site. This transparency helped gain customer confidence.

Highlights, FY 2021-22

- The CRAMS vertical grew 6% despite the onset of the second pandemic wave.
- During FY 2021-22, the Company expanded its manufacturing footprint and upgraded infrastructure, enhancing capacity by 25%
- The Company protected customer retention through active engagement on production and dispatch schedules, a competitive advantage at a time of low stakeholder confidence
- The Company increased its focus on key account management, deepening its customer penetration

Optimism

- India's CRAMS value advantage has grown in the last few years as larger western companies now seek an active Plan B alternative to China
- New chemical entities are being approved faster, widening the market for the Company; with more than 8000 products in the clinical trial stage, the market is at the cusp of sharp growth
- The large unmet and untreated disease market is driving CRAMS growth across the globe.

Outlook

The Company intends to invest in advanced systems and processes to facilitate expansion. The Company continues to deepen its focus on superior customer service. The Company aspires to strengthen project management and technical capabilities. The CRAMS business of the Company is expected to grow 25% in FY 2022-23.

Our business verticals

Refrigerants

Overview

Navin Fluorine commenced its refrigerant business in 1967, one of the first Indian companies to enter this space. Over the decades, the Company established itself as a respected refrigerant global brand. The Company's Mafron brand is a market leader with a sustained after-market prominence. The Company possesses abundant refrigerant gas penetration in the life science and crop science industries, trusted by OEMs for R22 gases.

Strengths

- Navin Fluorine is the first producer of R22 gas in India.
- The Company's Mafron brand in the refrigerant sector stands for sustained aftermarket leadership, catalysing the company's growth
- The Company is respected for dependable partnership, marked by the ability to dispatch products to clients on time and in full
- The Company deepened relationships with its partners, strengthening revenue visibility

Challenges and responses

- The refrigerant vertical was impacted due to increased raw material costs; the Company controlled raw material volatility through timely import and warehousing
- The Company encountered a shortage of some of the raw materials in the refrigerants vertical, which was addressed through vendor broadbasing

266
Revenues in FY 2021-22 (₹ in crores)

19
Share of total revenues (in %)

28
Growth over FY 2020-21 (in %)

Highlights, FY 2021-22

- The refrigerants business grew 28%, addressing the annual target
- The business explored smaller packaging of R22
- The Company's exports remain unaffected following disruptions caused by the second pandemic wave.
- The Company increased end product prices even as customer demand remained largely unaffected, protecting viability

Optimism

- The R22 gases are manufactured largely by India and China with a number of western countries shifting their focus to India as an emerging export partner
- Projected long-term growth of the refrigerants segment is increasing with higher penetration of air-conditioners.

Outlook

The Company is engaged in getting its R22PTFE samples approved, following which a large market could emerge from buyers solely dependent on China.

Our business verticals

Inorganic Fluorides

Overview

Navin Fluorine possesses among the largest anhydrous hydrofluoric and diluted hydrofluoric acid manufacturing capacities in India.

The Company's multiproduct portfolio enjoys sustained demand from mainstream downstream sectors like steel, glass, oil & gas, abrasives, solar, electronic products, life and crop sciences, among others. The Company is attractively positioned as global OEMs are shifting their strategic attention to India as a significant fluorination alternative to China.

Strengths

- Navin Fluorine is the only producer of sodium fluoride in India with a market share of 90%.
- Navin Fluorine is a market leader in the merchant supply of hydrofluoric acid across the country. We are one of the trusted suppliers for most of our premium clients due to our service benchmarks including complete dependence, extending from product integrity to service availability. As they grow, we grow with them.
- Navin Fluorine's capability to maintain timely supply has become one of its major strengths. The Company upholds ethics and integrity in the organisation with respects to its contractual agreements.
- The Company ensured long-term association with its clients, maintaining their reliability and increasing the Company's revenue visibility.

Challenges and responses

- In FY 2021-22, the Company faced a challenge to supply to contractual customers, followed by monthly customers and spot customers. The Company mitigated these challenge by eliminating spot customers as much as possible to provide greater supplies to contractual and monthly customers.
- During FY 2021-22, the challenge was to maintain our premium indigenous customers as they were looking for global opportunities. With the right balance of allocation, the Company maintained supplies to premium indigenous customers by reducing supply to foreign distributors.

274
Revenues in FY 2021-22 (₹ in crs)

20
Share of total revenues (in %)

42
Growth over FY 2020-21 (in %)

- The Company's inorganic fluorides vertical was affected by an increase in raw material prices. The Company covered raw material costs by increasing prices to achieve targets. The Company explained customers the reasons of a price rise, which protected the customer demand.

Highlights, FY 2021-22

- Navin Fluorine has undertaken the initiatives to double the production capacity of potassium fluoride, which is expected to materialise from FY 2022-23.
- The Company's proposed capacity debottlenecking is expected to result in 10% capacity growth in the current financial year
- The business grew revenues 42% compared to a revenue contraction of 7% in FY 2020-21.
- The Company caters to solar industry which has a long-term revenue possibility.

Optimism

Capacity additions by major Indian steel producers are expected to drive the stainless steel sector, a potential market for inorganic fluorides. The growth of the solar renewable capacity in India is expected to catalyse the consumption of hydrofluoric acid, an opportunity for the inorganic fluorides space. The decision of Indian Railways to develop stainless steel coaches (instead of carbon steel) could catalyse inorganic fluorides offtake.

Outlook

The Company seeks to explore potassium fluoride demand from overseas and debottleneck its hydrofluoric plants during the current FY 2022-23. The Company will also widen its customer profile especially from the solar and steel sectors.

Navin Fluorine's community development engagement

Overview

The Company strives to adhere to the highest standards of ethical and responsible business conduct. It believes in giving back to society, resulting in a healthy engagement with the communities in which it operates.

During the year under review, the Company extended its Corporate Social Responsibility (CSR) initiatives across health, education, sports, animal care and other social causes.

The Company will continue to fulfil its role of a responsible corporate citizen by making positive changes through community development initiatives. The Company spent ₹5.28 crs towards CSR commitments during the year under review.

CSR highlights, FY 2021-22

Shri Sadguru Seva Sangh Trust ('SSSST')

SSSST is a registered Public Charitable Trust laid down in the early 1950s and formalised in 1968 on the premise of selfless service to mankind. It was founded with the goal of alleviating the sufferings of the needy and the downtrodden.

SSSST is the largest NGO supporting blindness eradication. SSSST possesses state-of-the-art eye hospitals equipped with the best-in-class rural infrastructure, which provide superior eye care services at a reasonable cost.

The Company assisted SSSST in procuring surgical and laboratory equipment for the glaucoma department of its eye hospital in Chitrakoot. It donated ₹2 crs for the cause, benefitting 9,200 people.

Charutar Arogya Mandal (CAM)

CAM was formed in 1972 as a trust and society to support the rural community's health care needs. CAM stands firm in its vision - to be a shining example of what the profession of medicine is supposed to be - noble, deeply rooted in providing solace to those suffering and continuously upgrading itself to serve humanity.

The Company contributed an aggregate of ₹0.92 crs. which was utilised for the following:

- ₹0.50 crs was used for reinforcing the oxygen supply system, extending the central oxygen pipeline for COVID patients and purchasing air conditioners, PPE kits and large disposable rubber gloves.
- ₹0.42 crs was used for its facility in Karamsad, Gujarat, which supported the treatment of underprivileged families and helped procure an automated slide strainer and automate microtome.

Olympic Gold Quest (OGQ)

OGQ supports the Indian government and various sports federations to fund talented candidates for the Olympics. Around 256 sportspersons have been sponsored by OGQ. OGQ supported ten medalists in Tokyo Olympics, 19 medalists in Tokyo Para-Olympics, four medalists from the Tokyo Olympics and ten medalists from the Tokyo Para-Olympics. The Company OGQ contributed ₹0.80 crs during the year under review.

Blind People's Association (BPA)

BPA is the largest organisation serving visually challenged persons in India. BPA services persons with disabilities in the field of education, health, livelihood, assistive devices and therapeutic rehabilitation.

The Company supported BPA in four projects which related to the prevention of blindness and rehabilitation services, skill training and livelihood programme, early childhood education and livelihood and self-employment. The Company also provided wheel chairs, hearing aids and various machines for differently abled patients. The Company made an aggregate contribution of ₹0.75 crs. to BPA, which directly benefited around 3,570 people and indirectly benefited 6,000 more individuals.

Society for Rehabilitation of Crippled Children (SRCC)

The aim of SRCC is to organise hospital and clinics for the diagnosis, care and treatment of children who are in need of alternate support. The Company contributed ₹0.42 crs to SRCC, which was used for procuring a Philips CX50 Compact Xtreme Ultrasound System for its hospital in Mumbai. The CX50 supports premium performance 2D and Doppler for examination needs like abdominal, vascular, breast, paediatrics, surgical and cardiac among others. This machine benefitted 10 to 15 patients per month.

Consumer Education and Research Centre (CERC)

CERC, set up in 1978, is a non-political, non-profit and non-government organisation dedicated to the education and empowerment of consumers as well as promotion and protection of consumer interests through effective use of education, research, media and law. The Company contributed ₹0.10 crs. to CERC, which helped fund its weekly digital magazine on consumer education and consumer grievance redressal through Grahak Suvidha Kendra.

Mobile health vans

The Company's mobile health van regularly visits villages. Around 4,031 and 742 patients were treated by the mobile health van in and around Surat and Dewas respectively. The medical team (comprising doctors and other staff) checked villagers for respiratory, gastro-intestinal, fever, ENT, eye, dental, skin and chronic diseases. The Company spent ₹0.09 crs. for mobile health vans. Besides, the Company also provided medical vans to Surat Municipal Corporation for COVID-19 rapid tests in remote villages.

Rogi Kalyan Samiti

The Company made a contribution of ₹0.05 crs. towards an additional patient lift at Mahatma Gandhi Hospital in Dewas in view of the high number of daily OPD and admitted patients.

Prayas

Prayas promoted the conservation of nature and protection of environment through education and direct action. The Company contributed ₹0.05 crs. to Prayas to support its work in the areas of animal welfare, bird rescue and rehabilitation.

Salaam Balak Trust

Salaam Balak Trust is an Indian non-profit and non-governmental organisation catering to the individual needs of street children in Mumbai. The Trust covers all aspects of child development from physical to medical requirements, ranging across educational, creative, cognitive, social and vocational development. The Company provided financial support of ₹0.03 crs. for the grocery supplies.

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting ('AGM') of the Members of the Company will be held on Wednesday, July 27, 2022 at 3.00 p.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 along with the notes forming part thereof and the Report of the Directors and the Auditors thereon

2. To confirm the payment of Interim Dividend on the equity shares of the Company for the financial year 2021-2022 and to declare final dividend on equity shares for the financial year 2021-2022

3. To re-appoint Mr. Mohan M. Nambiar (DIN: 00046857), Non-Executive Non-Independent Director, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, pass the following Resolution as a **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Mohan M. Nambiar (DIN: 00046857), a Non-Executive Non-Independent Director of the Company, who is liable to retire by rotation at this Annual General Meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, notwithstanding that he has already attained the age of 75 years."

4. To re-appoint Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company and in this regard, to consider, and if thought fit, pass the following Resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), Mumbai, be and are hereby re-appointed as Statutory Auditors of the Company for another term of 5 (five) consecutive years commencing from the conclusion of this 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company and reimbursement of out-of-pocket expenses incurred for the purpose of audit and applicable taxes.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts, deeds, things and matters as may be necessary to give effect to this Resolution."

SPECIAL BUSINESS:

5. To appoint Ms. Apurva S. Purohit (DIN: 00190097) as an Independent Director of the Company, and in this regard, to consider and if thought fit, pass the following Resolution as a **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder ('the Act') read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Ms. Apurva S. Purohit (DIN: 00190097), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 19, 2021 in terms of Section 161(1) of the Act and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, who satisfies the criteria of independence as specified in the Act and SEBI Listing Regulations, and in respect of whom, the Company has received notices in writing from Members under Section 160 of the Act, proposing her candidature as a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from October 19, 2021 and ending on October 18, 2026."

6. To adopt new Articles of Association in place of existing Articles of Association of the Company, and in this regard, to consider and if thought fit, pass the following Resolution as a **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, as amended from time to time, consent of the Members of the Company be and is hereby accorded to the alteration of the existing Articles of Association of the Company by adoption of a new set of Articles of Association as contained in the draft thereof submitted to this Meeting and to the entire exclusion of the Articles contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts, deeds, things and matters as may be necessary to give effect to this Resolution."

7. To give loans, guarantees, provide securities or make investments in excess of limits prescribed under Section 186 of the Companies Act, 2013 and in this regard, to consider and if thought fit, pass the following Resolution as a **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** in supersession of the Special Resolutions passed at the Extraordinary General Meeting of the Company held on January 10, 2003 and pursuant to provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder ('the Act') and Memorandum and Articles of Association of the Company, as amended from time to time and subject to such approvals as may be required in this regard, consent of the Members of the Company be and is hereby accorded to grant authority to Board of Directors ('the Board', which shall deem to include, unless the context otherwise requires, any committee of the Board authorized by the Board to exercise the powers conferred on the Board under this Resolution), to (i) give any loan to any person or other bodies corporate, (ii) give any guarantee or provide any security in connection with a loan to any person or other bodies corporate and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate, as it may in their absolute discretion deem beneficial and in the interest of the Company, however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, shall not exceed ₹100,00,00,000/- (INR One Hundred Crores only) in excess of the limits prescribed in the Act, at any point of time.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts, deeds, things and matters as may be necessary to give effect to this Resolution."

8. To sell, dispose and lease the assets of the Material Subsidiary of the Company and in this regard, to consider and if thought fit, pass the following Resolution as a **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** pursuant to Regulation 24 and other applicable regulations, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, consent of the Members of the Company be and is hereby accorded to the Company's Material Subsidiary, Navin Fluorine Advanced Sciences Limited ('NFASL') for selling, disposing and leasing more than 20% of NFASL's assets on an aggregate basis during any financial year in one or more tranches to secure borrowings by NFASL, on such terms and conditions and in such manner as the board of NFASL may in its absolute discretion decide."

9. To approve payment of commission to Non-Executive Directors of the Company and in this regard, to consider, and if thought fit, pass the following Resolution as a **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder ('the Act') and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Members of the Company be and is hereby accorded for payment to Non-Executive Directors of the Company, commission as may be decided by the Board of Directors from time to time, at the rate not exceeding 1% (one percent) per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Act and such payments shall be made in respect of the profits of the Company for a period of five years commencing from April 1, 2023."

10. To ratify remuneration of B. Desai & Co. (Firm Registration No. 005431), Cost Auditors of the Company for the financial year 2021-2022 and in this regard, to consider, and if thought fit, pass the following Resolution as an **ORDINARY RESOLUTION**:

    "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder as amended from time to time, payment of remuneration of ₹5,00,000/- (INR Five Lakhs only) and reimbursement of out-of-pocket expenses incurred for the purpose of Audit and applicable taxes, to B. Desai & Co. (Firm Registration No. 005431), Cost Auditors, who were appointed due to casual vacancy as per details mentioned in explanatory statement to this Resolution, for conducting the audit of Cost Records relating to the chemical products manufactured by the Company for the financial year from April 1, 2021 to March 31, 2022, be and is hereby approved and ratified."

11. To ratify remuneration of B. Desai & Co. (Firm Registration No. 005431), Cost Auditors of the Company for the financial year 2022-2023, and in this regard, to consider, and if thought fit, pass the following Resolution as an **ORDINARY RESOLUTION**:

    "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder as amended from time to time, payment of remuneration of ₹5,00,000/- (INR Five Lakhs only) and reimbursement of out-of-pocket expenses incurred for the purpose of Audit and applicable taxes, to B. Desai & Co. (Firm Registration No. 005431), Cost Auditors for conducting the audit of Cost Records relating to the chemical products manufactured by the Company for the financial year from April 1, 2022 to March 31, 2023, be and is hereby approved and ratified."

By order of the Board of Directors
For **NAVIN FLUORINE INTERNATIONAL LIMITED**

Niraj B. Mankad
President Legal and Company Secretary
Membership No.: ACS 9727

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2022, allowed companies to convene Annual General Meeting ("AGM") through VC / OAVM till December 31, 2022 in accordance with relevant provisions of other applicable Circulars (collectively referred as "MCA Circulars"). Accordingly, in compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the Members at a common venue. The deemed venue of the AGM shall be the Registered Office of the Company.

2. 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 the proxy need not be a Member of the Company. However, since the AGM is being held in accordance with the MCA Circulars through VC/OAVM, the facility for appointment of proxies by the Members will not be available.

3. As this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Hence, the Attendance Slip and Route Map for the venue of the Meeting are not annexed to this Notice.

4. Members attending the AGM through VC / OAVM shall be reckoned for quorum as per Section 103 of the Act.

5. All Members, including Institutional Investors, are encouraged to attend and vote at the AGM. An Institutional / Corporate Member is required to send a scanned document of the certified true copy of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to dmz@dmzaveri.com with a copy marked to evoting@nsdl.co.in or uploaded by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

6. Explanatory Statement setting out material facts concerning the business in respect of Item Nos. 3 to 11 mentioned in the above Notice is annexed hereto.

7. Brief profile of the Directors seeking appointment / re-appointment as per Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and duly notified by the Central Government are annexed hereto.

8. The final dividend of ₹6/- per equity share as recommended by the Board of Directors for the

Financial Year 2021-2022, if declared by the Members of the Company at this AGM, will be paid on or after August 2, 2022.

9. Friday, July 8, 2022 is fixed as the Record Date for determining the eligibility of Members entitled for the payment of final dividend for the Financial Year 2021-2022, if declared.

10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Members and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. Details regarding the same are available on the Company's website www.nfil.in. TDS certificates regarding dividends declared in the past can be downloaded from https://ris.kfintech.com/clientservices/tds/

11. In order to enable the Company to directly credit the dividend amount in the bank accounts:

    a. Members holding shares in demat account are requested to update their Bank Account details with their respective Depository Participants.

    b. Members holding shares in physical form are requested to submit a covering letter, duly signed Form ISR 1 available at the web-link at https://www.nfil.in/investor/downloads.html and https://ris.kfintech.com/default.aspx along with documents mentioned therein, to KFin Technologies Limited ('KFinTech') (formerly known as KFin Technologies Private Limited), Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.

       Members holding shares in physical form may note that if their bank account and other requisite details are not updated with KFinTech by April 1, 2023, their folios shall be frozen and dealt with in accordance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 which is available on the Company's website at https://www.nfil.in/investor/downloads.html.

12. Members are requested to note that pursuant to Section 125(1)(c) of the Act, dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund ('IEPF') set up by the Central Government. The Company has already transferred the unclaimed / unpaid dividend declared during the financial year 2014-2015 to the said fund. Members who have so far not claimed the dividends paid thereafter are requested to make claim with the Company / KFinTech immediately.

13. Pursuant to Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to IEPF. The Company has written to the concerned Members intimating them particulars of their equity shares due for transfer. These details are also available on the Company's website at https://www.nfil.in/investor/unpaid.html Upon transfer, the Members will be able to claim these equity shares only from the IEPF Authority by making an online application in Web Form IEPF-5, the details of which are available on IEPF Authority's website www.iepf.gov.in.

14. Draft of altered AoA is available on the website of the Company at https://www.nfil.in/investor/annu_reports.html. Members seeking to inspect the Registers required to be maintained under the Act and all documents referred to in the Notice can send an email to investor.relations@nfil.in.

15. MCA has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices / documents including annual report by e-mail to its Members. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the Depository through their Depository Participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with KFinTech.

16. Attention of the Members holding shares in physical form is drawn to SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 which mandates furnishing self-attested copy of Permanent Account Number (PAN), postal address, email address, mobile number, bank account details, specimen signature and nomination/declaration to opt-out from nomination by submitting the specified forms to the Company/KFinTech. The said Circulars are available on Company's website at www.nfil.in/investor/downloads.html along with relevant documents. The folios wherein any one of the cited document / details are not available on or after April 1, 2023, shall be frozen by the RTA (i.e. KFinTech) and dealt with in the manner specified in the Circulars.

17. Members holding shares in physical form are requested to consider dematerializing their holding. As per SEBI norms, with effect from April 1, 2019, share transfers cannot be effected in physical form. Further, other service requests like, (i) issue of duplicate securities certificate, (ii) claim from unclaimed suspense account; (iii) renewal/exchange of securities certificate; (iv) endorsement; (v) sub-division / splitting of securities certificate; (vi) consolidation of securities certificates/folios; (vii) transmission and viii) transposition, will also be processed in electronic form only as per SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022. Details with respect to the same are available on the website of the Company at https://www.nfil.in/investor/downloads.html

18. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details/update, e-mail ID/mandates/nominations/power of attorney/change of name/change of address/contact numbers etc. to their Depository Participants ("DP") with whom they are maintaining their demat accounts. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and KFinTech to provide efficient and better services. Members holding shares in physical form are requested to advise such changes to KFinTech.

19. SEBI has mandated the submission of copy of Permanent Account Number (PAN) card by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the copy of PAN card to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to KFinTech.

20. As per Section 72 of the Act, Members are entitled to make nomination in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by duly submitting Form No. SH-13. Members holding shares in physical form may submit the same to KFinTech. Members holding shares in electronic form may submit the same to their respective DPs.

21. In compliance with MCA Circulars and SEBI Circular, the Notice of the AGM along with the Annual Report 2021-2022 is being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/DPs, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report will also be available on the Company's website at www.nfil.in/investor/annu_reports.html, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on www.evoting.nsdl.com

22. **Instructions for e-voting and joining the AGM are as follows:**

    Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations, e-voting facility is being provided to the Members for the business to be transacted at the AGM. The Members of the Company holding shares either in physical form or in dematerialised form as on Wednesday, July 20, 2022 ("Cut-Off Date") are eligible to cast their votes. The voting rights of the Members shall be in proportion to their share in paid-up equity share capital as on the Cut-Off Date. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

    Members may cast their votes using an electronic voting system prior to AGM ('remote e-voting'). 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 Company has appointed Mr. Dharmesh M. Zaveri, of D. M. Zaveri & Co, Practising Company Secretary, as the scrutinizer for conducting the e-voting process in a fair and transparent manner for the businesses to be transacted at the AGM.

    Details of e-voting process are as under:

    (i) The e-voting facility (remote e-voting and e-voting at the AGM) will be provided by NSDL.

    (ii) The remote e-voting period commences on July 23, 2022 (9:00 a.m. IST) and ends on July 26, 2022 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

    (iii) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

    (iv) A person who is not a Member as on the Cut-Off Date should treat this Notice of AGM for information purpose only.

    (v) Members whose email IDs are registered with the Company/DPs will receive an email from NSDL informing them of their User ID and Password.

    (vi) It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. 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.

(vii) An Institutional / Corporate Member is required to send a scanned document of the certified true copy of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to dmz@dmzaveri.com with a copy marked to evoting@nsdl.co.in or uploaded by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

(viii) 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 toll free no.: +91 1800 1020 990 / 1800 22 44 30 or send a request to Mr. Sanjeev Yadav at evoting@nsdl.co.in.

(ix) As per the 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 E-mail ID in their demat accounts in order to access e-voting facility.

(x) The details of the process and manner for remote e-voting, attending AGM and e-voting at the AGM are explained below:

Step 1: Access to the NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system (including procedure for attending AGM through VC/OAVM)

Step 1: Access to NSDL e-voting system:

A. Login method for e-voting and joining virtual meeting for individual shareholders holding shares in demat mode

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders holding securities in demat mode with NSDL</td><td>
A. By NSDL IDeAS facility:
If you are already registered, follow the below steps:
1. Either on a personal computer or on a mobile, open web browser and visit the e-Services website of NSDL viz. https://eservices.nsdl.com.
2. Once the home page of e-Services appears on the screen, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section.
3. A new page will appear on the screen, you will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under value added services.
4. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page.
5. 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 and e-voting during the Meeting.
If you are not registered for IDeAS e-Services, follow the below steps:
1. Option to register is available at https://eservices.nsdl.com.
2. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3. Then please follow steps as mentioned in above points 1 to 5 of A.
B. By visiting the e-voting website of NSDL:
1. Either on a personal computer or on a mobile, open web browser and visit the e-Services website of NSDL viz. https://www.evoting.nsdl.com/
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 (i.e. ‘IN’ followed by your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
4. After successful authentication, you will be redirected to NSDL Depository website 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 and e-voting during the meeting.
</td></tr>
</table>

	C. Shareholders/Members can also download NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	A. **By CSDL Easi / Easiest facility:** **If you are already registered, follow the below steps:** 1. Either on a personal computer or on a mobile, open web browser and visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi to login through your User ID and Password. Option will be made available to reach e-voting page without any further authentication. 2. After successful login through Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. **If you are not registered for CSDL Easi / Easiest facility, follow the below steps:** 1. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 2. After registration, please follow steps as mentioned in above points 1 to 2 of A. B. **By visiting the e-voting website of CDSL:** 1. Either on a personal computer or on a mobile, open web browser and visit e-voting page viz. https://evoting.cdslindia.com/Evoting/EvotingLogin and enter demat account number and PAN. 2. The system will authenticate the user by sending OTP on registered Mobile & E-mail ID as recorded in the demat account. 3. After successful authentication, user will be provided links for the respective e-voting service provider i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	**Through Depository Participant's website:** 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. 2. 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 website after successful authentication, wherein you can see e-voting feature. 3. 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 Forgot User ID and Forgot Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding shares 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.co.in or call on Toll Free No.: 1800 1020 990 / 1800 22 44 30
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 on: + 91 22 2305 8738 / 22 2305 8542 - 43

B) **Login Method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode**

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

1. Either on a personal computer or on a mobile, open web browser and visit the e-voting website of NSDL viz. https://www.evoting.nsdl.com/.

2. Once the home page of e-voting system appears on the screen, 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 e-Services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-Services 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 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 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 if Folio Number registered with the Company EVEN is 120266 and if folio number is 001*** then user ID is 120266001***

5. Password details for shareholders are given below:

   a) If you are already registered for e-voting, then you can use 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 by NSDL. 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 e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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) In case you have not registered your e-mail ID with the Company / Depository, 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.co.in 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 on NSDL e-voting system (including procedure for attending AGM through VC/OAVM):

How to cast your vote electronically 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 120266" of the Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the 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 and you can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

   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 e-mail to evoting@nsdl.co.in

   2. In case shares are held in demat mode, please provide DP ID - CL ID (16 digit DP ID + CL ID 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 evoting@nsdl.co.in If you are an individual shareholder holding shares 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. Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut-Off Date, may obtain the User ID and Password by sending an e-mail to evoting@nsdl.co.in mentioning aforesaid details along with the requisite documents as mentioned above.

4. Members who need technical assistance may contact Mr. Sanjeev Yadav, Assistant Manager - NSDL, Email ID: SanjeevY@nsdl.co.in; Tel. No.: + 91 93240 06225; Toll Free No.: 1800 1020 990 / 1800 22 4430

For e-voting at AGM:

1. The procedure for e-voting at AGM is same as the instructions mentioned above for remote e-voting.
2. The details of the person who may be contacted for any grievances connected with the facility for e-voting at the AGM shall be the same person mentioned for remote e-voting.

For attending the AGM through VC/OAVM:

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 "VC/OAVM link" 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 this Notice to avoid last minute hassle.

2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.
3. Upto 1000 members will be able to join on a first-come-first-served basis to the AGM. Such restrictions on entry to the e-AGM will not apply in respect of 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.
4. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
5. Further, Members will be required to allow Camera, if any and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Members who would like to express their views or ask questions during the AGM may register themselves as speakers by sending an email from their registered email ID on investor.relations@nfil.in mentioning their demat account number/folio number, city, e-mail ID and mobile number from July 21, 2022 to July 24, 2022. The duly registered speaker shareholders will only be allowed to express their views/ask questions during the AGM.
8. Only those Members, who will be present in the AGM and have not cast their vote through remote e-voting are eligible to vote through e-voting at the AGM. However, Members who have voted through remote e-voting will be eligible to attend the AGM.

23. The scrutiniser will submit his report to the Chairman or to any other person so authorised by the Chairman, after the completion of scrutiny of e-voting (votes cast through remote e-voting and votes cast during the AGM), not later than 48 hours from the conclusion of the AGM. The result declared along with the scrutiniser's report will be placed on the website of the Company www.nfil.in and on the website of NSDL https://www.evoting.nsdl.com/. The result will simultaneously be communicated to the stock exchanges.

Annexure to Notice

Explanatory Statement

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 11 of the accompanying Notice of AGM.

Item No. 3:

Mr. Mohan M. Nambiar (DIN: 00046857) is a Non-Executive Non-Independent Director of the Company and is liable to retire by rotation at this 24th AGM. Being eligible, he has offered himself for re-appointment.

In accordance with Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a Special Resolution is passed to that effect. Therefore, re-appointment of Mr. Mohan M. Nambiar as Non-Executive Non-Independent Director requires consent of the Members by way of a Special Resolution Mr. Nambiar is active and is keeping good health. His brief profile is enclosed as Annexure which forms part of this Notice.

Having regard to his qualifications, knowledge and experience, his re-appointment on the Board of the Company as a Non-Executive Non-Independent Director will be in the interest of the Company. Accordingly, the Board of Directors recommends passing of the Special Resolution at Item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. Nambiar are in any way concerned or interested in the Resolution.

Item No. 4:

At the 19th AGM held on June 29, 2017, shareholders of the Company have appointed Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) ('PWC') as Statutory Auditors of the Company from the conclusion of such Meeting till the conclusion of this 24th AGM of the Company.

Based on receipt of the consent and eligibility letter from PWC and upon recommendation of the Audit Committee, the Board of Directors at its Meeting held on May 7, 2022 approved re-appointment of PWC as Statutory Auditors of the Company for another term of 5 (five) consecutive years commencing from the conclusion of this 24th AGM till the conclusion of the 29th AGM of the Company subject to approval of the shareholders at this AGM.

PWC is a reputed firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ('ICAI') established in 1991 and was converted into a limited liability partnership in 2014. The registered office of PWC is at Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110002, India and has ten branch offices in various cities in India. It is primarily engaged in providing auditing and other assurance services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of firms registered with ICAI having Network Registration No. NRN/E/14. Price Waterhouse & Affiliates is a network of eleven separate, distinct and independent Indian chartered accountant firms, each of which is registered with ICAI.

The audit fee proposed to be paid to the Statutory Auditors during Financial Year 2022-23 is ₹49.20 lakhs and reimbursement of out-of-pocket expenses incurred for the purpose of audit and applicable taxes. The same may be reviewed and revised in consultation with them by the Board during the tenure to ensure that it is commensurate with the services to be rendered by them. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Accordingly, the Board of Directors recommends passing of the Ordinary Resolution at Item No. 4 of the Notice.

Mr. Mohan M. Nambiar, a Non-Executive Non-Independent Director, and his relatives may be deemed to be concerned or interested in this Resolution since his son-in-law is a partner in PWC though he is in no way associated with the audit of the Company or its subsidiaries by PWC. None of the other Directors, Key Managerial Personnel and/or their relatives, are in anyway deemed to be concerned or interested in the Resolution.

Item No. 5:

Pursuant to recommendation of the Nomination and Remuneration Committee, Ms. Apurva S. Purohit (DIN: 00190097) was appointed as an Additional and Independent Director by the Board of Directors on October 19, 2021 under the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013. Under the said Section 161(1), she will hold office as an Additional Director up to this Annual General Meeting.

As required under Section 160 of the Companies Act, 2013, notices have been received from Members of the Company proposing the candidature of Ms. Purohit as an Independent Director of the Company. Accordingly, it is proposed to appoint Ms. Purohit as an Independent Director for a term of five consecutive years commencing from October 19, 2021 and ending on October 18, 2026.

Ms. Purohit has consented to her appointment and confirmed that she does not suffer from any disqualifications for her appointment as a Director. She has not been debarred from holding the office of Director by virtue of any SEBI order or any other such Authority. The Company has received declaration from Ms. Purohit confirming that she meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 read with rules made thereunder and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Ms. Purohit fulfils all the conditions specified in the Companies Act, 2013 read with the Rules made thereunder and the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as an Independent Director of the Company and is independent of the management of the Company. Her brief profile and other relevant details are given in the annexure which forms part of this Notice.

A copy of the letter of appointment issued to Ms. Purohit as an Independent Director of the Company, subject to approval of shareholders, setting out the terms and conditions of appointment, would be available for inspection. Members seeking to inspect such document can send an email to investor.relations@nfil.in.

Having regard to the qualifications, knowledge and experience of Ms. Purohit, the Board is of view that her appointment as an Independent Director is in the interest of the Company and accordingly, the Board of Directors recommends passing of Special Resolution at Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives, except Ms. Purohit, and her relatives, are in anyway deemed to be concerned or interested in the Resolution.

Item No. 6:

Article 124 of the Articles of Association ('AoA') of the Company inter alia provides that the number of Directors on the Board of the Company cannot exceed 12. The second term of few existing Independent Directors of the Company ends in 2024. To ensure succession planning and smooth transition, it is proposed that more Directors be added on the Board over the next two years. In view of the above it is required to amend Article 124 of the AoA of the Company.

It is also thought fit that all the provisions contained in the AoA be amended by substituting new set of Articles which are in line with Companies Act, 2013.

Accordingly, the Board of Directors of the Company, at its Meeting held on May 7, 2022, has approved amending the AoA by substituting new set of Articles in place of all existing Articles contained in the present AoA.

The highlights of key amendment in the Articles include:

1. Increasing the maximum limit of Directors on the Board of the Company from 12 to 15 or such maximum limit as may be prescribed by the Companies Act, 2013;
2. Streamlining and aligning with the Companies Act, 2013;
3. Providing for appointment of Woman Director and Independent Directors as per provisions of the Companies Act, 2013;
4. Providing for appointment of Key Managerial Personnel subject to the provisions of the Companies Act, 2013;
5. Providing for participation of Directors/Committee members at meetings of the Board/Committees either through video conferencing or audio visual means or such other means, as may be prescribed by the Companies Act, 2013 or permitted under law;
6. Allowing Circular Resolutions to be sent/approved electronically to/by Directors/Committee members;
7. Allowing maintenance of statutory registers in electronic mode;
8. Allowing maintenance of books of account in electronic mode;
9. Allowing deduction of tax at source from dividend to Members as per applicable statue;
10. Allowing Members to exercise their vote by electronic means.
11. No shares shall be transferred or transmitted in physical mode unless permitted by applicable laws.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the applicable rules made thereunder consent of the Members is sought by way of Special Resolution for adoption of altered AoA. Accordingly, the Board of Directors recommends passing of Special Resolution at Item No. 6 of the Notice.

Draft of new AoA will be available for inspection on the Company's website at https://www.nfil.in/investor/annu_reports.html. Members seeking to obtain copy of such documents can send an email to investor.relations@nfil.in.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way deemed to be concerned or interested in this Resolution.

Item No. 7:

As per the provisions of Section 186(2) of the Companies Act, 2013, the Company can invest in the securities of other bodies corporate, give loans, guarantees and provide securities for any loan facility to any person or other bodies corporates, to the extent of 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the approval of the Board of Directors. However, if the aggregate of such investments, loans, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a Special Resolution.

The amount of loans, guarantees or securities provided by the Company to its Wholly Owned Subsidiary ('WOS') and investment made by the Company in its WOS are exempt from the requirements of prior approval of the shareholders pursuant to the first proviso of Section 186(3) of the Act. However, such loans, guarantees, securities or investments are to be included for computing overall permissible limits under Section 186(2) of the Act.

The shareholders of the Company at their Extraordinary General Meeting held on January 10, 2003 passed Special Resolutions approving giving of loans, corporate guarantees and making investments in the shares of specified bodies corporate aggregating to ₹419.10 Cr. under Section 372A of the Companies Act, 1956 (now corresponding Section 186 of the Companies Act, 2013) and other applicable provisions.

60% of the aggregate of the Companies paid-up share capital, free reserves and securities premium account as per the last Audited Financial Statements of the Company as on March 31, 2022 is ₹1,027.90 Cr. whilst 100% of the aggregate of the said free reserves and securities premium account is ₹1,703.26 Cr. The higher of the said 2 limits is ₹1,703.26 Cr.

The aggregate of the Company's investments in the securities of other bodies corporate, loans and guarantees provided to any other persons or other bodies corporates, including in/to its wholly owned subsidiary companies, is ₹834.13 Cr. which includes investments in, loans to and guarantees on behalf of Navin Fluorine Advanced Sciences Limited ('NFASL'), WOS of ₹711.22 Cr. Further, additional proposed investments in, loans to and guarantees on behalf of NFASL are estimated at ₹919.28 Cr. Accordingly, the Company will not have sufficient limits for making investments in, giving loans to and giving guarantees and providing securities for any entity other than its wholly owned subsidiary.

Considering the long term business plans of the Company and its subsidiaries, which may require the Company to give loans to / make investments in and give guarantees/ provide securities to persons or bodies corporate, from time to time, including for its subsidiaries, prior approval of the Members is being sought for authorising the Board to give loans to / make investments in and give guarantees/ provide securities to persons or bodies corporate, from time to time, not exceeding ₹100,00,00,000/- (INR One Hundred Crores only) at any point of time, in excess of the limits prescribed under Section 186(2) of the Companies Act 2013.

This additional limit is proposed to be obtained as a matter of abundant caution to meet opportunities that may arise in future in the normal course of the Company's business. The same is not intended to be utilized for promoter group entities (excluding subsidiaries of the Company).

Register of loans, guarantee, security and acquisition made by the Company will be available for inspection. Members seeking to inspect such register can send an email to investor.relations@nfil.in.

Accordingly, the Board of Directors recommends passing of Special Resolution at Item No. 7 of this Notice.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way deemed to be concerned or interested in this Resolution.

Item No. 8:

Navin Fluorine Advanced Sciences Limited ('NFASL') is a Wholly Owned Subsidiary of the Company. NFASL is 'material subsidiary' of the Company in terms of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). NFASL was incorporated in February 2020. NFASL has announced various capital expenditures which are progressing well. NFASL announced a capital expenditure of ₹125/- cr., to manufacture and supply a key agro-chemical fluoro- intermediate to a multinational company under a multi-year agreement worth ₹800/- cr. over a period of 5 years. The said investment also includes ₹15/- cr. towards expansion of effluent treatment plant. All these investments will create opportunities for new products in life science and crop science sectors in the Specialty Chemicals business. Moreover, these investments will lay the foundation for the next phase of growth of our Specialty Chemical business. It will help us enhance our product offerings and strengthen our customer relationships along with providing building blocks for future growth.

For the purpose of meeting its funding requirements, including for current and future capital expenditure and working capital facilities, NFASL has to borrow from financial institutions, banks and others and for securing such borrowings, it proposes to create mortgage/

pledge/hypothecation/lien on its various assets, which is a general requirement from Lenders and a common practice prevailing throughout the Industry. At present the amount already borrowed and envisaged to be borrowed by NFASL from secured lenders aggregate to ₹690.50 Cr.

In accordance with Regulation 24(6) of the Listing Regulations, selling, disposing and leasing of assets amounting to more than 20% of the assets of a material subsidiary on an aggregate basis during a financial year requires prior approval of shareholders by way of a Special Resolution. As a matter of abundant caution and good governance, the Company has considered creation of mortgage/pledge/hypothecation/lien on its various assets as disposing of assets in terms of Regulation 24(6) of the Listing Regulations, though there is no actual selling intended which necessitates approval of shareholders.

Accordingly, in view of the current circumstances and foreseeing future requirements of NFASL, the Board recommends to the Members passing of Special Resolution at Item No. 8 of the Notice.

Mr. Radhesh R. Welling (Managing Director), Mr. Atul K. Srivastava (Independent Director), Mr. Niraj B. Mankad (Company Secretary) and Mr. Basant Kumar Bansal (Chief Financial Officer) of the Company are also Directors of NFASL. Mr. Radhesh R. Welling and Mr. Basant Kumar Bansal are also Managing Director and Chief Financial Officer respectively, of NFASL

None of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way deemed to be concerned or interested in this Resolution.

Item No. 9:

The Members of the Company at their 19th Annual General Meeting held on June 29, 2017 had approved the payment of remuneration by way of Commission to the Non-Executive Directors of the Company not exceeding 1% per annum of the net profits of the Company computed in the manner referred to under Sections 198 of the Companies Act, 2013 for each year for a period of five financial years commencing from April 1, 2018. The said resolution is valid for a period of 5 years i.e. up to March 31, 2023. Though the Company is statutorily allowed to obtain the approval for perpetual period, as a matter of good governance practice, it is proposed to pass a Special Resolution under Section 197 of the Act, enabling the payment of commission to Non-Executive Directors for a period of five years commencing from April 1, 2023.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that commission not exceeding 1% of the net profits of the Company, calculated in accordance with Section 198 of the Act, be continued to be paid to the Non-Executive Directors of the Company as approved by the Board of Directors of the Company, for each financial year as aforesaid.

The payment of commission would be in addition to the sitting fees payable to the said Directors.

Accordingly, the Board of Directors recommends passing of Special Resolution at Item No. 9 of the Notice.

All the Non-Executive Directors of the Company are concerned or interested in the Resolution mentioned at Item No. 9 of the accompanying Notice to the extent of commission that may be received by them. None of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested in the Resolution at Item No. 9 of the Notice.

Item No. 10:

Pursuant to the provisions of Sections 148(2) and 148(3) of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for conducting the Cost Audit of the cost records of Chemical Products manufactured by the Company.

In view of the casual vacancy caused in the office of Cost Auditor due to demise of Mr. B. C. Desai, the Board of Directors, on the recommendation of the Audit Committee and based on the receipt of their consent and eligibility letter, approved the appointment of B Desai & Co. (Firm Registration No.: 005431) Cost Accountants, as Cost Auditors for the Cost Audit of Chemical Products of the Company from April 1, 2021 to March 31, 2022 on a remuneration of ₹5,00,000/- (INR Five Lakhs Only) and the reimbursement of out-of-pocket expenses incurred for the purpose of Cost Audit and applicable taxes subject to approval of remuneration by the Members of the Company.

In accordance with Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor shall be ratified by the Members of the Company. Accordingly, the Board of Directors recommends passing of the Ordinary Resolution at Item No. 10 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way deemed to be concerned or interested in this Resolution.

Item No. 11:

Pursuant to the provisions of Section 148(2) and 148(3) of the Act read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for conducting the Cost Audit of the cost records of Chemical Products manufactured by the Company.

Based on the receipt of consent letter and eligibility certificate and upon recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of B Desai & Co. (Firm Registration No.: 005431) Cost Accountants, as the Cost Auditor of the Company for conducting the Cost Audit of the cost records of Chemical Products manufactured in the Financial Year from April 1, 2022 to March 31, 2023 on a remuneration of ₹5,00,000/- (INR Five Lakhs Only) and the reimbursement of out-of-pocket expenses incurred for the purpose of Cost Audit and applicable taxes subject to approval of remuneration by the Members of the Company.

In accordance with Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor shall be ratified by the Members of the Company. Accordingly, the Board of Directors recommends passing of the Ordinary Resolution at Item No. 11 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way deemed to be concerned or interested in this Resolution.

By order of the Board of Directors
For **NAVIN FLUORINE INTERNATIONAL LIMITED**

Niraj B. Mankad
President Legal and Company Secretary
Membership No.: ACS 9727

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

Brief profile of the Directors seeking appointment/re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India

Name	Mr. Mohan M. Nambiar	Ms. Apurva S. Purohit
Age	85 years	55 years
Director's Identification Number	00046857	00190097
Date of first appointment	March 3, 2003	October 19, 2021
Brief Resume – Qualification	B.Com., A.C.A.	Postgraduate diploma in management from IIM, Bangalore
Expertise in Specific Functional Areas	Mr. Nambiar has a vast experience of over 59 years and was associated as President/Chairman/ Member of prestigious institutions like Cement Manufacturers Association, National Council for Cement Industry, The Associated Chamber of Commerce and Industry of India, Bombay Chamber of Commerce, etc. He was also associated for more than 26 years with Associated Cement Company Limited including 6 years as Managing Director.	Ms. Purohit is a prominent Indian Business leader with over 30 years of experience in the media and entertainment industry. She has managed a diverse portfolio of businesses in partnership with private equity players and promoters, from early stage businesses to mature ones. She has been named as one of the Most Powerful Women in Business by India Today Group and Fortune India over several years.
Terms and Conditions of Appointment/ Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. Nambiar will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he will be appointed as a Member and commission which may be approved by the Board of Directors. The remuneration paid to him during the financial year ended March 31, 2022 is mentioned in the Corporate Governance Report.	Ms. Purohit will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which she may be appointed as a Member and for attending the meetings of Independent Directors and commission which may be approved by the Board of Directors. The remuneration paid to her during the financial year ended March 31, 2022 is mentioned in the Corporate Governance Report.
In case of Independent Directors – the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Her qualification, skills and expertise in the field of finance, sales, marketing, commercial and general management etc. will benefit the Company.
Other Directorships	1. ION Exchange (India) Limited 2. ION Exchange Projects and Engineering Limited 3. The Hospital and Nursing Home Benefits Association	1. Mindtree Limited 2. L&T Technology Services Limited 3. Aazol Ventures (Mumbai) Private Limited 4. Marico Limited (w.e.f April 7, 2022)

Name	Mr. Mohan M. Nambiar	Ms. Apurva S. Purohit
Listed entities from which he/she has resigned in the past three years	Nil	Music Broadcast Limited
Membership/Chairmanship of Committees	**Navin Fluorine International Limited** **Member**: Audit Committee Nomination & Remuneration Committee **ION Exchange India Limited** **Chairman:** Audit Committee **Member**: Employee Stock Option Committee **Hospital and Nursing Home Benefits Association** **Member**: Managing Committee	**Navin Fluorine International Limited** **Member:** Nomination and Remuneration Committee (Appointed on May 7, 2022 w.e.f. May 8, 2022) **Mindtree Limited** **Chairperson**: Nomination and Remuneration Committee **Member:** Corporate Social Responsibility Committee **L&T Technology Services Limited** **Chairperson**: Stakeholders' Relationship Committee **Member:** Audit Committee
Disclosure of relationship with other Directors and Key Managerial Personnel	He is not related to any of the Directors and Key Managerial Personnel of the Company.	She is not related to any of the Directors and Key Managerial Personnel of the Company.
Shareholding in the Company held by him/her including shareholding as a beneficial owner (as on March 31, 2022)	5,027 Equity Shares of ₹2/- each	992 Equity Shares of ₹2/- each
Number of Board Meetings attended in the Financial Year 2021-2022	Attended all 8 Board Meetings held	Attended 4 out of 5 Meetings held on and after her date of appointment

By order of the Board of Directors
For **NAVIN FLUORINE INTERNATIONAL LIMITED**

Niraj B. Mankad
President Legal and Company Secretary
Membership No.: ACS 9727

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

SUMMARISED FINANCIAL DATA

(₹ in crores)

	Particulars	IGAAP				Ind AS					
		2012 - 13	2013 - 14	2014 - 15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	STATEMENT OF PROFIT & LOSS										
1	Total income	539	479	573	661	792	977	990	1054	1208	1441
2	Profit before depreciation, interest, exceptional items and tax	94	90	90	141	206	301	253	292	385	393
3	Exceptional items	-	-	-	-	-	-	-	-	66	-
4	Finance costs	(6)	(5)	(3)	(3)	(0)	(1)	(0)	(2)	(1)	(2)
5	Depreciation, amortisation and impairment	(20)	(21)	(19)	(21)	(28)	(38)	(26)	(34)	(41)	(44)
6	Profit before tax	69	64	68	117	177	262	227	257	410	347
7	Profit after tax	43	51	49	86	133	179	148	400	299	266
8	Dividend (₹ per share) #	3.00	3.20	3.20	4.20	6.30 **	10.00 ***	7.80	11.00	11.00	11.00
9	Earning per share (EPS) ₹ #	8.84	10.38	10.11	17.69	27.10	36.34	30.05	80.83	60.46	53.79
	BALANCE SHEET										
10	Equity share capital	9.76	9.76	9.77	9.79	9.79	9.87	9.89	9.90	9.90	9.91
11	Net fixed assets	239	231	270	282	473	340	363	452	440	454
12	Investments	247	263	234	266	316	522	527	296	450	619
13	Non-current & current assets (net)	139	138	143	151	56	132	199	622	777	809
14	Capital employed	625	632	648	699	844	994	1089	1370	1667	1882
15	Borrowings	83	57	45	30	-	-	-	-	-	-
16	Net worth	509	542	571	634	824	970	1059	1389	1650	1864
17	Book value of share of ₹2.00 each ₹ #	104.39	111.02	116.92	129.46	168.21	196.55	214.17	280.68	333.33	376.21
18	Debt / equity ratio (15 / 16)	0.16	0.11	0.08	0.05	-	-	-	-	-	-
19	EBITDA (%) (2 / 1)	18%	19%	16%	21%	26%	31%	26%	28%	32%	27%
20	Profit after tax (%) (7 / 1)	8%	11%	9%	13%	17%	18%	15%	38%	25%	18%
21	Return on net worth (%) (PAT / Avg of opening & closing net worth)	9%	10%	9%	14%	18%	20%	15%	33%	20%	15%
22	Return on Capital Employed (%) ((PBT before exceptional items + finance costs) / Avg opening & closing capital employed)	12%	11%	11%	18%	22%	29%	22%	21%	23%	20%
	OPERATING RATIOS										
23	Operating EBITDA (%) (EBITDA - Other Income) / Revenue from Operations	15%	14%	12%	18%	20%	24%	23%	26%	27%	25%
24	Operating PBT (%) (PBT - Other Income) / Revenue from Operations	10%	8%	8%	14%	16%	19%	20%	22%	24%	22%
25	Return on Capital Employed (%) - Operating ((EBIT - Other Income) / Operating Capital Employed) @	17%	12%	10%	23%	22%	34%	32%	30%	30%	30%

Figures from 2016-17 to 2021-22 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable

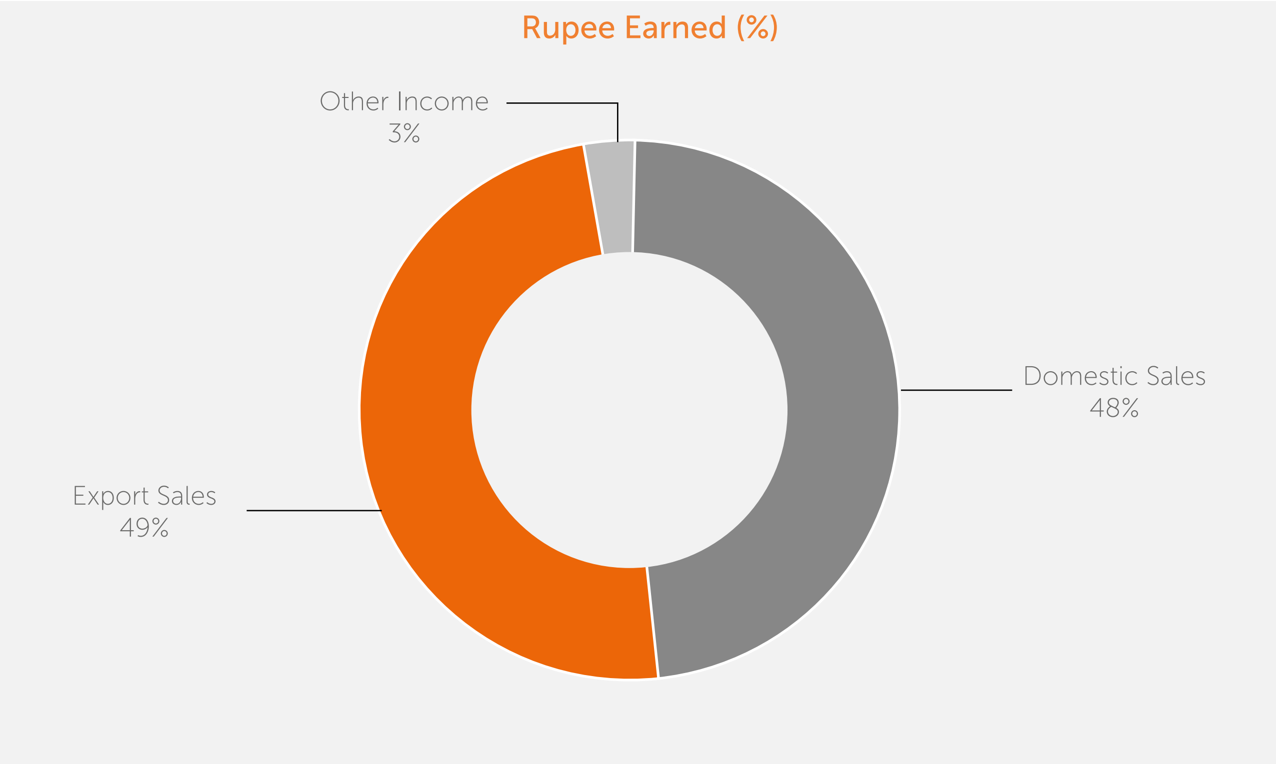
\# At the 19th Annual General Meeting of the Company held on June 29, 2017, Members had passed Resolution approving sub-division of shares in the ratio of 5 Equity Shares of ₹2/- each for every 1 Equity Share of ₹10/- each. The record date for the aforesaid sub-division was July 20, 2017. The figures for the period 2011-12 to 2015-16 have been calculated based on the face value of ₹2/- per equity share, to make the numbers comparable.

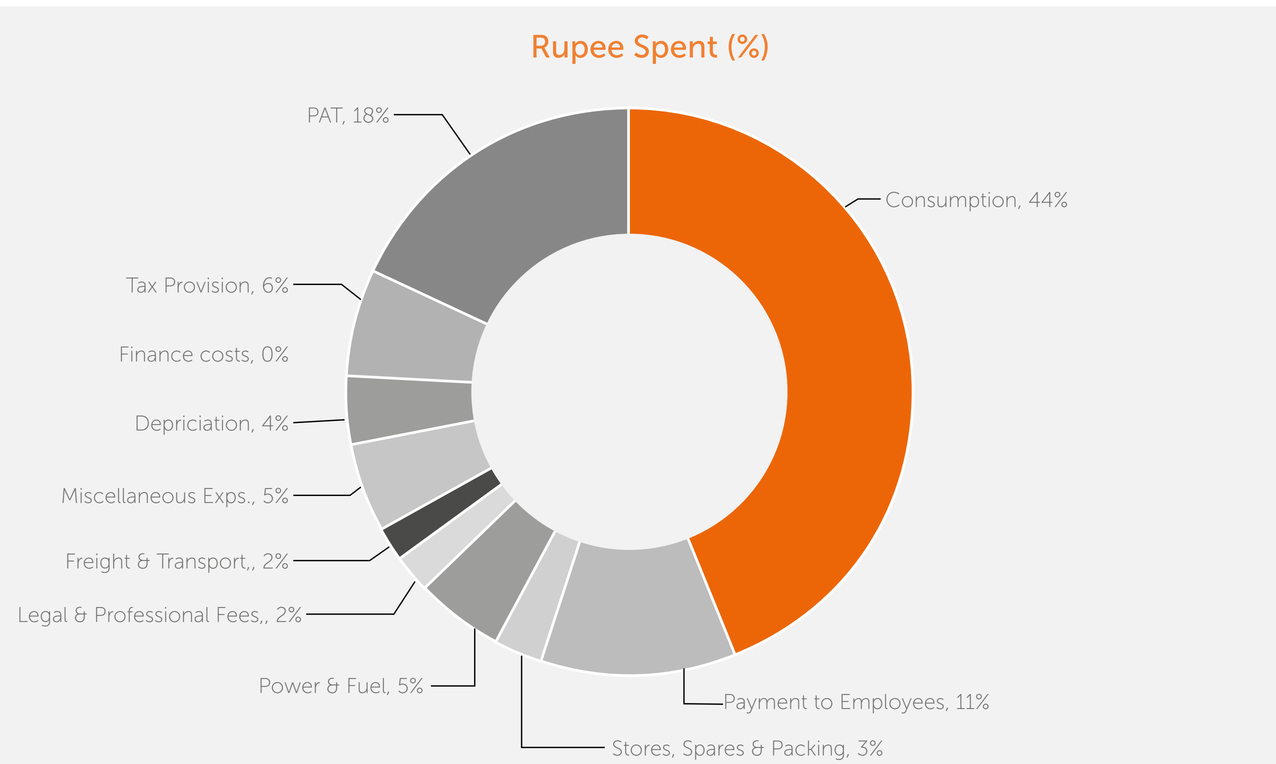
* including special dividend of ₹12/-

** including special dividend of ₹1.50

*** including special dividend of ₹3/-

@ Operating Capital Employed = Shareholders fund + Borrowings - Investment Properties - Investments - Cash and Bank balances


Rupee Earned (%)
Other Income
3%
Domestic Sales
48%
Export Sales
49%


Rupee Spent (%)
PAT, 18%
Consumption, 44%
Tax Provision, 6%
Finance costs, 0%
Depriciation, 4%
Miscellaneous Exps., 5%
Freight & Transport,, 2%
Legal & Professional Fees,, 2%
Power & Fuel, 5%
Payment to Employees, 11%
Stores, Spares & Packing, 3%

Directors' Report

Dear Members

Your Directors are pleased to present the 24th Annual Report and the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2022 along with the notes forming part thereof.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ in crores)

Particulars	2021-2022	2020-2021
Revenue from Operations	1,403.61	1,133.11
Other income	37.47	74.53
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	**392.89**	**385.37**
Less: Depreciation and amortization expenses	44.25	40.67
Less: Finance Costs	1.66	1.42
Profit before exceptional items and tax	**346.98**	**343.28**
Add: Exceptional items	-	66.23
Profit before Taxation	**346.98**	**409.51**
Less: Tax Expense	80.55	110.30
Profit after Taxation	**266.43**	**299.21**
Add: Surplus brought forward from the previous year	1,391.51	1,131.94
Amount available for appropriation	**1,657.94**	**1,431.15**
Appropriation:		
Other Comprehensive Income/(Loss)*	(0.78)	(0.05)
Payment of dividends	(54.48)	(39.59)
Reversal of excess provision of Dividend Distribution Tax	0.48	-
Surplus carried to Balance Sheet	**1,603.16**	**1,391.51**

*Remeasurement of (loss)/gain (net) on defined benefit plans, recognized as part of retained earnings.

Note: Figures are regrouped wherever necessary to make the information comparable.

2. DIVIDEND

The Company has declared and paid an interim dividend of ₹5.00 per equity share (i.e. 250% of the face value) during the Financial Year 2021-2022, which was paid in November 2021. The Board of Directors is pleased to recommend a final dividend of ₹6.00 per equity share (i.e. 300% of the face value) for the Financial Year 2021-2022 which shall be paid on or after Tuesday, August 2, 2022 if declared by the Members of the Company at the forthcoming 24th Annual General Meeting.

The paid Interim Dividend and the recommended Final Dividend are in accordance with the provisions of the Companies Act, 2013 ('the Act') and the Dividend Distribution Policy of the Company which is available on the Company's website at https://nfil.in/policy/index.html.

3. YEAR IN RETROSPECT

For the year ended March 31, 2022, your Company achieved total revenue from operations of ₹1,403.61 cr., a growth of 24% as compared to ₹1,133.11 cr. during the previous year. Earnings before interest, tax, depreciation and amortization (EBITDA), before exceptional items, increased from ₹385.37 cr. in the previous year to ₹392.89 cr. during the year ended March 31, 2022. Profit before Tax (PBT), before exceptional items, was at ₹346.98 cr. in the current year as compared to ₹343.28 cr. in the previous year.

The Operating EBITDA, before Other Income and Exceptional items, touched ₹355.42 cr., up from ₹310.84 cr. during the previous year, a growth of 14%. Operating EBITDA Margin for the year was at 25% against 27% in the previous year.

During the year, strong momentum in High Value Business performance continued. This business, which consists of Specialty Chemicals and CRAMS, saw an 18% growth over previous year. Legacy Business of Refrigerant Gases and Inorganic Fluorides witnessed a growth of 35%, mainly, on account of better price realisation.

CRAMS business continued to grow during the year, with turnover touching ₹298 cr. against ₹279 cr. during the previous year. It contributed 21% of overall turnover for the year. Strong opening order pipeline sustained the sales through the year with addition of new customers and projects. The third year operation of cGMP3 plant saw optimum capacity utilisation as our capability to handle larger projects and complex chemistries significantly improved. There was a strong flow of projects from our existing customers as we continued to widen our reach across global pharma majors. The CRAMS business outlook continues to be strong and this vertical is expected to be one of the growth pillars for the Company.

Specialty Chemicals business reached a turnover of ₹566 cr. vis-à-vis ₹453 cr. in the previous year, showing a robust growth of 25%. It contributed around 40% of the overall turnover. The division showed growth driven by a mix of new customers, new products and market share gain. This business witnessed strong new project flows from life science and crop science segments and optimal utilisation of our facility. R&D capabilities and deep fluorination expertise will continue to strengthen newer opportunities pipeline, while we also work on capacity expansion and enhancing the product portfolio.

Inorganic Fluorides ended the year with a robust growth of 42% from ₹193 cr. in the previous year to ₹274 cr. during the year. It contributed around 20% of the overall turnover. This business had not done well during the previous year due to various challenges. However, the business picked up during the second half of the previous year and continued its momentum during the year as well backed by better price realisation.

Refrigerant Gases business also witnessed a robust growth of 28%, achieving a turnover of ₹266 cr. during the year against ₹208 cr. in the previous year. It contributed around 19% of the overall turnover. Despite phasing out of HCFC-22 (R22) for emissive purposes under the Montreal protocol, the Company achieved robust growth under this vertical due to better price realisation coupled with growth in non-emissive segment.

Key raw material costs moved in a mixed trend through the year. Fluorspar prices and Boric Acid prices were more or less stable and the Company continued its strategy of importing fluorspar from diverse sources across the globe. Prices of almost all other critical raw materials increased significantly, more particularly, sulphur, caustic soda & chloroform were higher by 125%, 110% and 60% respectively Y-o-Y. On the energy cost front, average power cost was higher than previous year. Exchange traded power was available throughout the year. Average natural gas price for the Company was higher by about 50% in the current fiscal compared to that of the previous year.

During the year, the Board of Directors approved capital expenditure of ₹75/- cr. for debottlenecking of cGMP3 plant which will increase the plant capacity. The Board also approved capital expenditure of ₹78.65 cr. for infrastructure development and capability upgradation at its Bhestan site. This investment will help the Company in terms of New business opportunity/Incremental turnover, Cost saving, Safety enhancement etc.

While the Indian Rupee was volatile through the year, it behaved differently against different currencies. Against US$, it saw a consistent weakening amidst the volatility and depreciated more than 5% to ₹76.38 at end of the fiscal, compared to its opening levels at ₹72.72. Against GBP, which started the fiscal at ₹100.49 depreciated to the level of ₹103.81 in April 2021 before appreciating to ₹98.22 by the end of the financial year. The exchange loss of ₹0.69 cr. as seen in the financials is on account of timing difference of foreign exchange transactions and their realisation and / or restatement.

During the year, the Company continued to strengthen its teams across functions like Technology and Development, Research and Development and Business Development. Improvement of operational efficiencies, new product development, working on novel chemistries and developing long term partnerships continue to be the focus of the Company. Through the year, cross functional teams continued to work on successful scale-up, improving productivity, quality and costs of various products to enable businesses gain competitive advantage in the market.

During the year, amid the sustained implications of COVID-19, the Company continued to keep away from debt instruments for major part of the year with its strategy of staying invested in more reliable, liquid and safer instruments like Fixed Deposits and overnight funds / liquid funds. The Company has maintained its credit rating at

'CARE AA', indicating high degree of safety with respect to timely servicing of financial obligations and very low credit risk, for borrowings with a tenure of more than one year. The rating for short-term facilities of tenure less than one year, has been maintained at 'CARE A1+', indicating very strong degree of safety with respect to timely servicing of its short term financial obligations and lowest credit risk.

During the year, the Company continued to enjoy 'Responsible Care' accreditation.

The year 2021-2022 started with the COVID-19 pandemic in full force. In many countries, including India, there were severe disruptions to regular business operations due to lockdown restriction and other emergency measures imposed by the Government. In this backdrop, the Company took various precautionary measures to protect employees and workmen, and the eco system in which they interact in view of the various directives of Central Government/concerned State Governments relating to lockdown and the need for social distancing.

The Company continued with harmonized plans at all its manufacturing sites and the corporate office which was initiated during previous year at the on-set of COVID-19 pandemic. The comprehensive plan was to prioritize and safeguard the health, safety and well-being of all our employees through independent teams at each site. The Company worked to ensure that as the manufacturing operations stepped up and the sites became fully operational, the health and safety of the employees was not compromised. The sites and employees continued to work without disruption by implementing adequate safety protocols, systematic sanitization of premises and restricted cross movement of employees through zoning mechanism. Various measures were implemented to ensure social distancing and contact tracing across the manufacturing sites. Health screening procedures were put in place and all employees and workmen underwent thermal screening at the entrance of work premises. Self-health declaration was implemented through a system driven mechanism to track health of employees, contractors and visitors.

Further details are provided under various other heads of this Report and in the Management Discussion and Analysis Report annexed to this Report.

4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has six subsidiaries and one joint venture:

(i) Sulakshana Securities Limited (SSL), an entity created to settle dues of the term lenders of Mafatlal Industries Limited, remained a wholly - owned subsidiary of the Company. After settling all the third-party dues, SSL was left with 1,455 Sq. Meters of commercial floor space at Mafatlal Centre, Nariman Point, Mumbai and a significant portion of this property has been leased out on contemporary terms. SSL is utilizing its current cash flows to repay its debt to the Company. During the year, ₹0.75 cr. has been repaid by SSL and its current outstanding to the Company is ₹6.93 cr.

(ii) The Company owns 100% of Manchester Organics Limited (MOL), a specialized chemicals research company in Runcorn, U.K., holding 51% of the ordinary voting shares of MOL directly and the balance 49% through NFIL (UK) Limited, a 100% stepdown subsidiary created for the purpose. During the year, MOL reported turnover of £5,013K and net loss of £16K.

(iii) NFIL (UK) Limited is the Wholly Owned Subsidiary (WOS) of the Company which was incorporated in the UK to acquire the balance shareholding of 49% of MOL.

(iv) A step-down subsidiary, NFIL USA Inc. was formed as a Wholly Owned Subsidiary of NFIL (UK) Limited. The primary objective of formation of this Company was to increase the market penetration in the USA of the CRAMS business and attracting appropriate talent as and when the business needs expansion.

(v) Navin Fluorine (Shanghai) Co. Ltd. (which is the wholly owned foreign enterprise under Chinese Laws) was incorporated with a view to have a strategic presence closer to the source of key raw materials for our specialty and CRAMS business. This presence helps us in taking informed decisions on procurement in terms of timeliness, availability, quality and cost. These decisions help in optimizing our costs, proper planning and improving our margins. In view of the foregoing, it was thought prudent to have a permanent representation in China. Our presence in China is also helping us to create strategic partnerships with key vendors.

(vi) Navin Fluorine Advanced Sciences Limited (NFASL) was incorporated in February 2020. NFASL has announced various capital expenditures which are progressing well. NFASL announced a capital expenditure of ₹125/- cr., to manufacture and supply a key agro-chemical fluoro-intermediate to a multinational company under a multi-year agreement worth ₹800/- cr. over a period of 5 years. The said investment also includes ₹15/- cr. towards expansion of effluent treatment plant. All these investments will create opportunities for new products in life science and crop science sectors in the Specialty Chemicals business. Moreover, these investments will lay the foundation for the next phase of growth of our Specialty Chemical business. It will help us enhance our product offerings and strengthen our customer relationships along with providing building blocks for future growth.

The CAPEXES undertaken during previous year and current year aggregating to ₹1,090/- cr. approx. including project cost escalation are proposed to be funded by equity infusion of ₹590/- cr. and by way of Rupee Term loans from 4 banks of ₹500/- cr. The said loans are to be secured by way of first charge on NFASL's fixed assets, second charge on its current assets and corporate guarantee of the Company. During the year, NFASL has issued approx. 15 crore equity shares of the face value of ₹10/- each under the Right Issue totalling to approx. ₹150/- cr. With this investment, the total equity infusion as at end of the year by NFIL stands at approx. ₹400/- cr. Pending disbursement of loan from banks and infusion of balance portion of committed equity infusion by the Company, it has extended temporary funding of ₹293/- cr. to NFASL by way of Inter corporate deposit. Moreover, NFASL has received disbursement of ₹100/- cr. against sanctioned loan amount of ₹500/- cr. Thus, NFASL has spent total amount of ₹793/- cr., as at the end of the year, against total capex amount of ₹1090/- cr.

(vii) The Company has subscribed to 25% of the initial equity share capital of Swarnim Gujarat Fluorspar Private Limited. It is a Joint Venture (JV) with Gujarat Mineral Development Corporation Limited (GMDCL) and Gujarat Fluorochemicals Limited (GFL) formed for the purpose of beneficiation of fluorspar ores to be supplied by GMDCL from its mines. The entire quantity of the finished product viz. acid grade fluorspar will be bought out by the Company and GFL. This is a feedstock de-risking initiative for long term fluorspar supply assurance, the most critical raw material of the Company.

Pursuant to Section 129(3) of the Act, a separate statement containing salient features of the financial statements of each subsidiary and joint venture of the Company is annexed in the format of Form AOC-1 to the Financial Statements of the Company. The financial statements of all the above mentioned subsidiaries and joint venture have been considered in the annual audited consolidated financial results of the Company.

During the year, NFASL became a material subsidiary of the Company. Policy for determining material subsidiary is available at: http://www.nfil.in/policy/index.html.

The Annual Audited Financial Statements of all subsidiary companies are placed on the Company's website at https://www.nfil.in/investor/annu_reports.html. Copies of the same will be made available to interested Members who may write to the Company Secretary for obtaining the same.

No company has become or ceased to become subsidiary, associate or joint venture of the Company during the year.

5. CAPITAL STRUCTURE OF THE COMPANY

During the year, the Company has allotted an aggregate of 49,930 fully paid equity shares under Employees' Stock Option Scheme 2007 and Employees' Stock Option Scheme 2017.

The paid-up share capital of the Company has increased from ₹9,89,91,885/- (4,94,88,665 equity shares of face value of ₹2/- each fully paid and 14,555 equity shares of ₹2/- each, ₹1/- paid-up) to ₹9,90,91,745/- (4,95,38,595 equity shares of face value of ₹2/- each fully paid and 14,555 equity shares of ₹2/- each, ₹1/- paid-up) as on March 31, 2022.

Out of 14,555 partly paid equity shares, the Company has received in-principle approval for listing in respect of 5,635 equity shares from National Stock Exchange of India Limited and BSE Limited. The Company is in the process of obtaining Corporate Action approvals from Depositories.

6. CHANGE IN REGISTERED OFFICE OF THE COMPANY

The Registered Office of the Company has shifted from 2nd Floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057 to Office No. 602, Natraj by Rustomjee, Near Western Express Highway, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069 w.e.f. October 7, 2021.

7. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS, AND CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Management Discussion and Analysis Report and Corporate Governance Report are annexed as '**Annexure 1**' and '**Annexure 2**' respectively to this Report.

8. BUSINESS RESPONSIBILITY REPORT

In accordance with the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, in the prescribed form is annexed as '**Annexure 3**'.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Navin Fluorine International Limited (a part of Padmanabh Mafatlal Group), fulfilling CSR is a way of life which is more than an obligation and more than a duty.

The CSR policy of the Company is reflective of its CSR philosophy and highlights the snapshot of activities undertaken by the Company. The scope of the policy includes the areas covered under the policy and activities eligible for CSR contribution. The other aspects covered by the policy include guiding principles for (i) selection of CSR activities and annual action plan, (ii) execution of CSR activities and (iii) monitoring CSR activities, along with voluntary impact assessment. The Company's updated CSR policy is available on the website at : https://www.nfil.in/policy/index.html.

The Company persistently endeavors to initiate activities for the betterment and upliftment of the disadvantaged, vulnerable and marginalized stakeholders in the society. Pursuant to the provisions of Section 135 of the Act, the Company was statutorily required to spend ₹5.23 crores towards CSR during financial year 2021-2022. The Company has spent ₹5.28 crores.

The requisite details on CSR initiatives pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as '**Annexure 4**' to this Report.

10. INDUSTRIAL RELATIONS

The engagement with workmen and staff remained cordial and harmonious during the year and the management received full co-operation from employees. The Company continues to focus on extensive training and developmental activities directed towards safety, quality and efficiency.

There were no disruptions to the business because of any Union issues. The total number of employees as on March 31, 2022 was 956.

11. INSURANCE

The properties, insurable assets and interests of the Company such as buildings, plants and machineries, and stocks among others are adequately insured.

12. EMPLOYEES' STOCK OPTION SCHEMES

The Company has two Employees' Stock Option Schemes viz. Employees' Stock Option Scheme 2007 and Employees' Stock Option Scheme 2017. During the year, no Stock Options were granted and there were no material changes in the Employees' Stock Option Schemes of the Company. The Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and as substituted by the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. In this regard, a Certificate from Makarand M. Joshi & Co., the Secretarial Auditors of the Company, will be placed at the ensuing Annual General Meeting for inspection by Members.

Relevant details of the Employees' Stock Option Schemes pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are specified in '**Annexure 5**' to this Report.

13. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the 23rd Annual General Meeting of the Company held on July 26, 2021, the following were appointed/re-appointed by the shareholders:

- Mr. Radhesh R. Welling was re-appointed as a Director of the Company as he had retired by rotation and offered himself for re-appointment.
- Mr. Ashok U. Sinha was appointed as an Independent Director for a term of five consecutive years commencing from October 28, 2020 and ending on October 27, 2025.
- Mr. Sujal A. Shah was appointed as an Independent Director for a term of five consecutive years commencing from May 7, 2021 and ending on May 6, 2026.
- Mr. Vishad P. Mafatlal was re-appointed as the Executive Chairman, designated as Chairman of the Company, for a period of 5 years with effect from August 20, 2021.

Pursuant to recommendation of the Nomination and Remuneration Committee, Ms. Apurva S. Purohit was appointed as an Additional and Independent Director by the Board of Directors on October 19, 2021 in accordance with Section 161(1) of the Act and the Articles of Association of the Company. Under the said Section 161(1), she will hold office as an Additional Director up to the ensuing Annual General Meeting. As required under Section 160 of the Act, notices have been received from Members of the Company proposing the candidature of Ms. Purohit as a Director. Accordingly, at the ensuing Annual General Meeting, it is proposed to appoint Ms. Purohit as an Independent Director for a term of five consecutive years commencing from October 19, 2021 and ending on October 18, 2026.

Mr. Ketan S. Sablok resigned as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. close of working hours of October 31, 2021 and, consequent to his resignation, the Board of Directors has appointed Mr.

Basant Kumar Bansal as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. November 1, 2021. The Board places on record its appreciation for the invaluable contribution made by Mr. Sablok during his tenure of over 24 years with the Company (including as Chief Financial Officer w.e.f. June 16, 2018).

Mr. Mohan M. Nambiar, Non-Executive - Non Independent Director, retires by rotation and being eligible, has offered himself for re-appointment at the forthcoming Annual General Meeting.

Brief profile of Mr. Nambiar and Ms. Purohit is provided in the Notice convening the 24th Annual General Meeting.

14. COMPOSITION OF COMMITTEES

The composition of the Audit Committee is as under:

Sr. No.	Name	Chairman/Member
1.	Mr. Sunil S. Lalbhai	Chairman
2.	Mr. Pradip N. Kapadia	Member
3.	Mr. Mohan M. Nambiar	Member
4.	Ms. Radhika V. Haribhakti	Member

During the year, there were no instances when the recommendations of the Audit Committee were not accepted by the Board of Directors of the Company.

The details pertaining to the composition of various committees including the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee are included in the Corporate Governance Report, which forms part of this Report.

15. VIGIL MECHANISM

In accordance with the requirements of the Act and the Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors.

The objectives of the policy are:

a. To provide a mechanism for employees and Directors of the Company and other persons dealing with the Company to report to the Audit Committee, any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy,

b. To safeguard the confidentiality and interest of such employees/Directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices and

c. To appropriately communicate the existence of such mechanism, within the organization and to outsiders.

Whistle Blower Policy is available on weblink https://www.nfil.in/policy/index.html. The Company confirms that no personnel have been denied access to the Audit Committee pursuant to the whistle blower mechanism.

16. ANNUAL RETURN

The Annual Return of the Company for the financial year 2021-2022 is available on the website of the Company at https://www.nfil.in/investor/annu_reports.html.

17. BOARD MEETINGS

During the year, the Board of Directors met eight times. The details of the Board Meetings are provided in the Corporate Governance Report.

18. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 134 of the Act, your Directors report that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them 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 at the end of the financial year and of the profits of the Company for that period;

(c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis;

(e) The Directors have laid down internal financial controls (as required by Explanation to Section 134(5) (e) of the Act) to be followed by the Company and such internal financial controls are adequate and are operating effectively;

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

19. DECLARATION BY INDEPENDENT DIRECTORS

Mr. Pradip N. Kapadia, Mr. Sunil S. Lalbhai, Mr. Sudhir G. Mankad, Mr. Harish H. Engineer, Ms. Radhika V. Haribhakti, Mr. Atul K. Srivastava, Mr. Ashok U. Sinha, Mr. Sujal A. Shah and Ms. Apurva S. Purohit are independent in terms of Section 149(6) of the Act and Regulation 16 of the Listing Regulations. The Company has received requisite annual declarations/confirmations from all the aforesaid Independent Directors confirming their independence and compliance with the Code of Conduct for Independent Directors prescribed under Schedule IV to the Act.

The Board of Directors of the Company is of the view that Independent Directors fulfill the criteria of independence and they are independent from the management of the Company. All Independent Directors of the Company have confirmed that they have registered themselves with Independent Directors' Database of The Indian Institute of Corporate Affairs ('IICA') and have cleared the online proficiency test of IICA, as applicable.

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has a policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees as per Section 178(3) of the Act and Regulation 19 of the Listing Regulations, which includes:

- Criteria for identification of persons for appointment as Directors and in senior management positions
- Criteria for determining qualifications, positive attributes, independence of a Director
- Board Diversity
- Remuneration to Non-Executive Directors, Key Managerial Personnel and Senior Management and remuneration to other employees

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has amended the Policy inter alia as per the amendment of the Listing Regulations and to align it as per the Act. The amended policy is available at the web-link http://www.nfil.in/policy/index.html.

21. LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY AS PER SECTION 186 OF THE ACT

The details of loans and guarantees given, and the investments made by the Company as on March 31, 2022 are provided in the Financial Statements and its notes.

22. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were in the ordinary course of the business and on the arm's length basis.

The Company has not entered into material contracts or arrangements or transactions with related parties as per Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations. The Company has nothing to report in Form AOC-2, hence, the same is not annexed.

The Company has amended the policy on materiality of related party transactions and on dealing with related party transactions, inter alia, as per the Listing Regulations. The said Policy is available on the Company's website at : https://nfil.in/policy/index.html.

23. STATEMENT OF COMPANY'S AFFAIRS

The state of Company's affairs is given under the heading "Year in Retrospect" and various other headings in this Report and in the Management Discussion and Analysis Report which is annexed to this Report.

24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo is disclosed in '**Annexure 6**' to this Report.

25. RISK MANAGEMENT POLICY

The Company has a structured risk management framework and policy that provides an all-inclusive approach to safeguard the organization from various risks, both operational and strategic, through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks that could materially impact the business objectives. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during the decision making. More details are provided in the Management Discussion and Analysis Report and Corporate Governance Report.

26. ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, performance evaluation was carried out as under:

Board of Directors

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes and Board dynamics. The Independent Directors, at their separate meeting, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

Committees of the Board of Directors

The performance of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Risk Management Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes and committee dynamics. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act read with the Rules made thereunder and the Listing Regulations.

Individual Directors

(a) Independent Directors: In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each Independent Director was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like qualification, experience, availability and attendance, integrity, commitment, governance, independence, communication, preparedness, participation and value addition. The Board was of the unanimous view that each Independent Director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the Independent Directors in guiding the management in achieving higher growth and concluded that continuance of each Independent Director on the Board will be in the interest of the Company.

(b) Non-Independent Directors: The performance of each of the Non-Independent Directors (including the Chairperson) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. Various criteria considered for the purpose of evaluation included qualification, experience, availability and attendance, integrity, commitment, governance, communication etc. The Independent Directors and the Board were of the unanimous view that all the Non-Independent Directors were providing good business and people leadership.

27. PARTICULARS OF EMPLOYEES

The requisite details under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of '**Annexure 7**' to this Report.

The requisite details relating to the remuneration of the specified employees under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report. Further, this Report and Financial Statements are being sent to Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure will be open for inspection by any Member. Interested Members may write to the Company Secretary.

28. PREVENTION OF WORKPLACE HARASSMENT

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaints were received from employees in this regard.

29. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per Section 124 of the Act read with the Rules made thereunder, any dividend amount transferred to Unpaid Dividend Account which remains unclaimed or unpaid for 7 years is transferred to IEPF and shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more are transferred to IEPF.

The details of shares and dividends transferred to IEPF by the Company during the year are available at : https://www.nfil.in/investor/unpaid.html. The Company intimates concerned shareholders and issues public notice in respect of shares to be transferred to IEPF in the newspaper, on timely basis.

30. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. It has laid down certain guidelines, policies, processes and structures which are commensurate with the nature, size, complexity of operations and the business processes followed by the Company. These controls enable and ensure the systematic and efficient conduct of the Company's business, protection of assets, prevention and detection of frauds and errors and the accuracy and completeness of the accounting and financial records. The controls have been reviewed and found satisfactory on the following key control matrices:

a. Entity level controls

b. Financial controls

c. Operational controls

The Company has built-in review and control mechanism to ensure that such control systems are adequate and operating efficiently and these are persistently reviewed for effectiveness. The internal control system is maintained by qualified personnel and there is an internal audit review on a regular basis, to suggest adequacy and effectiveness of the system and to recommend improvements.

31. STATUTORY AUDITORS

At the 19th Annual General Meeting held on June 29, 2017, the Members of the Company approved the appointment of Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) ('PWC') to hold office from the conclusion of the 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting of the Company.

As the first term of PWC as Statutory Auditors of the Company will expire upon conclusion of the forthcoming 24th Annual General Meeting, the Board of Directors, based on the recommendation of the Audit Committee, approved the re-appointment of PWC as Statutory Auditors for a second term of 5 consecutive years commencing from the conclusion of the 24th Annual General Meeting until the conclusion of 29th Annual General Meeting. The Board recommends to the Members, passing of the resolution for re-appointment of PWC as mentioned at Item No. 4 of the Notice convening the 24th Annual General Meeting.

32. STATUTORY AUDITOR'S REPORT

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors in their report on the Financial Statements of the Company for the financial year ended March 31, 2022.

33. SECRETARIAL AUDIT REPORT

Pursuant to Section 204(1) of the Act and Regulation 24A of the Listing Regulations, the Secretarial Audit Report of the Company for the financial year ended March 31, 2022 issued by Makarand M. Joshi & Co., Practising Company Secretaries, is annexed as '**Annexure 8**' to this Report. Further, the Secretarial Audit Report of Navin Fluorine Advanced Sciences Limited, the Material Wholly Owned Subsidiary, for the financial year 2021-2022 issued by MMJB & Associated LLP., Practising Company Secretaries, is annexed as '**Annexure 9**' to this Report. The aforesaid Reports do not contain any qualification, reservation or adverse remark.

34. COST RECORDS AND COST AUDITORS

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is applicable to the Company and accordingly, such accounts and records are being maintained.

Mr. Bhalchandra C. Desai (Membership No. M-1077) who was appointed as Cost Auditor of the Company by the Board for conducting the Cost Audit for the financial year 2021-2022 passed away during the said year. Based on the recommendation of Audit Committee, the Board has appointed B. Desai & Co. (Firm Registration No. 005431) Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the financial year 2021-2022 on agreed remuneration of ₹5,00,000/-.

Further, the Board of Directors, based on the recommendation of the Audit Committee, appointed B. Desai & Co., (Firm Registration No. 005431), Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the financial year 2022-2023 on agreed remuneration of ₹5,00,000/-.

As required under the Act, necessary resolutions seeking Members' ratification for the remuneration payable to B. Desai & Co. are included as Item Nos. 10 and 11 of the Notice convening the 24th Annual General Meeting.

The Cost Audit Report in respect of the financial year 2021-22 will be filed within the statutory timeline.

35. SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

36. STATUTORY DISCLOSURES

a) The Company has not accepted any deposit from the public pursuant to Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014;

b) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

c) The Managing Director, Whole-time Director and Key Managerial Personnel of the Company have not received any remuneration or commission from any of its subsidiaries;

d) No significant and material Orders have been passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future;

e) As there was no buyback of shares during the year, the Company has nothing to disclose with respect to buyback of shares;

f) None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act;

g) There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

h) As permitted under the provisions of the Act, the Board does not propose to transfer any amount to general reserve.

37. APPRECIATION

The Directors wish to place on record their appreciation for the devoted services of the employees, who have largely contributed to the efficient management of your Company. The Directors also place on record their appreciation for the continued support from the shareholders, customers, suppliers, Governments, bankers, lenders and other stakeholders.

By order of the Board of Directors
For **Navin Fluorine International Limited**

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

Management Discussion and Analysis Report

Global economic overview

The global economy grew an estimated 5.9% in 2021 compared to a growth of 3.3% in 2020. This improvement was largely due to increased vaccine rollout the world over and a revival in economic activity based on growing consumption.

The global economic recovery is attributed to accelerated vaccine rollout across 4.4 billion people, around 56% of the global population (single dose). The spot price of Brent crude oil increased 53.34% from US$ 50.37 per barrel at the beginning of 2021 to US$ 77.24 per barrel at the end of the calendar year, strengthening the performance of oil exporting countries and moderating growth in importing nations. Global Foreign Direct Investments reported an increase from US$929 billion in 2020 to an estimated US$1.65 trillion in 2021.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices to record levels following the drop at the time of pandemic outbreak. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, foodgrains, fertilisers and gold.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Performance of major economies

United States: The country reported GDP growth of 5.7% in 2021 compared to a de-growth of 3.4% in 2020, following the government's investment of trillions of dollars in COVID relief.

China: The country's GDP grew 8.1% in 2021 compared to 2.3% in 2020 despite it being the COVID epicentre.

United Kingdom: The country's GDP grew 7.5% in 2021 compared to a 9.9% de-growth in 2020.

Japan: The country reported growth of 1.7% in 2021 following a contraction in the previous year.

Germany: The country reported a GDP growth of 2.9% in 2021 compared to a decline of 4.9% in 2020.

(Source: World Bank, IMF, Business Standard, Times of India)

Indian economic overview

The Indian economy reported an attractive recovery in 2021-22, its GDP rebounding from a de-growth of 7.3% in 2020-21 to a growth of 8.7% in 2021-22. By the close of 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

Y-o-Y growth of the Indian economy

	FY19	FY20	FY21	FY22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

Growth of the Indian economy, 2021-22

	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (%)	20.1	8.4	5.4	4.1

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6 % in the last quarter of 2020-21, the Indian economy grew 20.1 % in the first quarter of the financial year 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon, lower though than in the previous year. The estimated production of rice and pulses recorded volumes of 127.93 million tonnes and 26.96 million tonnes respectively. The total oilseeds production of the country recorded a volume of 371.47 million tonnes. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY22 was anticipated to be 3-3.5%. The country's manufacturing sector grew an estimated 12.5%, the agriculture sector 3.9%, mining and quarrying by 14.3%, construction by 10.7% and electricity, gas and water supply by 8.5% in Financial Year 2021-22.

There were positive features of the Indian economy during the year under review.

Foreign Direct Investments (FDI) in India declined by 15% to US$74.01 billion in 2021 from US$87 billion in 2020. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in Union Budget 2021-22.

India surpassed the ₹88,000 crore target set for asset monetisation in 2021-22, raising over ₹97,000 crore with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year ₹6 lakh crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, re-development of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received US$ 87 billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of US$ 642.45 billion as on September 3, 2021, crossing US$ 600 billion in forex reserves for the first time.

India's currency weakened 3.59% from ₹73.28 to ₹75.91 to a US dollar through FY 22. The Consumer Price Index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time high GST collections in March 2022 standing at ₹1.42 lakh crore, which is 15% higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹51,000 crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of US$3.21 trillion in March 2022.

The fiscal deficit was estimated at ~ ₹15.91 trillion for the year ending March 31, 2022 on account of a higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹1.29 lakh in 2020-21 to ₹1.50 lakh in 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹27.07 lakh crore in FY 2021-22 compared with a budget estimate of ₹22.17 lakh crore. While direct taxes increased 49 %, indirect tax collections increased 30 %. The tax-to-GDP ratio jumped from 10.3 % in FY21 to 11.7 % in FY22, the highest since 1999.

Retail inflation in March 2022 at 6.95 % was above the RBI's tolerance level of 6 % but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

Indian economic reforms and Budget 2022-23 provisions

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasizing the role of PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

The capital expenditure target of the Indian government expanded by 35.4% from ₹5.54 lakh crore to ₹7.50 lakh crore. The effective capital expenditure for FY23 is seen at ₹10.7 lakh crore. An outlay of ₹5.25 lakh crore was made to the Ministry of Defence, which is 13.31% of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly ₹20,000 crore was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for 2022-23 for the national highways network. To boost the agricultural sector, an allocation of ₹2.37 lakh crore was made towards the procurement of wheat and paddy under MSP operations. An outlay of ₹1.97 lakh crore was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

Outlook

The Indian economy is projected to grow by around 8% in FY23 (World Bank estimate), buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should be about ₹5 trillion. Besides, the government's production linked incentives (PLI)–led capex should generate an incremental ₹1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

Global fluorochemical industry overview

Fluorochemicals comprise fluorine, an incombustible, viscose and dense chemical that are reactive, electro-negative and tends to form stable compounds. These attributes make fluorine integral to a number of industries (cooling, refrigerants, dyeing, automotive, electronics, agriculture pesticides, herbicides, insecticides, textiles, electronics and pharmaceuticals). The fluorochemicals industry is expected to grow at a CAGR of 5.2% to an estimated US$ 25.1 billion between now and 2026.

(Source: https://www.industryarc.com/Report/18593/fluorochemicals-market.html)

The global fluoro-elastomer market is valued at US$ 1,794.1 million by 2027, growing at a CAGR of 3.7% between 2020 and 2027, largely attributed to the increasing use of sealing applications. The global fluoro-carbon chemicals market is estimated to grow at 7.4% CAGR between 2021 and 2027, owing to the growing demand for electronic appliances.

Fluorocarbons dominated with the highest share in the fluorochemicals market in 2020.

Fluorocarbons for HFC and HCFC is anticipated to grow at a higher rate due to their extensive application as refrigerants. The consumption of fluorocarbons is increasing in the electronics, construction and automotive industries on account of properties like high tensile strength and electrical insulation.

Asia-Pacific dominates the fluorochemicals market owing to an increasing demand from applications such as automotive, oil and gas, pharmaceutical and transportation industries.

Fluorination in the refrigerant industry : Refrigerant gases are indispensable to air conditioning and refrigeration systems, and a variety of discrete synthetic chemicals many containing fluorine in their chemical architecture- are deployed for this purpose along with blends. The market for these gases has been growing except for some disruption due to COVID 19, but the choice of one refrigerant over another has been driven majorly by the regulatory pressures. However, HFCs (refrigerant gases) continue to enjoy a big opportunity in the global specialty chemicals business.

Fluorination in pharmaceutical, agrochemicals and other applications : Fluorinated organic compounds are of interest in the pharmaceutical and agrochemical sectors. Fluoro pharmaceuticals and fluoro agrochemicals are utilised in the manufacture of drugs and pesticides, which in itself are finding increased acceptance. Around 20% of pharmaceutical compounds and 34% of agrochemicals contain the fluorine atom.

The application of fluoro organic compounds can be attributed to the unique metabolic stability, lipophilicity and the binding affinity offered by them. The market size of the therapies in which fluorine is used is expected to grow at a 5% CAGR, from US$ 423 billion in CY20 to US$ 535 billion in CY25.

By statistics, 22% of the drugs approved by the FDA in the last two decades contain at least one fluorine atom, on an average. Further, 53% of pesticides introduced during 1998-2020 contain the fluorine atom.

The global synthetic pesticides market size is expected to grow from US$ 55 billion in 2019 to US$ 70 billion in 2024. The herbicide, fungicide and insecticide markets are expected to grow at 4.1%, 6.2% and 6.3% CAGR respectively between 2019 and 2024. Traditionally, agrochemicals were derived from natural products and inorganic materials. The use of synthetic organic agrochemicals in crop protection increased over inorganic chemicals and natural products. The industry consistently requires sophisticated and effective agrochemicals for crop protection, especially new-age agrochemicals that are less toxic and more environment friendly. Fluorine containing agrochemicals have played an important role in crop protection over the last eight decades. Over time, organo fluorine compounds have evolved as an attractive synthetic building block in the agrochemical industry. The growing share of fluorine in drugs and pesticides has opened sectorial opportunities. Industry players seek to capitalize through capital allocation skewed towards specialty fluorochemicals.

Your Company has developed competencies in fluorine chemistry over decades. Long-term contracts signed by your Company to supply intermediates to pharma/ agrochemical are a testimony to our capabilities. The rising share of fluorine in drugs and pesticides is opening huge opportunities and in order to tap these, capital allocation in the industry is skewed towards setting up speciality fluorochemical capacities.

Your Company, along with its wholly-owned subsidiary based in UK, Manchester Organics Limited (MOL), is a major player in fluorination and high pressure chemistry, research, and manufacturing. Your Company has a milligram to multi-kilo research/production facility in the UK with high pressure/specialist fluorination facility; and multi-tonne production facility, pilot plant and cGMP facility spread over two sites in India (in Surat and Dewas), with high pressure capability. The constant focus on R&D will enable the company to remain competitive and expand its customer base across business divisions. Specialisation in fluorination, together with an expertise in synthesis at all scales, will allow us to take advantage of opportunities emanating from pharma, agrochemical and the high-performance division catering to the sunrise industry.

Industry challenges

One of the critical areas of focus for most chemical companies is sustainability. The industry will have to make investments around the abatement of emissions and monetization of waste. This will entail significant investments in research and development and leveraging the research capabilities in recycling the waste generated in the manufacturing plant. The end customers have a requirement for environment-friendly products that will lower their carbon foorprint. Addressing the complexity of chemicals could require the industry to have a clear road map and the companies are expected to allocate its resources in this direction.

Opportunities in the chemical industry

There has been a strong rebound in key end markets post the COVID 19 pandemic. Specialty chemicals segment in India could gain disproportionately post China+1 and companies with differentiated offerings could have an advantage. Indian chemical manufacturers are poised to emerge as a credible alternative and, in some cases, primary suppliers to global firms. While all players in the Indian chemical industry would benefit from this shift, specialty chemical manufacturers could gain the most due to higher entry barriers and potential for value-added niche products. Many Indian companies have been investing in research and development (R&D), which is enabling them to move up the value chain and create multiple opportunities. The companies with a strong track record of execution, R&D capabilities, sustainable manufacturing practices and presence in sustainable chemistries could emerge as long-term beneficiaries of this underlying trend.

Big numbers

25%
Share of fluorine containing drugs approved by FDA over the last five years

67%
Share of fluorine containing pesticides over the last five years

22%
Share of drugs approved by FDA containing at least one fluorine atom on an average over the last two decades

53%
Share of pesticides introduced during 1998-2020 containing fluorine atom

Indian specialty chemicals sector overview

The size of the Indian specialty chemicals industry was valued at US$ 32 billion in 2020, growing at a CAGR of 11.7% between CY15-20. By 2025, the value of this sector is expected to double to US$ 64 billion, growing at a CAGR of 12.4% between CY20-25, attributed to global players focusing on India as an alternate production market to China, where the government is tightening regulatory controls due to environmental hazards.

In India, the production of chemicals, barring a few hazardous ones, is de-licensed. Government policies are directed at catalysing the growth of sectors like pharmaceuticals, dyes and pigments, automobiles, API, textiles etc. Specialty chemicals are used as essential raw material in these industries. (Source: Moneycontrol, ibef.org)

Growth drivers

Rising consumption: The Indian electronic appliances industry is expected to reach US$ 21.18 billion in 2025, growing at a CAGR of 11% during the forecast period of 2019-2025. During the same period, the production of air conditioners is expected to more than double from 6.5 million units in FY19 to 16.5 million units in FY25, while the refrigerator market is expected to increase production from 4.5 million units in FY19 to 27.5 million units in FY25.

Rising income levels: India's per capita income is expected to reach around US$ 1850 in 2022 and US$ 1920 in 2023, which could increase discretionary spending. (Source: Tradingeconomics.com)

Research and Development (R&D): Growing investments in R&D by specialty chemical companies has helped enhance the production value chain. Moreover, these companies have also offered their R&D capabilities as a part of contract research and manufacturing services, which could enhance margins.

Domestic availability: India imports most petrochemical intermediates. The growing demand for petrochemical intermediates by specialty chemical companies has led to petrochemical companies manufacturing petrochemical intermediates through the diversion of ethylene and propylene.

Alternate strategy: Most global players depended on China's production capabilities for specialty chemicals. However, they are now seeking an alternative supply source due to growing Chinese government controls on the production of environmentally hazardous chemicals, which could widen the market for India. (Source: HDFC Securites, InvestIndia)

Indian fluorochemicals industry

Fluorochemicals are used as an essential ingredient in a number of industries such as agrochemicals, dyeing, automotive, electronics among others. Demand growth in any of these industries could strengthen fluorochemicals demand.

In 2020, around a third of India was living in cities and by 2031, three-fourths of India's national income could come from cities, strengthening the demand for better infrastructure and electronic appliances, strengthening in turn the market for fluorochemicals. (Source: urbanet.info)

Growth drivers

Agrochemical industry: Being an agriculture-dominated industry with more than 50% population depending on agriculture, there is a growing demand for fertilisers and insecticides. India is the fourth largest agrochemical market, creating a vast base for fluorochemical offtake.

Dyeing industry: India produces 16% of the global demand of dyestuff and dye intermediates. The colorants industry accounts for ~16% of the worldwide market share.

Pharmaceutical industry: India is the third largest pharmaceutical market by volume. The Indian pharmaceutical industry was expected to grow between 9 and 11% during the FY2021-22 due to the domestic demand boost. (Source: Economic Times)

Automobile industry: India is projected to emerge as the world's third largest automobile market by volume by 2026, driven by population growth. (Source: InvestIndia)

Electronics industry: The Indian electronics market is expected to grow from US$ 72 billion to US$ 300 billion by 2025, following a wider acceptance of electronics and digitalisation following the pandemic. (Source: The Hindu)

Company overview

Navin Fluorine International Limited has developed competencies in the fluorine chemistry space across decades. The Company's long-term contracts with supply intermediate in the pharma and agrochemical industry validate its capabilities. A specialisation in fluorination, coupled with an expertise in synthesis, will empower the Company to capitalize on opportunities arising from pharma and agro chemical industries.

Business performance of the Company

The detailed business performance is enumerated in Directors' Report under the heading 'Year in Retrospect'.

Our financial overview

Analysis of the Profit and Loss Statement

Revenues: Revenues from operations reported a 24% growth from ₹1,133 cr in 2020-21 to ₹1404 cr in 2021-22. Other income of the Company was lower by 50% and accounted for 3% share of the Company's Total Income, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company increased by 27% from ₹864 cr in 2020-21 to ₹1094 cr. Raw material costs, accounting for a 46% share of the Company's revenues, increased by 24% from ₹520 cr in 2020-21 to ₹646 cr in 2021-22 owing to increase in the operational scale of the Company. Employee expenses, accounting for a 11% share of the Company's revenues, increased 32% from ₹116 cr in 2020-2021 to ₹153 cr in 2021-2022.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased by 13% from ₹1,667 cr as on March 31, 2021 to ₹1882 cr as on March 31, 2022 owing to an strong performance by the Company. Return on capital employed, a measurement of returns derived from every rupee invested in the business was at 20%.

The net worth of the Company increased by 13% from ₹1,650 cr as on March 31, 2021 to ₹1864 cr as on March 31, 2022.

Applications of funds

Fixed assets (gross) of the Company increased by 12% from ₹477 cr as on March 31, 2021 to ₹536 cr as on March 31, 2022, on account of capitalization of various projects at Surat and Dewas sites.

Investments

Total investments (non-current and current) other than investments in subsidiaries and joint venture of the

Company increased from ₹97 cr as on March 31, 2021 to ₹115 cr as on March 31, 2022. The cash and bank balances of the Company decreased from ₹389 cr as on March 31, 2021 to ₹78 cr as on March 31, 2022 due to investments and inter corporate deposits (ICDs) extended to wholly owned subsidiary.

Working capital management

Inventories, including raw materials, work-in-progress and finished goods, among others, increased by 49% from ₹154 cr as on March 31, 2021 to ₹229 cr as on March 31, 2022. The inventory cycle was at 60 days of turnover equivalent in 2021-22 compared to 50 days in 2020-21. Growing business volumes resulted in an increase of 28% in trade receivables from ₹276 cr as on March 31, 2021 to ₹352 cr as on March 31, 2022. The debtor turnover cycle was at 92 days of turnover equivalent in 2021-22 compared to 89 days in 2020-21. The receivables and inventories management have been an area of key management attention and are in line with the scope and scale of operations and the levels were well within acceptable industry norms.

Margins

Revenue increased by 24% in FY21-22. The EBITDA margin (before exceptional items) of the Company decreased by 465 basis points from 31.9% in FY 2020-21 to 27.3% in FY 2021-22 while PBT (before exceptional items) decreased by 435 basis points.

Key ratios

Particulars	2021-2022	2020-2021
EBITDA/Turnover (%) (before exceptional items)	27%	32%
Return on networth (%)	15%	20%
Book value/share (₹)	376.21	333.33
Earnings per share (₹)	53.79	60.46
Debtors turnover (days)	92	89
Inventory turnover (days)	60	50
Current Ratio	5.39	6.12
Operating profit margin (%)	22%	24%
Net profit margin (%)	18%	25%

Return on Net Worth (RONW) including exceptional items for FY2020-21 was 20% in view of gain on sale of shares held in Convergence Chemicals Private Limited and gain on giving up leasehold rights situated at Dahej. For FY2021-22, RONW is 15%. The net profit margin fell to 18% in FY 2021-22 as against 25% in FY2020-21 primarily due to exceptional items of gain on sale of shares held in Convergence Chemicals Private Limited and gain on giving up leasehold rights situated at Dahej in FY2020-21.

How we manage risks in our business

Risk management has become an integral part of business management post-pandemic. At Navin Fluorine, we have built a sustainable business by identifying potential risks and developing strategies of risk management. The more effective the strategy the more well-placed is the Company to weather unforeseen incidents. At Navin Fluorine, the efficacy of risk management is determined by its processes. Consistency is a key aspect of risk management where long-term business sustainability takes precedence over short-term profitability in the corporate strategy which gives a clear picture of the doables and non-doables within the Company's operational framework across all stakeholders.

The Company ensures that there is a comprehensive risk management framework in place comprising policy, procedures and evaluation methods to help the Company review organisational risks. The thoroughness of the process has enhanced corporate sustainability. Thus, risk management is an essential part of corporate management in the long run.

Risk management organization, roles and responsibilities

Risk management is covered in the risk management framework. Specific function committees such as Risk Management Committee, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee which also includes Board Members who report their findings to the Board of Directors.

We ensure that the members within our risk management structure are up-to-date with our overall risk management structure including risk blueprint and its processes to enhance transparency and capabilities of everyday risk management.

Strategic implementation of the risk management cycle

The Company has nine functional Risk Management Committees across the organization for effective risk management. Risk identification, measurement, analysis and assessment; our risk reporting, limitation (reduction to a level we have deemed appropriate) and reviewing allow us to track our major risks.

Risk identification: Our internal reporting protocol enables executives to report risks as and when they see it. We have a set of systems and quantitative indicators to identify risks.

Risk measurement: Our risk management tools are consistently strengthened as per the business function. Based on the risk perception of the department, risk is measured at the organisational and departmental level.

Analysis and assessment: One of the objectives of our risk management strategy is to improve financial performance. Our financial performance reflects the efficiency of our risk management strategy.

Risk reporting: Periodic evaluation and reporting of the efficacy of our risk management strategy to the Risk Management and other Committees helps create awareness, which allows the Company to devise and implement counter-risk strategies.

Internal control systems and their adequacy

The Company's internal control systems are effective and robust, ensuring that there is efficient use and protection of resources and compliance with policies, procedures, financial reporting and statutory requirements. There are well-documented guidelines, procedures and processes, integral to the overall governance, laws and regulations. All the Company's major business processes are well integrated and currently run on SAP ECC 6. The Internal control systems of the Company are effective and adequate, commensurate with the size and complexities of its operations. These are regularly tested for their effectiveness by the statutory as well as the internal auditors. An independent firm of chartered accountants carries out the internal audit across the organisation. A well-established internal audit framework is in place which extensively covers all aspects of financial and operational controls, covering all units, functions and departments including Manchester Organics Limited, the UK based subsidiary of the Company. The internal auditors review the adequacy, integrity and reliability of control systems and suggest improvements in its effectiveness. The effectiveness of the controls are mapped and scores are given based on control indices. The internal audit team conducts extensive reviews and process improvements identified during the reviews are communicated to the management on an on-going basis. Significant observations made by the internal auditors and the follow-up actions thereon are reported periodically to the Audit Committee of the Board of Directors. The Audit Committee monitors the implementation of the audit recommendations.

Human resource management

Human resource management plays a critical role in the Company's growth. The HR teams, through a structured induction programme, help new joinees comprehend and uphold the organisational culture, engage, attract and retain employees, and provide them invaluable knowledge while offering the ability to perform at their best.

The HR team drives employee engagement and employee connect meetings, chaired by site heads and site HR heads. In these interactions, there is free flow of dialogues wherein the Company's vision and future plans are discussed, employee concerns are addressed, new intiatives are planned, suggestions are shared and any other concerns are brought to a logical conclusion. The Company undertook regular training programs - mandatory safety and quality trainings (cGMP compliances), functional and technical skill enhancement trainings and statutory trainings covering POSH (Prevention of Sexual Harassment of Women at Workplace) to create awareness and enhance the skills of the employees. The Company has also undertaken leadership assessment trainings to prepare leaders and strengthen succession planning for critical roles. The Company also participated in the "Campus Connect" and hired post graduates from premier institutes like IITs as part of Future Leadership Program. The Company had 956 employees as of March 31, 2022.

By order of the Board of Directors
For **Navin Fluorine International Limited**

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

Corporate Governance Report

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of the Company stems from the set of principles and framework embedded in its values. The Company always aims to abide by the highest standards of good governance and ethical behaviour across all levels within the organization.

To enunciate the spirit behind the governance process, your Company has listed herein, its various compliances with the statutory requirements of the day, as well as the spirit of the practice.

2. COMPOSITION OF THE BOARD OF DIRECTORS

The highlights of the Board structure of the Company are as under:

- The Company has 12 Directors on the Board.
- The Chairman and Managing Director of the Company are separate persons and have separate roles.
- 10 of 12 Directors are Non-Executive Directors (NED) i.e. 83% of the Directors are NEDs.
- 9 of 12 Directors are Independent Directors i.e. 75% of the Directors are Independent Directors.
- There are 2 Women Directors on the Board.
- None of the Directors are related to each other.

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time.

Names of the Directors	Director's Identification Number	Category (Executive / Non-Executive)	Number of Board Meetings attended	Whether last AGM held on July 26, 2021 attended
Mr. Vishad P. Mafatlal	00011350	Promoter Executive (Chairman)	8	Yes
Mr. Mohan M. Nambiar	00046857	Non-Executive Non-Independent	8	Yes
Mr. Pradip N. Kapadia	00078673	Non-Executive Independent	8	Yes
Mr. Sunil S. Lalbhai	00045590	Non-Executive Independent	8	Yes
Mr. Sudhir G. Mankad	00086077	Non-Executive Independent	8	Yes
Mr. Harish H. Engineer	01843009	Non-Executive Independent	8	Yes
Ms. Radhika V. Haribhakti	02409519	Non-Executive Independent	8	Yes
Mr. Atul K. Srivastava	00046776	Non-Executive Independent	8	Yes
Mr. Ashok U. Sinha	00070477	Non-Executive Independent	8	Yes
Mr. Sujal A. Shah (w.e.f. May 7, 2021)	00058019	Non-Executive Independent	8	Yes
Ms. Apurva S. Purohit (w.e.f. October 19, 2021)	00190097	Non-Executive Independent	4*	N.A.
Mr. Radhesh R. Welling	07279004	Professional Executive (Managing Director)	8	Yes

* Ms. Apurva S. Purohit attended 4 Board Meetings out of the 5 Board Meetings held on and from her date of appointment. She was granted leave of absence from attending the Board Meeting held on November 10, 2021 due to her pre-occupation.

Names of the Directors	Director-ships held#	Number of Committee Memberships / Chairpersonships$		Names of other listed companies where he/she is a Director	
		Member@	Chairperson	Name of the company	Category of Directorship
Mr. Vishad P. Mafatlal	11	-	-	-	-
Mr. Mohan M. Nambiar	4	2	1	ION Exchange (India) Limited	Non-Executive - Independent
Mr. Pradip N. Kapadia	11	9	3	Gokak Textiles Limited	Non-Executive - Independent
				Mafatlal Industries Limited	Non-Executive - Independent
Mr. Sunil S. Lalbhai	8	5	3	Amal Limited	Non-Executive and Non-Independent - Chairman
				Atul Limited	Chairman and Managing Director
				Pfizer Limited	Non-Executive-Independent
				The Bombay Dyeing and Manufacturing Company Limited	Non-Executive - Independent
Mr. Sudhir G. Mankad	6	3	-	Deepak Nitrite Limited	Non-Executive - Independent
				Swaraj Engines Limited	Chairman-Non-Executive - Independent
Mr. Harish H. Engineer	4	2	1	Aditya Birla Sun Life AMC Limited	Non-Executive - Independent
Ms. Radhika V. Haribhakti	6	7	2	EIH Associated Hotels Limited	Non-Executive - Independent
				Rain Industries Limited	Non-Executive - Independent
				ICRA Limited	Non-Executive - Independent
				Torrent Power Limited	Non-Executive - Independent
Mr. Atul K. Srivastava	3	2	1	Mafatlal Industries Limited	Non-Executive - Independent
Mr. Ashok U. Sinha	9	7	5	J. K. Cement Limited	Non-Executive - Independent
				Tata Power Co. Limited	Non-Executive - Independent
				Cipla Limited	Non-Executive - Independent
				Tata Communications Limited	Non-Executive - Independent

Names of the Directors	Directorships held#	Number of Committee Memberships / Chairpersonships$		Names of other listed companies where he/she is a Director	
		Member@	Chairperson	Name of the company	Category of Directorship
Mr. Sujal A. Shah	11	9	3	Mafatlal Industries Limited	Non-Executive - Independent
				Amal Limited	Non-Executive - Independent
				Amrit Corp. Limited	Non-Executive - Independent
				Hindoostan Mills Limited	Non-Executive - Independent
				Deepak Fertilisers & Petrochemicals Corporation Limited	Non-Executive - Independent
				Ironwood Education Limited	Non-Executive - Independent
Ms. Apurva S. Purohit	4	2	1	L&T Technology Services Limited	Non-Executive - Independent
				Mindtree Limited	Non-Executive - Independent
Mr. Radhesh R. Welling	6	-	-	-	-

It covers foreign, Section 8, private, public and listed companies, including Navin Fluorine International Limited.

$ Under this column, membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee of public companies, including Navin Fluorine International Limited, is considered.

@ Total number of membership includes the Committees in which Director is a Chairperson.

All the relevant information such as production, sales, exports, financial results, capital expenditure proposals and statutory dues, among others are, as a matter of routine, placed before the Board for its approval/information.

During the financial year 2021-22, eight meetings of the Board of Directors were held on May 7, 2021, July 26, 2021, August 20, 2021, October 19, 2021, November 10, 2021, December 15, 2021, January 31, 2022 and March 23, 2022. The Company has thus complied with the provisions of the Act and Listing Regulations allowing not more than one hundred and twenty days gap between two Board Meetings.

Personal shareholding of Non-Executive Directors in the Company as on March 31, 2022 is as under:

Names of the Directors	Number of equity shares held of ₹2/- each
Mr. Mohan M. Nambiar	5,027
Mr. Pradip N. Kapadia	6,925
Mr. Sunil S. Lalbhai	5,275
Mr. Sudhir G. Mankad	NIL
Mr. Harish H. Engineer	NIL
Ms. Radhika V. Haribhakti	NIL
Mr. Atul K. Srivastava	16,000
Mr. Ashok U. Sinha	NIL
Mr. Sujal A. Shah	NIL
Ms. Apurva S. Purohit	992

The Company has not issued any convertible instruments and hence the Directors are not holding convertible instruments.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a detailed familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities and duties in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programmes are available on the web-link http://nfil.in/investor/bod.html.

SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD

The Board comprises of persons with varied experience in different areas who bring in the required skills, competencies and expertise that allow them to make effective contribution to the Board and its Committees. The below list summarizes the key skills, expertise and competencies that the Board thinks necessary for the proper functioning in the context of the Company's business and industry as against the Directors possessing the same:

Names of the Directors	Finance	Sales and marketing / Commercial	Science and technology	Domain industry / Industry	General Management	Legal, including laws related to corporate governance
Mr. Vishad P. Mafatlal	✓	✓	✓	✓	✓	✓
Mr. Mohan M. Nambiar	✓	✓	-	✓	✓	✓
Mr. Pradip N. Kapadia	✓	✓	-	✓	✓	✓
Mr. Sunil S. Lalbhai	✓	✓	✓	✓	✓	✓
Mr. Sudhir G. Mankad	✓	✓	-	✓	✓	✓
Mr. Harish H. Engineer	✓	✓	-	✓	✓	✓
Ms. Radhika V. Haribhakti	✓	✓	-	✓	✓	✓
Mr. Atul K. Srivastava	✓	✓	-	✓	✓	✓
Mr. Ashok U. Sinha	✓	✓	-	✓	✓	✓
Mr. Sujal A. Shah	✓	✓	-	✓	✓	✓
Ms. Apurva S. Purohit	✓	✓	-	✓	✓	✓
Mr. Radhesh R. Welling	✓	✓	✓	✓	✓	✓

3. AUDIT COMMITTEE

As required under Section 177 of the Act and Regulation 18 of the Listing Regulations, the Company has an Audit Committee. Mr. Sunil. S. Lalbhai is the Chairman of the Committee. Mr. Pradip N. Kapadia, Mr. Mohan M. Nambiar and Ms. Radhika V. Haribhakti are the other members of the Audit Committee. The Company Secretary of the Company, Mr. Niraj B. Mankad, acts as the Secretary of the Audit Committee.

During the financial year 2021-22, six meetings of the Committee were held on May 7, 2021, July 26, 2021, October 19, 2021, November 10, 2021, January 31, 2022 and March 23, 2022 with attendance of all the members of the Committee.

Executive Chairman, Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditors are usually invited and attend the Meetings of the Audit Committee.

The terms of reference of the Audit Committee are as mentioned in the Act and the Listing Regulations which includes:

1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

   b) changes, if any, in accounting policies and practices and reasons for the same;

   c) major accounting entries involving estimates based on the exercise of judgment by management;

   d) significant adjustments made in the financial statements arising out of audit findings;

e) compliance with listing and other legal requirements relating to financial statements;

f) disclosure of any related party transactions;

g) modified opinion(s) in the draft audit report, if any;

5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8) approval or any subsequent modification of transactions of the Company with related parties;

9) scrutiny of inter-corporate loans and investments;

10) valuation of undertakings or assets of the Company, wherever it is necessary;

11) evaluation of internal financial controls and risk management systems;

12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14) discussion with internal auditors of any significant findings and follow up there on;

15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18) to review the functioning of the whistle blower mechanism;

19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

21) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower;

22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

4. NOMINATION AND REMUNERATION COMMITTEE

As required under Section 178(1) of the Act and Regulation 19 read with Part D(A) of Schedule II of the Listing Regulations, the Company has a Nomination and Remuneration Committee. Mr. Sunil S. Lalbhai is the Chairman of the Committee. Mr. Mohan M. Nambiar and Mr. Harish H. Engineer, are the other Members of the Committee. At the Board Meeting held on May 7, 2022, the Board has appointed Ms. Apurva S. Purohit as Member w.e.f. May 8, 2022. The Company Secretary of the Company, Mr. Niraj B. Mankad, acts as the Secretary of the Nomination and Remuneration Committee. The Committee is, inter alia, authorized for identifying persons who are qualified to become Directors and who may be appointed in Senior Management, evaluating Directors performance, formulating criteria for determining qualifications, positive attributes and independence of a director and recommending policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and granting of stock options to the eligible employees of the Company.

During the financial year 2021-2022, four meetings of the Committee were held on May 7, 2021, September 14, 2021, October 19, 2021 and January 21, 2022 with the attendance by all the Members of the Committee.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Each Independent Director's performance was evaluated as required by Schedule IV of the Act having regard to the following criteria of evaluation viz. (i) qualification, (ii) experience, (iii) availability and attendance, (iv) integrity, (v) commitment, (vi) governance, (vii) independence, (viii) communication, (ix) preparedness, (x) participation and (xi) value addition.

In the opinion of the Board, the Independent Directors fulfill the conditions of independence as specified in Regulation 16 of the Listing Regulations along with Section 149(6) of the Act; and are independent of the management of the Company.

5. REMUNERATION OF DIRECTORS

In accordance with the provisions of Section 178(3) of the Act, a remuneration policy relating to the remuneration for Directors, Key Managerial Personnel and other employees as recommended by the Nomination and Remuneration Committee and approved by the Board, is available at the weblink http://nfil.in/policy/index.html.

DETAILS OF REMUNERATION TO DIRECTORS

Details of remuneration paid to the Executive Directors and Non-Executive Directors:

(₹ in crores)

Sr. No.	Names of the Directors	Salary and Perquisites	Commission*	Sitting Fees
1	Mr. Vishad P. Mafatlal	3.64	5.44	-
2	Mr. Mohan M. Nambiar	-	0.25	0.06
3	Mr. Pradip N. Kapadia	-	0.25	0.06
4	Mr. Sunil S. Lalbhai	-	0.25	0.07
5	Mr. Sudhir G. Mankad	-	0.25	0.04
6	Mr. Harish H. Engineer	-	0.25	0.06
7	Mr. Atul K. Srivastava	-	0.25	0.05
8	Ms. Radhika V. Haribhakti	-	0.25	0.06
9	Mr. Ashok U. Sinha	-	0.25	0.03
10	Mr. Sujal A. Shah (w.e.f. May 7, 2021)	-	0.25	0.03
11	Ms. Apurva S. Purohit (w.e.f. October 19, 2021)	-	0.12	0.02
12	Mr. Radhesh R. Welling	3.83	3.63	-

*Payable in financial year 2022-2023

Mr. Radhesh R. Welling was granted 14,315 stock options on January 7, 2019 at ₹698.45 per share. These options have vested upon expiry of two years from the date of grant. They are exercisable immediately on vesting and will expire on completion of 10 years from the date of grant.

The remuneration to Executive Directors includes Provident Fund, Superannuation Fund, perquisites, allowances etc. and is in accordance with the Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other Employees.

Other service contracts, notice period and severance fees, among others – None except the Notice Period as per appointment letters – (a) Mr. Vishad P. Mafatlal – 6 months and (b) Mr. Radhesh R. Welling – 3 months.

In addition to payment of sitting fees for attending various meetings, Non-Executive Directors are paid commission in accordance with the prevalent practice in the industry and commensurate with their skills, expertise, experience and time devoted to the Company and also taking into account profits of the Company.

Apart from the above remuneration, there is no other material pecuniary relationship or transactions by the Company with the Directors.

The performance criteria for payment of remuneration mentioned in the Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other Employees is available on the web-link http://nfil.in/policy/index.html.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As per Section 178(5) of the Act and Regulation 20 of the Listing Regulations, the Company has a Stakeholders' Relationship Committee. Mr. Pradip N. Kapadia is the Chairman of the Committee. Mr. Atul K. Srivastava and Ms. Radhika V. Haribhakti, are the other members of the Committee. Mr. Niraj B. Mankad, Company Secretary of the Company, is the Compliance Officer of the Company and also acts as Secretary of the Committee.

The terms of reference of the Committee inter-alia, includes (a) resolving the grievances of the security holders of the Company including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.; (b) reviewing measures taken for effective exercise of voting rights by shareholders; (c) reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Company's Registrar & Share Transfer Agent; (d) reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the financial year 2021-2022, two meetings of the Stakeholders' Relationship Committee were held on May 3, 2021 and October 18, 2021 with the attendance by all members of the Committee.

Details of investor complaints received and resolved during the financial year 2021-2022 as under:

a)	Number of investor complaints pending as on April 1, 2021	Nil
b)	Number of complaints received from investors from April 1, 2021 to March 31, 2022	33
c)	Number of complaints resolved	33
d)	Number of complaints remaining unresolved as on March 31, 2022	Nil

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135(1) of the Act, the Company has a Corporate Social Responsibility Committee. Mr. Sudhir G. Mankad is the Chairman of the Committee. Mr. Vishad P. Mafatlal and Mr. Harish H. Engineer are the other Members of the Committee.

The Committee is inter alia authorized to formulate and recommend to the Board a CSR Policy, the amount of expenditure to be incurred on the permissible activities, monitoring the CSR Policy from time to time and formulating and recommending to the Board, an annual action plan in pursuance of the CSR policy. During the financial year 2021-2022, three meetings of the Corporate Social Responsibility Committee were held on May 6, 2021, October 12, 2021 and January 31, 2022 with the attendance by all members of the Committee.

8. RISK MANAGEMENT COMMITTEE

In accordance with the Listing Regulations, the Company has a Risk Management Committee. Mr. Vishad P. Mafatlal, Executive Chairman of the Company, is the Chairman of the Committee. Mr. Radhesh R. Welling - Managing Director, Mr. Atul K. Srivastava - Independent Director, Mr. Basant Kumar Bansal - Chief Financial Officer and Mr. Lalit Soni – General Manager, Corporate Treasury, are the other Members of the Committee. The Company Secretary of the Company, Mr. Niraj B. Mankad, acts as the Secretary of the Risk Management Committee

Mr. Ketan S. Sablok, the preceding Chief Financial Officer of the Company resigned w.e.f. close of working hours of October 31, 2021. Consequent to his resignation, he also ceased to be a Member of the Committee. Mr. Basant Kumar Bansal, the existing Chief Financial Officer of the Company, was appointed as Member of the Risk Management Committee w.e.f. November 1, 2021.

During the financial year, two meetings of the Risk Management Committee were held on September 3, 2021 and February 25, 2022 with the presence of all the Committee Members.

The scope of the Risk Management Committee is as under:

1. To formulate a detailed risk management policy which shall include:
    a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.
    c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

9. INDEPENDENT DIRECTORS' MEETING

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the management. Pursuant to Regulation 25 of the Listing Regulations and Schedule IV of the Act, during the year, one meeting of Independent Directors was held on March 23, 2022 which was attended by all Independent Directors. Mr. Sunil. S. Lalbhai was unanimously elected as the Chairman of the meeting of the Independent Directors. At the meeting, the Independent Directors reviewed the performance of the Non-Independent Directors (including the Chairman) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

10. GENERAL BODY MEETING

Location and time where the last three Annual General Meetings (AGM) were held:

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed
23rd	2020-2021	Via Video Conferencing / Other Audio Visual Means (The deemed venue of the AGM was the Registered Office of the Company)	July 26, 2021	3.00 PM (IST)	1
22nd	2019-2020		August 21, 2020		1
21st	2018-2019	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	June 21, 2019		8

During the year under review, no resolution was passed through Postal Ballot.

No special resolution is proposed to be conducted through postal ballot as the same will be considered in the forthcoming 24th Annual General Meeting.

11. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are posted by the Company on its website. These are also submitted to BSE Limited and National Stock Exchange of India Limited, in accordance with Regulation 33 of the Listing Regulations:

Quarterly results normally published/proposed to be published in Newspapers	In Marathi – Maharashtra Times In English – The Economic Times
Details of Company Website where results are displayed	https://www.nfil.in/investor/inv_finan.html
Whether it displays official news release; and the presentations made to institutional investors or to the analysts	Yes

12. GENERAL SHAREHOLDERS' INFORMATION

A. **24th Annual General Meeting**

Date and Time	:	July 27, 2022 at 3.00 PM (IST)
Venue	:	Through Video Conferencing / Other Audio-Visual Means (The deemed venue of the AGM shall be the Registered Office of the Company.)

B. **Financial year** : April 1, 2022 to March 31, 2023 (tentative)

First quarter results	:	End of July, 2022
Second quarter and half yearly results	:	End of October, 2022
Third quarter results	:	End of January, 2023
Audited yearly results	:	End of May, 2023

C. **Record Date for Final Dividend** : July 8, 2022

D. **Dividend payment date** : On or after August 2, 2022

E. **Listed on Stock Exchanges** : **BSE Limited (BSE)**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400001
National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G, Bandra-Kurla Complex,
Bandra (E), Mumbai 400051

The Listing Fees for the financial year 2022-2023 have been paid to both the Stock Exchanges.

F. **Stock Code** : BSE Scrip Code: 532504
NSE Symbol: NAVINFLUOR EQ

G. **International Securities Identification Number (ISIN)** : INE048G01026

H. **Monthly high and low during each month of the financial year 2021-2022**

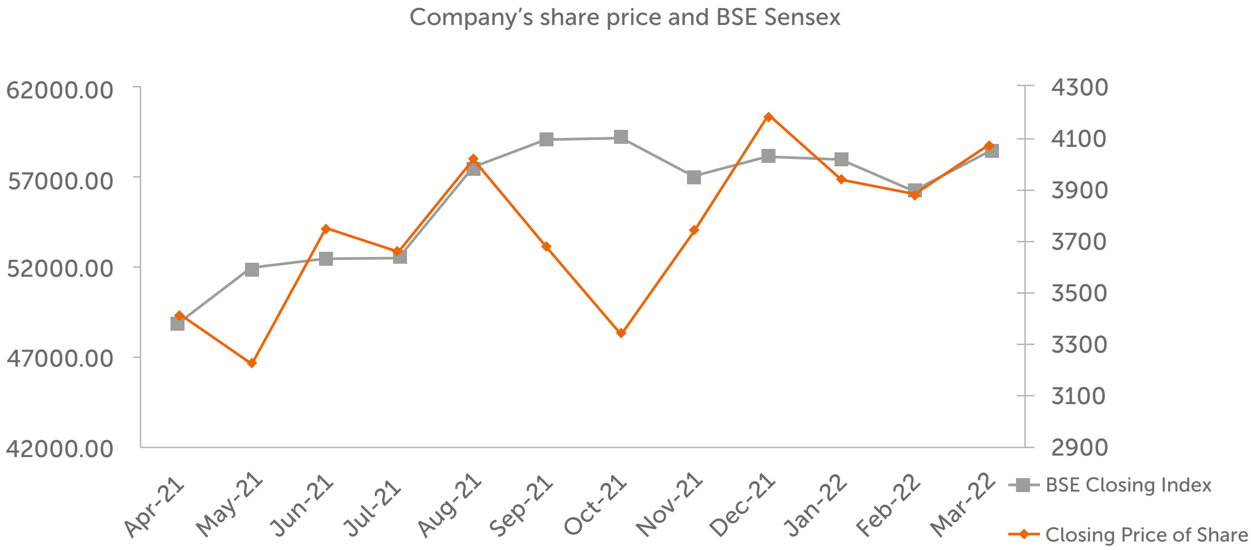
BSE

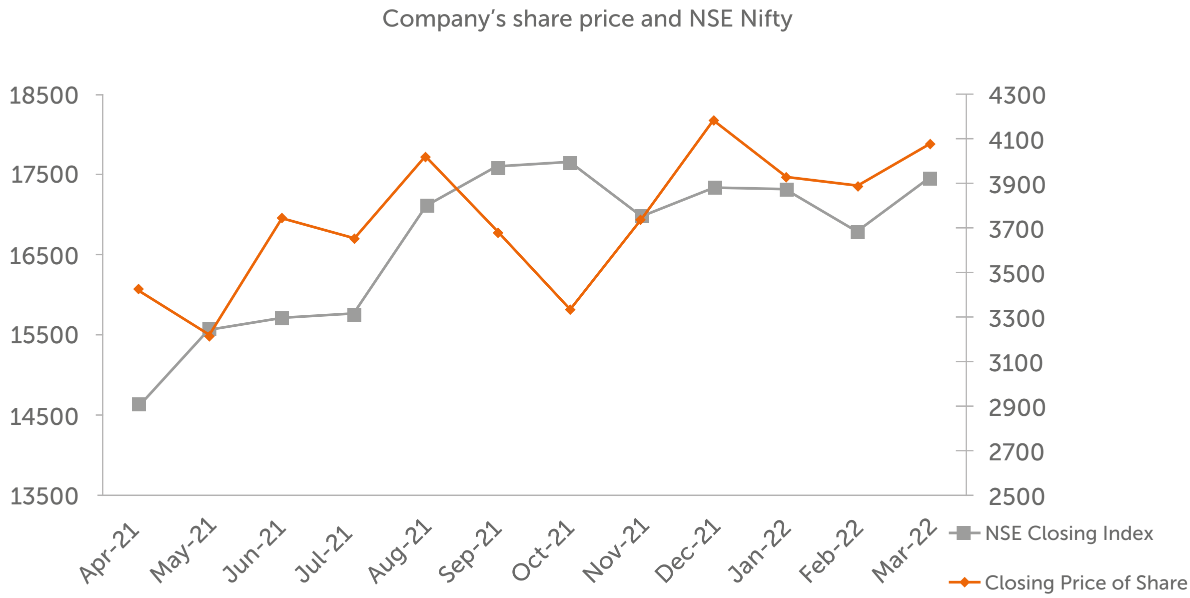
Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	No. of shares traded
April, 2021	3,565.65	2,702.90	50,375.77	47,204.50	3,56,239
May, 2021	3,659.00	3,125.00	52,013.22	48,028.07	3,42,417
June, 2021	3,867.40	3,146.35	53,126.73	51,450.58	4,26,328
July, 2021	4,013.35	3,450.05	53,290.81	51,802.73	3,37,705
August, 2021	4,078.00	3,541.90	57,625.26	52,804.08	10,88,106
September, 2021	4,212.50	3,646.10	60,412.32	57,263.90	2,92,013
October, 2021	4,161.00	3,196.20	62,245.43	58,551.14	3,56,091
November, 2021	3,778.00	3,220.80	61,036.56	56,382.93	2,00,081
December, 2021	4,339.00	3,701.00	59,203.37	55,132.68	1,55,592
January, 2022	4,286.70	3,526.15	61,475.15	56,409.63	1,30,505
February, 2022	4,331.15	3,635.00	59,618.51	54,383.20	1,94,446
March, 2022	4,175.95	3,361.45	58,890.92	52,260.82	1,63,844

NSE

Month	Highest	Lowest	NSE Nifty Highest	NSE Nifty Lowest	No. of shares traded
April, 2021	3,565.00	2,705.15	15,044.35	14,151.40	81,09,860
May, 2021	3,649.15	3,124.10	15,606.35	14,416.25	62,10,183
June, 2021	3,869.00	3,145.00	15,915.65	15,450.90	75,20,388
July, 2021	4,015.00	3,450.00	15,962.25	15,513.45	61,60,825
August, 2021	4,078.60	3,540.05	17,153.50	15,834.65	60,87,986
September, 2021	4,212.75	3,645.00	17,947.65	17,055.05	43,76,787
October, 2021	4,156.00	3,202.50	18,604.45	17,452.90	70,08,090
November, 2021	3,779.00	3,219.00	18,210.15	16,782.40	48,13,668
December, 2021	4,329.00	3,700.00	17,639.50	16,410.20	39,42,226
January, 2022	4,287.00	3,500.00	18,350.95	16,836.80	26,47,237
February, 2022	4,327.70	3,631.50	17,794.60	16,203.25	39,54,861
March, 2022	4,178.70	3,360.00	17,559.80	15,671.45	46,65,984

I. Performance in comparison to broad based indices





J. Registrar and Share Transfer Agent

KFin Technologies Limited (formerly known as KFin Technologies Private Limited) is the Registrar and Share Transfer Agent ('RTA') of the Company. The address for correspondence is as under:

KFin Technologies Limited
Selenium Tower "B", Plot 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500032
Toll Free No.: 1800 309 4001 Tel. No.: + 91 40 6716 2222
Fax No.: + 91 40 2342 0814
E-mail ID: einward.ris@kfintech.com
Website: www.kfintech.com

Mumbai Office:

24B, Rajabahadur Mansion,
Ambalal Doshi Marg, Ground Floor,
Fort, Mumbai 400023
Tel: +91 22 6623 5454
Fax: +91 22 6633 1135

Ahmedabad Office:

Office No. 401, 4th floor,
ABC-1, Off C.G. Road,
Ahmedabad 380009
Cont. No.: + 91 90819 03021 / 90819 03022
E-mail ID: ahmedabadmfd@kfintech.com

K. Share Transfer System

All the share related activities including redressal of shareholders'/investors' grievances are being handled by the Company's RTA viz. KFin Technologies Limited.

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form including where the claim is lodged for transmission or transposition of shares. Transfer of Equity Shares in dematerialized form are done through depositories without involvement of the Company.

The Company has obtained certificate from Makarand M. Joshi and Co., Practising Company Secretaries for the financial year ended March 31, 2022 certifying the compliances as required under Regulation 40(9) of the Listing Regulations and has filed the said certificate with the Stock Exchanges.

L. Distribution of Shareholding as on March 31, 2022

Slab	Total No. of shareholders	% of shareholders	No. of Shares	% of total share capital
Less than 500	1,72,710	99.59	80,57,742	16.26
501-1000	326	0.19	11,63,339	2.35
1001-2000	146	0.08	10,47,394	2.11
2001-3000	63	0.04	7,71,140	1.56
3001-4000	29	0.02	4,97,112	1.00
4001-5000	21	0.01	4,74,593	0.96
5001-10000	40	0.02	13,74,593	2.77
10001 & above	83	0.05	3,61,67,237	72.99
Total	**1,73,418**	**100.00**	**4,95,53,150**	**100.00**

M. Shareholding Pattern as on March 31, 2022

Sr. No.	Category	No. of shares held	% of holding
1.	Promoters	1,47,19,724	29.70
2.	Mutual Funds / AIFs	81,07,056	16.36
3.	FPIs	1,16,52,048	23.51
4.	Banks / Financial Institutions	4,655	0.01
5.	Qualified Institutional Buyers	9,39,647	1.90
6.	Indian individual investors (Public)	1,14,91,855	23.19
7.	NBFCs	2,150	0.00
8.	Bodies corporate	13,68,104	2.76
9.	Others:		
	Trust	3,986	0.01
	NRIs	5,78,731	1.17
	Clearing Members	1,71,254	0.35
	IEPF	5,13,930	1.04
	Foreign National	10	0.00
	Total	**4,95,53,150**	**100.00**

N. Dematerialization of Shares and Liquidity

The Company's Equity Shares are regularly traded on BSE Limited and National Stock Exchange of India Limited. As on March 31, 2022, 1,52,952 shareholders were holding 4,86,58,982 equity shares in demat form which constitutes 98.20% of the total share capital of the Company.

O. Outstanding GDR / ADR / Warrants / any convertible instruments: Not Applicable

P. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company has a Board approved Foreign Currency Risk Management Policy. Any risk arising from exposure to foreign currency for exports and imports is being hedged on a continuous basis. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required.

Q. Plants / Factories Location

1. Navin Fluorine, Bhestan, Surat 395023 (Gujarat)
2. Navin Fluorine, Dewas 455002 (Madhya Pradesh)
3. Navin Fluorine, Dahej, District Bharuch 392130 (Gujarat) (Being developed by Navin Fluorine Advanced Sciences Limited, wholly owned subsidiary of the Company)

R. Address for correspondence

Navin Fluorine International Limited
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway, 194, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069
Tel. No.: +91 22 6650 9999 Fax: +91 22 6650 9800
Website: www.nfil.in
E-mail ID: investor.relations@nfil.in

S. Credit Ratings

The Company has maintained its credit rating at 'CARE AA', indicating high degree of safety with respect to timely servicing of financial obligations and very low credit risk, for borrowings with a tenure of more than one year. The rating for short-term facilities of tenure less than one year, has been maintained at 'CARE A1+', indicating very strong degree of safety with respect to timely servicing of its short term financial obligations and lowest credit risk. During the year the Company maintained 'CARE A1+' rating for issuance of Standalone Commercial Papers, to the extent of ₹30 Cr.

13. OTHER DISCLOSURES

i) None of the transactions with any of the related parties were in conflict with the interest of the Company.

ii) The Company has complied with the requirements of the Stock Exchanges, SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities except a fine of ₹12,980/- (₹11,000/- basic fine and ₹1,980/- GST thereon) imposed by BSE Ltd. during the financial year 2020-2021 under Regulation 13(1) of Listing Regulations read with SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for a short delay during pandemic period in redressal of a shareholder's complaint which was also disclosed in the Annual Report of the Company for the financial year 2020-2021.

iii) In accordance with the requirements of the Act and Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors and the objectives of the Policy are:

a. To provide a mechanism for employees and Directors of the Company and other persons dealing with the Company to report to the Audit Committee, any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy;

b. To safeguard the confidentiality and interest of such employees/Directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices; and

c. To appropriately communicate the existence of such mechanism, within the organization and to outsiders.

Whistle Blower Policy is available on the Company's website at https://www.nfil.in/policy/index.html. The Company confirms that no personnel have been denied access to the Audit Committee pursuant to the whistle blower mechanism.

iv) The Company has complied with all the mandatory requirements of Listing Regulations, in respect of corporate governance.

The following non-mandatory requirements as specified in Part E of Schedule II of Listing Regulations have been adopted by the Company:

a. The Internal Auditors report directly to the Audit Committee.

b. The Auditors Report does not contain any qualification.

v) The Company's policy for determining 'Material' Subsidiaries and policy on materiality of related party transactions and on dealing with related party transactions are available on the Company's website at: http://www.nfil.in/policy/index.html.

vi) The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required.

vii) There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

viii) The Company has obtained a certificate from Mitesh Dhabliwala & Associates, Practising Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI, MCA or any such statutory authority.

ix) In terms of the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

x) During financial year 2021-2022, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to Price Waterhouse Chartered Accountants LLP (PWC), the Statutory Auditors and all entities in the network firm/network entity of PWC was ₹0.74 Cr.

xi) The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. During the year, no complaints of sexual harassment were received.

xii) The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C , D and E of Schedule V of the Listing Regulations, during the year under review.

The Compliance Certificate from 'Price Waterhouse Chartered Accountants LLP' certifying compliance with the conditions of Corporate Governance is annexed to this Report.

The Company submits quarterly Corporate Governance Report to the Stock Exchanges as per Regulation 27 of the Listing Regulations. The same are also being made available on the Company's website at https://www.nfil.in/investor/inv_corp.html.

xiii) The Company has no unclaimed suspense account and hence, there is nothing to disclose in this regard.

14. RISK MANAGEMENT

The Company has constituted a Risk Management Committee which regularly evaluates the risk framework. The Company has also laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.

15. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is available on the Company's website – www.nfil.in.

A certificate from the Managing Director in this regard is annexed separately to this Report.

16. MD AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have submitted annual certification on financial reporting and internal controls and certification on Financial Results to the Board in terms of Listing Regulations.

By order of the Board of Directors
For **Navin Fluorine International Limited**

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

ANNEXURE TO CORPORATE GOVERNANCE REPORT

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the financial year ended March 31, 2022 except to the extent of inadvertent trades by two Designated Persons which were intimated to the Stock Exchanges separately along with action taken by the Company.

For **Navin Fluorine International Limited**

Radhesh R. Welling
Managing Director
DIN: 07279004

Place: Mumbai
Date: May 7, 2022

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Navin Fluorine International Limited

We have examined the compliance of conditions of Corporate Governance by Navin Fluorine International Limited, for the year ended March 31, 2022 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership Number: 48125
UDIN: : 22048125AIOYRF7469

Place : New Delhi
Date : May 7, 2022

Business Responsibility Report

INTRODUCTION

This Business Responsibility Report, prepared as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details the various initiatives taken by the Company on the environmental, social and governance front. This Report is in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011. This Report is a testament of the Company's responsibility towards all it's stakeholders.

SECTION A: GENERAL INFORMATON ABOUT THE COMPANY

1.	Corporate Identity Number of the Company	L24110MH1998PLC115499
2.	Name of the Company	Navin Fluorine International Limited ('NFIL' or 'the Company')
3.	Registered address	Office No. 602, 6th floor, Natraj by Rustomjee, Near Western Express Highway, 194, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069
4.	Website	www.nfil.in
5.	E-mail ID	info@nfil.in
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	2411 - Hydrofluoric acid and other fluorine chemicals 2411 - Synthetic cryolite, fluorocarbon gases 2411 – Others
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	NFIL is one of the largest and the most respected Indian manufacturers of specialty fluorochemicals comprising of: 1) Synthetic cryolite, fluorocarbon gases; 2) Hydrofluoric acid and other fluorine chemicals; and 3) Other Chemicals
9.	Total number of locations where business activity is undertaken by the Company	**1. International Locations** • 3 Development units at Manchester, Shanghai and New Jersey **2. National Locations** • 2 manufacturing locations at Surat in Gujarat and Dewas in Madhya Pradesh • 1 manufacturing unit being developed by Navin Fluorine Advanced Sciences Limited, wholly owned subsidiary of the Company, at Dahej in Gujarat • 5 sales offices in New Delhi, Mumbai, Surat, Chennai and Hyderabad • Head office in Mumbai
10.	Markets served by the Company	Domestic markets and markets across the globe

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2022

1.	Paid-up Share Capital	₹9.91 Cr.
2.	Total Turnover	₹1,403.61 Cr.
3.	Total profit after taxes	₹266.43 Cr.
4.	Total Spending on Corporate Social Responsibility (CSR) as % of Profit after taxes (%)	The Company was statutorily required to spend ₹5.23 Cr. towards CSR. The Company has spent ₹5.28 Cr. This is more than 2% of the average profit after taxes as calculated in terms of Section 198 of the Companies Act, 2013, in the previous three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	This is enumerated in detail in Annexure 4 to the Directors' Report which pertains to Report on CSR.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies?	Yes, details of the same are available at the weblink https://www.nfil.in/about_us/hsac21.pdf
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the % of such entity/entities? [Less than 30%, 30-60%, more than 60%]	Yes, less than 30%. The Company has a thorough selection process to ensure it engages with the right value chain partners. The Company has adopted a Vendor Evaluation Policy and prospective vendors are evaluated on parameters like quality, safety, manufacturing process, capabilities, delivery and commitment. Also, post onboarding, compliance parameters are checked for selected vendors.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director / Directors responsible for BR

a.	Details of Director / Directors responsible for BR	Mr. Radhesh R. Welling Designation: Managing Director DIN: 07279004
b.	Details of the BR Head	Mr. Gyanchand B. Jain Designation: President - Operations DIN (if applicable): N. A. Telephone No.: +91 26 1671 5303 E-mail ID: gyanchand.jain@nfil.in

2. Principle-wise (as per NVGs) BR Policy/Policies

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the wellbeing of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for..	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct, Whistleblower Policy, Policy for determination of materiality of events or information **P2:** Sustainable Development Policy, Integrated Management Systems Policy **P3:** Health Safety and Environment (HSE) Policy, Prevention of Sexual Harassment Policy, Internal HR Policies for Employees, Integrated Management Systems Policy **P4:** CSR Policy, Sustainable Development Policy **P5:** Human Rights Policy **P6:** Sustainable Development Policy, Integrated Management Systems Policy, HSE Policy **P7:** Sustainable Development Policy **P8:** CSR Policy **P9:** Quality Policy, Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify. (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies that the Company has adopted are in conformity with relevant national and international standards, wherever statutorily applicable. The policies are compliant with the NVGs issued by the Ministry of Corporate Affairs and are drafted after taking into consideration the best practices adopted across the industry.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD /owner/CEO appropriate Board Director?	All policies have been approved by the Board, wherever statutorily required. All policies have been signed by the Managing Director.								

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Mr. Radhesh R. Welling, Managing Director, is responsible for implementation of BR policies and monitoring the BR performance.								
6	Indicate the link to view the policy online?	http://www.nfil.in/policy/index.html http://www.nfil.in/about_us/code_conduct.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been communicated to relevant stakeholders (Internal/ External) of the Company. Many of these policies are available on the Company's website.								
8	Does the Company have in-house structure to implement its policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy / policies?	Yes, queries regarding BR polices can be sent to info@nfil.in								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Surveillance and recertification audits of the Company's Integrated Management System (IMS) are performed by TÜV SÜD. As part of these audits, polices are evaluated for their effective implementation.								

b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why:** Not Applicable

3. Governance related to BR:

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors review the BR related performance annually.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility Report is part of the Annual Report. The web-link for the same is: https://nfil.in/investor/annu_reports.html

SECTION E: PRINCIPLE-WISE PERFORMANCE

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Corporate Governance at the organization is steered by its policies on ethics including Code of Conduct, Ethics Policy and Whistle Blower Policy; where its Code of Conduct extends to all employees at the level of Deputy General Manager and above.
2.	How many stakeholders' complaints have been received in the past financial year and what % was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The complaint details being stated here pertain to ethics, transparency and accountability only as per the essence of this Principle. For the reporting year, the Company has not received any stakeholder complaints related to unethical practices.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1.	List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company's mission includes "To continuously enhance stakeholder value by optimum utilization of resources." This reflects NFIL's dedication to improving operational efficiency and optimizing resource utilization. Accordingly, the Company strives to innovate and incorporate environmental concerns in all its products, three of which are HF, KF and DFBA
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional).: i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	-
3.	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what % of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company is dedicated on working with its vendors and suppliers to reduce the environmental impacts of sourcing. Measures adopted towards Green procurement, amongst others, include procurement of certain recycled solvents, catalysts and raw materials. More than 30% of raw materials are procured from ISO 9001, ISO 14001 certified and socially responsible sources. Further, the Company utilizes packaging materials that are sustainable
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	It is endeavoured to encourage local sourcing and initiate action to develop domestic sources. The Company recognizes that local sourcing has various benefits like reduced costs, lead time, provision of local employment and reduced environmental footprint in sourcing. Additionally, the Company has engaged a few local external manufacturers to backward integrate select intermediates as a 'Make in India' initiative and for de-risking our supplies from critical foreign sources.
5.	Does the company have a mechanism to recycle products and waste? If yes what is the % of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The Company's constant effort is in the direction of improving operational efficiency and optimizing resource utilization. It aims to improve waste management practices from time to time. The by-products are partly recycled within site and recovery mechanism of raw material and solvent are methodically followed.

P3: Businesses should promote the wellbeing of all employees.

1.	Please indicate the total number of employees.	NFIL views employees as valuable assets and believes in nurturing them by ensuring safe working conditions, providing advanced learning options, furthering career growth opportunities and actively engaging with employees across hierarchies. The total number of employees as on March 31, 2022 was 956.
2.	Please indicate the total number of employees hired on temporary/ contractual/casual basis	We do not hire temporary staff. Our count for contractual employees is 774.
3.	Please indicate the number of permanent women employees.	39
4.	Please indicate the number of permanent employees with disability.	6
5.	Do you have an employee association that is recognized by Management?	Yes, we have Management recognized internal union "Navin Fluorine International Employees Union" bearing Registration No. G6461
6.	What % of your permanent employees are a member of this recognized employee association?	17.68 %
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8.	What % of your under mentioned employees were given safety & skill up-gradation training in the last year?	As per Note 1

Note 1:

Employee category	Surat site		Dewas site		Dahej site		Average	
	Safety Training	Skill Upgradation Training	Safety Training	Skill Upgradation Training	Safety Training	Skill Upgradation Training	Safety Training	Skill Upgradation Training
Permanent Employees	100%	100%	100%	100%	100%	100%	100%	100%
Permanent women employees	100%	100%	100%	100%	100%	100%	100%	100%
Casual/ contractual employees	100%	100%	100%	100%	100%	100%	100%	100%
Employees with disability	100%	100%	N.A.	N.A.	N.A.	N.A.	100%	100%

P4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1.	Has the company mapped its internal and external stakeholders?	Yes. The Company has mapped all the key internal and external stakeholders.
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company has identified the disadvantaged, vulnerable & marginalized stakeholders. As a responsible corporate citizen, the Company always attempts to support such stakeholders by means of its CSR projects/ programs. During FY 2021-22, the Company had directed its CSR activities towards aiding the below marginalized groups: a) People from rural areas: This has been attempted by multiple projects of the Company which include provision of mobile health services in villages of Gujarat and Madhya Pradesh. b) Children: CSR Projects of the Company that benefitted children include supporting nutrition for under-privileged children through Salaam Balak. c) Visually impaired: Education to differently abled/ Livelihood/ Healthcare, through Blind Peoples' Association and provision of healthcare services through Shri Sadguru Seva Sangh Trust.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	As mentioned in our CSR policy, fulfilling CSR is a way of life at NFIL. The details of the CSR activities undertaken by the Company are a part of Annexure 4 to the Directors' Report which pertains to Report on CSR.

P5: Businesses should respect and promote human rights.

1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures /Suppliers/Contractors/NGOs/Others?	The Company firmly believes in the principle of human rights protection and adheres to it in letter and spirit. The Company's commitment to human rights is substantiated by its Human Rights Policy which extends to its suppliers, contractors and all relevant business associates.
2.	How many stakeholder complaints have been received in the past financial year and what % was satisfactorily resolved by the management?	For FY 2021-22, the Company has not received any stakeholder complaint related to violation of Human rights.

P6: Businesses should respect, protect and make efforts to restore the environment.

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?	The Sustainable Development Policy extends to all employees in the management and non-management cadre and other relevant business associates including suppliers and contractors.
2.	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.	Following initiatives have been taken by the Company to further reduce its carbon footprints: A) **Reduction in GHG emissions:** We are operating a thermal oxidizer to incinerate HFC 23 chemical which is generated as a by-product during the production process. B) **Reduction in Effluent & Air Pollution:** a. R&D has developed greener processes of HALEX for specialty molecules, which avoid use of ~ 26 tons of solvents and hence reduces effluent and air pollution. b. Installed closed drum filling system with in-built scrubbing system and eliminated fugitive emissions C) **Reduction in resource consumption:** a. Replaced furnace oil with natural gas in boiler, electric lights with solar power lights etc. b. Reduced per unit power consumption, which translated into an estimated reduction of ~0.9 million kWh of power (~ 2.29%). D) **Reduction in solvent emissions:** Installed chilled water vent condensers and storage under nitrogen inertion for solvent storage tanks and reactors and eliminated VOC emissions. E) **Further, during the year:** a. Adopted reduction at source as one of the principles comprising a systematic approach of recovery, reuse and abatement of environmental pollution b. Increased product batch sizes, resulting in reduction of carbon emission equivalent to 0.47 lakhs SM3/ annum of natural gas c. Optimised waste generation through solvent recycling, waste conversion into by-products and novel technologies for energy conservation d. Invested in new manufacturing processes (solvent-free transformations, continuous flow reactor system, vapor pressure technology, etc.) e. Recycled 2000m3/day treated wastewater, saving fresh water consumption, made the recycled water available for irrigation purposes

		f. Continued the initiative of sustainable packaging practices; supplied products in ISO and IBC containers g. Changeover for a few products supplies from drums/ carboys to tankers reducing the use of plastic and safe handling. h. One of our Manufacturing sites has zero liquid (waste-water) discharge facility. Treated waste-water is reused at site.
3.	Does the company identify and assess potential environmental risks?	For new project as well as for modifications in existing plant, we identify potential environmental & safety risks through a detailed Quantitative Risk Assessment process and provide recommendations for safe handling of chemicals and processes.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, NFIL has a clean development mechanism for elimination of R-23 through incineration in a thermal oxidizer. Audit is carried out by GPCB approved Environmental Auditor and audit reports are submitted to the concerned authorities.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.	NFIL is dedicated to build capabilities and leverage innovation-oriented approach to protect and rejuvenate the natural ecosystem. Steps in this direction include usage of renewable energy, development and optimization of waste generation by recycling solvents, conversion of waste into by-products, wherever possible and adoption of novel technology for energy conservation. Broadly the key initiatives taken by the Company include: - Continue to look for efficient ways to reduce water usage and lessen the load on ETP for treatment - Preventive maintenance practices and upkeep of assets to continue efficiencies - Systematically planning solar lighting at site for energy savings - Internal balancing of utilities for full utilization minimizing losses - Investing in green belt and maintaining utmost hygiene and up keep of site - Exploring flow chemistry to reduce the usage of various solvents and chemicals - Exploring greener technology i.e. Enzymatic to reduce the effluents - Designing system so as to minimise volatile organic compound emissions within the facility to ensure a safe work place to make our employees and maintain good industrial hygiene practices in site operations.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Emissions and wastes generated at NFIL sites are well within the permissible limits specified by the Pollution Control Boards - CPCB & SPCB.

7.	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No show cause or legal notices have been received for NFIL sites from CPCB/SPCB during FY 2021-22.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, NFIL is a member of below mentioned associations: a) Indian Chemical Council; b) Indian Chamber of Commerce.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	The Company participates in various programmes of these associations and supports them with appropriate inputs in matters facilitating advancement of the industry and public good like Governance and Administration and Economic Reforms, amongst others.

P8: Businesses should support inclusive growth and equitable development.

1.	Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	Through CSR activities, the Company aims to enhance value creation in the society and in the community in which it operates. Driven by its CSR policy, the Company engages in various activities which support inclusive growth and development of all. The broad areas of work include health care, education, supporting the differently-abled and aiding budding athletes.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO government structures/any other organization?	The Company evaluates each cause on case to case basis and decides on the suitable mode of project implementation. Hence, there could be activities which are undertaken through in-house team/external NGO/government structures/any other organization.
3.	Have you done any impact assessment of your initiative?	Yes. Impact assessment is undertaken internally or through implementing agency at intervals.
4.	What is your company's direct contribution to community development projects-Amount in ₹ and the details of the projects undertaken	During FY 2021-22, the Company spent ₹5.28 Cr. towards CSR initiatives. Details of the projects are available in Annexure 4 to the Director's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. The Company undertakes impact assessment survey of its implementing agencies and wherever possible, initiates internal tracking mechanisms, regular reports and follow-up field visits and telephonic and email communications.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1.	What % of customer complaints/ consumer cases are pending as on the end of financial year?	100% resolution of consumer complaints during year FY 2021 – 22 has been achieved.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A./Remarks (additional information)	Yes. NFIL abides to all the applicable laws with respect to product labelling. Relevant labeling on packaging is also done indicating nature of hazards as per the defined format identified in domestic / international laws. NFIL practices an internationally recognised standard in which product details are always displayed by providing MSDS and TREM card along with products. MSDS is sent with each consignment for exports whereas for domestic customer, it is sent as and when asked. However, TREM card is sent with all consignments.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	The Company has not received any such complaints during the last five years and as at the end of FY 2021-22.
4.	Did your company carry out any consumer survey / consumer satisfaction trends?	The Company is customer focused. It undertakes regular customer satisfaction survey which enables it to improve. The survey indulges with external and internal customers. The external customers respond to this feedback annually while the internal customers are surveyed four times a year. Based on the ratings or inputs received, the concerned departments work to improve their performance. During FY 2021-22, the total customer satisfaction index score was 97.27%.

By order of the Board of Directors
For **NAVIN FLUORINE INTERNATIONAL LIMITED**

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
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E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

ANNEXURE 4

Annual Report on Corporate Social Responsibility (CSR) initiatives

1. Brief outline on CSR Policy of the Company

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The CSR Policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the group and applicability), scope (area/localities to be covered and activities), guiding principles for selection of CSR activities and annual action plan, guiding principles for execution of CSR activities, guiding principles for monitoring CSR activities and Impact Assessment.

2. The Composition of the CSR Committee

Sr. No.	Names of Directors	Designation/ Nature of Directorship	No. of Meetings of CSR Committee held during the year	No. of Meetings of CSR Committee attended during the year
1.	Mr. Sudhir G. Mankad (Chairman)	Non-Executive Independent Director	3	3
2.	Mr. Harish H. Engineer (Member)	Non-Executive Independent Director	3	3
3.	Mr. Vishad P. Mafatlal (Member)	Executive Chairman	3	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

   Composition of CSR Committee -

   https://www.nfil.in/investor/bod/cvcb.pdf

   CSR Policy -

   https://www.nfil.in/policy/NFIL_CSR_Policy_1.pdf

   CSR Projects -

   https://www.nfil.in/csr/csrFY2022_23.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

   Not Applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

   Not Applicable

6. Average net profit of the Company as per Section 135(5) – ₹261.33 crore

7. (a) Two % of average net profit of the Company as per Section 135(5) – ₹5.23 crore

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Not Applicable

   (c) Amount required to be set-off for the financial year, if any – Not Applicable

   (d) Total CSR obligation for the financial year (7a+7b-7c) – ₹5.23 crore

8. (a) CSR amount spent or unspent for the financial year: Spent – ₹5.28 crore; Unspent - NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: No amount has been spent on any Ongoing Projects.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in crores)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Purchase of equipment for meeting cost of free eye surgeries	Health Care	No	Madhya Pradesh	Satna	2.00	No	Shri Sadguru Seva Sangh Trust	CSR00001860
2	COVID 19 Support for oxygen supply system, creating COVID care facility and towards consumables for safety of care givers and patients, procurement and installation of an automated microtome and automated strainer	Health Care	No	Gujarat	Karamsad	0.92	No	Charutar Arogya Mandal Hospital	CSR00002068
3	Olympic Sports Promotion	Promoting Olympic Sports	No	PAN India	PAN India	0.80	No	Foundation for promotion of sports	CSR00001100
4	Skill development, early childhood education program and livelihood and self-employment, comprehensive services of surgery, assistive devices and rehabilitation to differently abled persons	Education, Livelihood enhancement, Health Care	Yes	Gujarat	In and around Surat and Dahej	0.75	No	Blind People's Association	CSR00000936
5	Expanding capacity of ICU by purchase of additional ultrasound machine - CX50	Health Care	Yes	Maharashtra	Mumbai	0.42	No	The Society for the rehabilitation of crippled children	CSR00003225
6	Consumer Education	Promoting Education	No	PAN India	PAN India	0.10	No	Consumer Education & Research Centre	CSR00021017
7	Mobile health services in villages for medical care including routine check-up and medicines	Health Care	Yes	Gujarat	Surat	0.07	Yes	N. A.	N. A.
8	Animal Welfare, bird rescue and rehabilitation	Animal Welfare	Yes	Gujarat	Surat	0.05	No	Prayas (Green NGO)	CSR00005161
9	Nutrition to under privileged children	Eradicating Malnutrition	Yes	Maharashtra	Mumbai	0.03	No	Salaam Baalak Trust	CSR00000166
10	Medical Vans to Surat Municipal Corporation Health Dept. for catering to remote villages for COVID 19 rapid test	Health Care	Yes	Gujarat	Surat	0.06	Yes	N. A.	N. A.
11	Provided a patient lift in Dewas District hospital	Health Care	Yes	Madhya Pradesh	Dewas	0.05	Yes	N. A.	N. A.
12	Mobile health services in villages for medical care including routine check-up and medicines	Health Care	Yes	Madhya Pradesh	Dewas	0.01	Yes	N. A.	N. A.
		Total				**5.28**			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹5.28 crores

(g) Excess amount for set off, if any

Sr. No.	Particulars	(₹ in crores)
i.	2% of average net profit of the Company as per Section 135(5)	5.23
ii.	Total amount spent for the Financial Year	5.28
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.05
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N. A.
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.05

9. (a) Details of unspent CSR amount for the preceding three financial years:

   Not Applicable

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

   Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

    No amount has been spent on creation or acquisition of capital assets.

11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per section 135(5):

    Not Applicable

Radhesh R. Welling
Managing Director
DIN: 07279004

Sudhir G. Mankad
Chairman - CSR Committee
DIN: 00086077

Place: Mumbai / Gandhinagar
Date: May 5, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
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CIN: L24110MH1998PLC115499

ANNEXURE 5

Details of Employees' Stock Option Schemes

Disclosures with respect to Employees' Stock Option Scheme 2007 ('ESOS - 2007') and Employees' Stock Option Scheme 2017 ('ESOS - 2017') of the Company pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2022:

A. **Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time**

Members may refer to the audited financial statements prepared as per Indian Accounting Standard for the financial year 2021-22.

B. **Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard (Ind-AS) 33 Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time**

Diluted EPS for the financial year ended March 31, 2022 is ₹53.76 calculated in accordance with Ind-AS 33 (Earnings per share).

C. **Details related to ESOS - 2007 and ESOS - 2017**

1) **The description including general terms and conditions of each ESOS is summarised as under:**

Sr. No.	Particulars	ESOS - 2007	ESOS - 2017
(a)	Date of shareholders' approval	July 20, 2007	June 29, 2017
(b)	Total number of options approved under ESOS	5,04,900 (face value of ₹10/- each) (equivalent to 25,24,500 of ₹2/- each after sub-division)	As may be determined by the Nomination and Remuneration Committee subject to maximum of 5% of issued and paid-up share capital of the Company from time to time.
(c)	Vesting requirement	As may be determined by the Nomination and Remuneration Committee subject to minimum vesting period of 1 year from the date of grant of options.	As may be determined by the Nomination and Remuneration Committee subject to minimum vesting period of 1 year from the date of grant of options and shall end over a maximum period of 5 years from the date of grant of the options.
(d)	Exercise price or pricing formula	The exercise price shall be the market price of equity shares of the Company on the date prior to the date on which the Nomination and Remuneration Committee finalizes the specific number of options to be granted to the designated employees.	The exercise price shall be decided by the Nomination and Remuneration Committee and shall not be less than the face value per share.
(e)	Maximum term of option granted	10 years from the date of grant.	10 years from the date of grant.
(f)	Source of shares (primary, secondary or combination)	Primary	Primary
(g)	Variation in terms of options	None	None

2) **Method used to account for ESOS:** Fair value

3) **Option movement during the year:**

Sr. No.	Particulars	ESOS - 2007	ESOS - 2017
(a)	Number of options outstanding at the beginning of year	37,420	52,465
(b)	Number of options granted during the year	-	-
(c)	Number of options forfeited / lapsed during the year	-	-
(d)	Number of options vested during the year	-	-
(e)	Number of options exercised during the year	27,175	22,755
(f)	Number of shares arising as a result of exercise of options	27,175	22,755
(g)	Money realized by exercise of options	₹92.94 Lakhs	₹177.42 Lakhs
(h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable
(i)	Number of options outstanding at the end of the year	10,245	29,710
(j)	Number of options exercisable at the end of the year	10,245	29,710

4) **Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:**

a) Weighted average exercise price - ₹641.47

b) Weighted average fair value (Black Scholes Model) - ₹253.14

5) **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:**

a) Senior managerial personnel as defined under Regulation 16(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Nil

b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year - Nil

c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant - Nil

6) **A description of the method and significant assumptions used during the year to estimate the fair values of options:**

a) No Stock options were granted during the year.

b) The options are granted at market price and the Company uses intrinsic value method of accounting for options vested till March 31, 2016. Post implementation of Ind-AS, that is, from April 1, 2016, the Company adopts fair value method of accounting for options not vested till March 31, 2016.

By order of the Board of Directors
For **Navin Fluorine International Limited**

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
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CIN: L24110MH1998PLC115499

1. CONSERVATION OF ENERGY

A. Energy Conservation measures taken :

1. Reduction in natural gas consumption continued by replacement of gas burner in natural gas fired boiler.
2. Improvement in natural gas consumption norms in the existing product by recycling optimum quantity of the flue gases escaping from stack back into the HAG system.
3. Improvement in natural gas consumption norms in another inorganic product by increasing the recycling of flue gas, reducing the insulation losses by replacement of heating system with high efficiency version and improving the productivity.
4. Power saving by utilization of power efficient magnetic driven pump in CAP system of two plants resulted in saving of energy and improvement in safety.
5. Asset utilization has improved during the period in most of the area by reduction in batch cycle time or bottleneck area.
6. Improvement in power consumption continued by shifting the cooling tower to elevated height of around 20 meter from ground floor in 2 plants.
7. Replacement of LCD lighting with LED lighting in a phased manner.
8. Replaced all old air compressors with energy efficient new screw air compressors in a phased manner.
9. Replacement in the design of cooling tower fan has resulted in improvement in power consumption by keeping the capacity same in a phased manner.
10. Improvement in power and steam consumption norms in another organic product by improving the productivity through debottlenecking the capacity and reduction in heating cycle with larger batch size.
11. Replacement of less energy efficient brine circulation pumps with more energy efficient pumps resulted into power saving.
12. Replacement of chilled water system reciprocating compressors with dual screw compressors with variable load control.
13. Combined two different capacity air compressors to utilize as per load and changeover.
14. Increase in contract demand of grid power from 5500 KVA to 6500 KVA. This will reduce the use of captive power plant and reduce the power cost.
15. Optimization in raw water consumption at site by means of below activities:
    i. Water balance performed over the site to identify possible sources to reduce/optimize process and utility water consumptions.
    ii. Flow meter installed to monitor consumption.
    iii. Damaged pipelines replaced with new ones.
    iv. Auto cut-off valve installed to overhead water tanks.
16. Use of RO reject water of DM water plant for cooling tower make up and gardening purpose effectively reducing raw water intake and further treatment of 20 KLD of waste water.
17. Use of available 1 MW solar power equivalent to the existing day time consumption capacity
18. PSA tower is being used for generation of nitrogen as well as process air.

B. Additional investment and proposal, if any, being implemented for reduction in consumption of energy :

1. Hybrid power through third party PPA is under consideration.
2. Replacement of high power consumption centrifugal cooling water pump with new technology energy efficient pump.
3. Replacement of indirect chilling (for process condensation) by direct chilling.
4. Condensate recovery and recycling system.
5. Implementation of dry vacuum system to replace steam ejectors.
6. Installation of back pressure turbine in steam generation area.
7. Replacement of in-house hot water generation system with a compact automated system.

C. Impact of the measures at (A) and (B) above for the reduction of energy consumption and consequent impact on the cost of production of goods:

1. Power consumption of key products has shown improvement with increase in batch size and reduction in process consumption norms.

2. Above points will lead to savings of about 3.4 million KWH of power per year at present rate of production from this year onwards.
3. Above points will lead to savings of about 2.32 Lakhs SM3/Annum of natural gas at present rate of production from this year onwards.
4. Water conservation led to an overall optimization of further 20 KLD intake of raw water and effectively decreasing treatment cost for 20 KLD reject water from DM water plant.
5. Enhancing the open access solar power will lead to estimated savings of about ₹60 lakhs per annum at present rate of production from next year onwards.

D. Total energy consumption and energy consumption per unit of production:

The particulars are furnished in Form A annexed hereto.

2. R&D AND TECHNOLOGY ABSORPTION:

Efforts made in R&D and technology absorption are furnished in Form B annexed hereto.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crores)

	2021-22	2020-21
Total Foreign exchange used	362.88	321.90
Total Foreign exchange earned	694.30	556.91

FORM A
Disclosure of Energy Consumption

	2021-22	2020-21
(A) POWER & FUEL CONSUMPTION		
(1) Electricity		
(a) Purchased		
Units (in kWh)	4,57,87,618	4,29,96,236
Total Cost (₹)	36,42,04,413	30,73,20,822
Rate/Unit (₹)	7.95	7.15
(b) Own Generation		
(i) Through Captive Power Plant		
Units (in kWh)	37,25,766	14,43,560
Unit per M3 of Natural Gas (kWh)	3.25	3.18
Cost/Unit (₹)	16.64	11.63
(ii) Through Diesel Generator		
Units (in kWh)	1,80,846	1,98,408
Unit per litre of diesel oil (Kwh)	2.24	2.90
Cost/Unit (₹)	41.47	24.20
(2) Others		
(a) High Speed Diesel (HSD)		
Quantity (K.Ltrs)	10	17
Total Cost (₹)	7,42,709	11,56,338
Rate/Unit (Per K.Ltr.)	73,997	68,491
(b) Natural Gas		
Quantity (Cub. Mtrs.)	71,10,152	59,84,160
Total Cost (₹)	32,18,43,279	20,88,21,954
Rate (₹ /Cub Mtrs.)	45.27	34.90
(c) Water		
Quantity (K. Ltrs.)	6,89,938	6,05,260
Total Cost (₹)	1,96,14,847	2,10,90,443
Rate (₹ /K.Ltrs)	28.43	34.85
(B) CONSUMPTION PER UNIT OF PRODUCTION:		
(1) Electricity (Kwh/Mt.)	1,212	1,250
(2) Natural Gas (Cub.Mtrs/Mt.)	173	168
(3) Others (K Ltrs/Mt.)	17	17
Production	MT	MT
Synthetic Cryolite,Aluminium Fluoride & Fluorocarbon Gases	8,580	7,620
Misc. Fluorides	32,420	28,103
Total	**41,000**	**35,723**

FORM B

RESEARCH & DEVELOPMENT

A. Specific areas in which R & D is carried out by the Company

The Company has three state-of-the-art Research Centres located at Bhestan, Surat (Gujarat), Dewas (Madhya Pradesh) and Manchester Organics Limited (UK) to support the R&D activities across businesses.

- The Surat centre focusses on fluorinated agro / pharma intermediates, basic key raw materials, advanced intermediates and Active Ingredients contributing to organic, inorganic and specialty chemicals
- The R & D centres at Dewas and UK, focus on advanced fluoro-intermediates and their applications in the syntheses of pharmaceuticals at various stages utilizing a wide spectrum of chemistry

The research centers are predominantly focused on the following areas:

a) Collaborate with clients to manufacture specific products to help forge a long term partnership in the areas of fluorine chemistry and other niche chemistries of cyanation, high pressure catalytic reactions, cryogenic reactions, biocatalysis etc.

b) Deliver significant value to our customers by leveraging strong scientific skills, cost competitiveness and best practices in the areas of confidentiality and protection of intellectual property, technology transfer and support technology and manufacturing teams for successful manufacture of products.

c) Design and develop novel economically viable, safe, environment friendly commercial manufacturing chemical processes employing new techniques to keep an edge in the market. Leverage expertise in various fluorination techniques, chemical transformations such as hydrogenation, acetylation, acylation, nitration, azidation, click chemistry, halogenations, halex, bromination, Sandmeyer bromination / hydroxylation, aromatic nucleophilic substitution, acid / base catalyzed hydrolysis, Decarboxylation, Balz-Schiemann reaction, biocatalysis, carboxylation, metal mediated reactions, Mitsunobu reactions, rearrangements etc. to develop safe, innovative, cost effective, scalable and robust processes aligned to market needs.

d) Support manufacturing and process design to ensure technology scale-up and transfer with minimum failures. Continuous process improvement and trouble shooting in the existing product line using new ideas to make their processes more efficient and cost effective.

e) Work towards the long term vision of the Company by identifying, developing and employing innovative technology platforms and processes for selected products.

f) The activities mentioned so far can be broadly categorized into two types namely, application of technology developed in-house to the manufacture of selected products and development of technology and processes for the manufacture of specific products of interest to customers.

B. Benefits derived as a result of the above R & D

Employing the expertise mentioned above, R & D has:

a) Continuously supported the commercial manufacturing activities for process improvement, cost reduction and sustainability of key specialty products, resulting in enhanced process efficiencies.

b) Developed more than 45 new chemical products in line with organisational priorities.

c) Developed and manufactured pharmaceutical intermediates using in-house technologies, to meet the needs of innovative global life science companies, thus enhancing the business opportunities and improving the prospects of future business development with global majors.

d) Enhanced customer partnerships and added new customers across different BUs to develop processes for manufacture of their products and improvement in the routes, using our expertise and skill sets.

e) Focused on customer approach resulting in strengthened relationships with customers through participation in the value chain for their future product pipeline and long-term opportunities for organization as a strategic vendor both in India and abroad.

f) Several new process development initiatives to build pipeline of products with applications in life sciences, crop sciences and material sciences.

C. Future plan of action

R&D and Technology & Design continue to be key focus areas of the Company. With the new manufacturing facility coming up in Dahej, R & D at Surat has been strengthened by investment in manpower, equipment and tools to handle newer technology platforms and more projects. The Company continues to focus on strengthening R&D and process scale-up facility for seamless and safer commercialization. This financial year, we have expanded research capacities in Dewas by adding analytical validation laboratory facility along with increase in team of scientists and a capex of ₹70 crores is approved for further augmenting R&D and pilot facility at Surat. R & D is also continuing efforts to leverage its capabilities with research based subsidiary company, Manchester Organics Limited, to widen its scope wherever necessary to manufacture value added niche chemicals in the future. Plans are underway to further expand our capabilities by increasing our laboratory space and enhancing the team of our experts. The role is not limited to just developing new processes but also to support the technical services, production and manufacturing teams including trouble shooting for existing products.

D. Expenditure on R & D

(₹ in crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Capital Expenditure	8.67	0.92
Revenue Expenditure	26.22	20.76
Total	**34.89**	**21.68**

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

A. **Efforts in brief made towards technology absorption, adaptation & innovation**

To stay abreast with science and technology, R & D has ventured into new areas such as continuous flow reactions and electrochemical fluorinations. While the former would be an alternative to batch process, with an improved yield and lower cost, the latter would help synthesize per fluorinated compounds having novel applications. The R & D team provides modern tools, its customer networks and advanced online literatures to all its scientists to look for global techniques, to introduce required fluorine atom in a desired position in a molecule in more than one way in selected chemical entities.

B. **Benefits derived as a result of above efforts**

The efforts made thus far will translate to and have resulted in:

a) Enhanced safety and sustainability.

b) Increase in revenue and profitability of all the business units within the Company.

c) Enhanced visibility through partners in India and abroad

C. **Information regarding technology imported during the last five years**

NIL

By order of the Board of Directors
For **Navin Fluorine International Limited**

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

ANNEXURE 7

Disclosure under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended March 31, 2022 and % increase in remuneration of each Director in the financial year:

Name	Remuneration (₹ in crores)	Ratio	% Increase
Mr. Vishad P. Mafatlal	9.08	132.93	5.36
Mr. Mohan M. Nambiar	0.31	4.51	17.56
Mr. Pradip N. Kapadia	0.30	4.46	14.69
Mr. Sunil S. Lalbhai	0.31	4.56	17.33
Mr. Sudhir G. Mankad	0.29	4.20	12.55
Mr. Harish H. Engineer	0.30	4.41	18.04
Ms. Radhika V. Haribhakti	0.30	4.46	14.69
Mr. Atul K. Srivastava	0.29	4.25	12.38
Mr. Ashok U. Sinha (w.e.f. October 28, 2020)	0.28	4.05	116.86
Mr. Sujal A. Shah (w.e.f. May 7, 2021)	0.28	4.05	NA
Ms. Apurva S. Purohit (w.e.f. October 19, 2021)	0.14	2.05	NA
Mr. Radhesh R. Welling	7.46	109.24	4.10

The % increase in remuneration of:

a) Mr. Niraj B. Mankad, President Legal and Company Secretary, was 10% (excluding perquisite value of ESOPs);
b) Mr. Ketan S. Sablok, the preceding Chief Financial Officer, was 8%;
c) Mr. Basant Kumar Bansal is not applicable as he was appointed as Chief Financial Officer w.e.f. November 1, 2021.

2. % increase in median remuneration of employees in the financial year: 7.36%

3. The number of permanent employees on the rolls of the Company as on March 31, 2022: 956

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase for non-managerial employees is 25% for a period of 3 years (8.33% p.a.); Non managerial employees also get increase in Dearness Allowance as per Consumer Price Index; Average increase in total remuneration is approx. 10% (including Key Managerial Personnel), while average increase for managerial personnel is approx. 10.75%. The same is on account of increase which was in line with market standards.

5. It is affirmed that the remuneration is paid as per the Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees.

By order of the Board of Directors
For **Navin Fluorine International Limited**

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2022

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail ID: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

ANNEXURE 8

Secretarial Audit Report of Navin Fluorine International Limited

Form No. MR. 3
Secretarial Audit Report
For The Financial Year Ended March 31, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Navin Fluorine International Limited
Office No. 602, Natraj by Rustomjee,
Near Western Express Highway,
Sir Mathuradas Vasanji Road,
Andheri East, Mumbai - 400069

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Navin Fluorine International Limited** (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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

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 March 31, 2022 (hereinafter called the 'Audit Period') 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 the Company for the financial year ended on March 31, 2022 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; **(Foreign Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

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

(i) Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India (ICSI).

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test–check basis, the Company has complied with the following laws applicable specifically to the Company:

- Ozone Depleting Substances (Regulations) Rules, 2000;
- The Indian Boiler Act, 1923 (Amended 1960);
- The Chemical Accidents (emergency planning, preparedness and response) Rules, 1996;
- The Hazardous Wastes (Management and Handling) Rules, 1989;
- The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- Indian Explosive Act, 1884 read with applicable Rules made thereunder;
- Indian Electricity Act, 2003 read with applicable Rules made thereunder; and
- The Petroleum Act, 1934 read with applicable Rules made thereunder.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. mentioned above.

We further report that The Board of Directors of the Company is duly constituted with proper balance of 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 and SEBI Listing Regulations.

Adequate notice is given to all Directors to schedule the Board and Committee 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period the Company has:

1. Allotted 49,930 equity shares of face value of Rs. 2/- each towards exercise of options vested under the Employees' Stock Option Scheme, 2007 and Employees' Stock Option Scheme, 2017 of the Company.
2. Changed its Registered Office within the same city, same state with effect from October 7, 2021.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. F6667
CP No. 6690
UDIN: F006667D000286672
Peer Review No: 640/2019

Place: Mumbai
Date: May 07, 2022

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

ANNEXURE A

To,
The Members,
Navin Fluorine International Limited
Office No. 602, Natraj by Rustomjee,
Near Western Express Highway,
Sir Mathuradas Vasanji Road,
Andheri East, Mumbai - 400069

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. F6667
CP No. 6690
UDIN: F006667D000286672
Peer Review No: 640/2019

Place: Mumbai
Date: May 07, 2022

ANNEXURE 9

Secretarial Audit Report of Navin Fluorine Advanced Sciences Limited

Form No. MR. 3
Secretarial Audit Report
For The Financial Year Ended March 31, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Navin Fluorine Advanced Sciences Limited
Office No. 602, Natraj by Rustomjee,
Near Western Express Highway,
Sir Mathuradas Vasanji Road,
Andheri East, Mumbai - 400069

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Navin Fluorine Advanced Sciences Limited (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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

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 March 31, 2022 (hereinafter called the 'Audit Period') 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 the Company for the financial year ended on March 31, 2022 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not Applicable to the Company during the Audit Period)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period).**

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

(i) Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India (ICSI).

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder to the extent applicable.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test–check basis, the Company has complied with the following specific laws to the extent applicable:

- Ozone Depleting Substances (Regulations) Rules, 2000;
- The Indian Boiler Act, 1923 (Amended 1960);
- The Chemical Accidents (emergency planning, preparedness and response) Rules, 1996;
- The Hazardous Wastes (Management and Handling) Rules, 1989;
- The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- Indian Explosive Act, 1884 read with applicable Rules made thereunder;
- Indian Electricity Act, 2003 read with applicable Rules made thereunder; and
- The Petroleum Act, 1934 read with applicable Rules made thereunder.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of 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.

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.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period the Company has:

1. Increased its Authorized share Capital from the existing ₹2,50,00,00,000/- (INR Two Hundred and Fifty Crores Only) divided into 25,00,00,000 (Twenty Five Crores) shares of ₹10/- (INR Ten Only) each to ₹6,80,00,00,000/- (INR Six Hundred and Eighty Crores Only) divided into 68,00,00,000 (Sixty Eight Crores) shares of ₹10/- (INR Ten Only) each by creation of additional ₹4,30,00,00,000/- (INR Four Hundred and Thirty Crores Only) divided into 43,00,00,000 (Forty Three Crores) shares of ₹10/- (INR Ten Only) each by passing ordinary resolution in the Annual general meeting held on June 03, 2021, consequently altered its Memorandum of Association.

2. Increased its Authorized Share Capital from the existing ₹680,00,00,000/- (INR Six Hundred and

Eighty Crores Only) divided into 68,00,00,000 (Sixty Eight Crores) shares of ₹10/- (INR Ten Only) each to ₹1000,00,00,000/- (INR One Thousand Crores Only) divided into 100,00,00,000 (One Hundred Crores) shares of ₹10/- (INR Ten Only) by creation of additional ₹320,00,00,000/- (INR Three Hundred and Twenty Crores Only) divided into 32,00,00,000 (Thirty Two Crores) shares of ₹10/- (INR Ten Only) each by passing Ordinary resolution in the Extra-Ordinary General Meeting held on March 24, 2022 consequently altered its Memorandum of Association.

3. Changed its registered office within a same city, same state with effect from October 07, 2021 by passing Board resolution.

4. Issued and allotted 14,99,99,996 equity shares of face value of ₹10/- (₹ Ten) per equity share on a right issue basis.

5. Granted authority to borrow money in excess of limits prescribed under Section 180(1)(c) of the Act, subject to maximum limit of upto ₹1,000 Crores (₹ One Thousand Crores only) in excess of the paid-up capital, free reserves and securities premium of the Company.

Further, in one of the instances, there is difference of interpretation between Company's and our view w.r.t. second proviso of Section 149(1) of the Act for which company has obtained third party Report/Opinion and we have relied on the same.

For MMJB & Associates LLP
Company Secretaries

Omkar Dindorkar
Designated Partner
ACS: A43029
CP: 24580
PR: 904/2020
UDIN: A043029D000282796

Place: Mumbai
Date: May 06, 2022

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

ANNEXURE A

To,
The Members,
Navin Fluorine Advanced Sciences Limited
Office No. 602, Natraj by Rustomjee,
Near Western Express Highway,
Sir Mathuradas Vasanji Road,
Andheri East, Mumbai - 400069

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. 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 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.

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

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. 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.

For MMJB & Associates LLP
Company Secretaries

Omkar Dindorkar
Designated Partner
ACS: A43029
CP: 24580
PR: 904/2020
UDIN: A043029D000282796

Place: Mumbai
Date: May 06, 2022

Independent Auditor's Report

To
The Members of
Navin Fluorine International Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Navin Fluorine International Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

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 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 Act 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.

Key audit matters

4. Key audit matters are those matters that, in our professional judgements, were of most significance in our audit of the standalone financial statements of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
Assessment of Carrying Value of: a) Investment in Wholly Owned Subsidiaries i.e. NFIL (UK) Limited, UK and Manchester Organics Limited, UK; and b) Identified Property, Plant and Equipment (PP&E) relating to Dewas Unit (Refer to Note 2(k), 5A, 8, and 53 in the standalone financial statements) The carrying value of the investment in above mentioned subsidiaries and the property, plant and equipment (PP&E) relating to the Company's manufacturing facility at Dewas as at March 31, 2022 is ₹93.90 crore and ₹162.83 crores respectively, which in aggregate represents approximately 13.76% of the total assets of the Company.	**Our procedures included the following:** • Understood the management process for assessment of carrying values of investments and PP&E, and also evaluated the design and tested the operating effectiveness of the Company's internal controls surrounding such assessment. • Reviewed the Company's accounting policy in respect of impairment assessment of investments and PP&E. • Assessed whether the Company's determination of CGUs was consistent with our knowledge of the Company's operations. • Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting.

Key audit matter	How our audit addressed the key audit matter
The said investments and PP&E are carried at cost less accumulated impairment losses, if any. The Company reviews their carrying values at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying value. As mentioned in the note 53, the Management considers these investments and the said PP&E as part of one cash generating unit (CGU) for the purpose of assessment of their recoverable value. Management estimates recoverable value of the CGU based on discounted cash flows forecast, requiring judgements in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate. Changes in these assumptions could lead to an impairment to the carrying values of the investments and PP&E forming part of the CGU. We have considered this to be a key audit matter as the carrying value of these investments and PP&E is significant to the balance sheet and significant management judgement is involved in calculation of recoverable amount for the purpose of assessment of the appropriateness of the carrying amount.	• To assess the reasonableness of the key assumptions used, in particular those relating to discount rates, cash flow forecasts and terminal growth rates applied: - Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data. - Performed sensitivity analysis on the forecasts by varying the key assumptions within a foreseeable range. - Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Evaluated the adequacy and appropriateness of disclosures made in the standalone financial statements. Based on the above procedures performed, we noted that the management's assessment of the carrying value of the investments and the identified PP&E is reasonable

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the standalone financial statements and our auditor's report thereon.

6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

8. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

9. 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 responsibilities for the audit of the 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.

11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 with reference to standalone 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 management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. 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 purposes of our audit.

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

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 47 to the standalone financial statements;

ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable Losses. The Company did not have any long-term derivative contracts as at March 31, 2022

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) 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, whether, 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 (Refer Note 56 to the standalone financial statements);

(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, whether, 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 (Refer Note 56 to the standalone financial statements); and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

17. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN : 22048125AIOWRJ6575

New Delhi
May 7, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Navin Fluorine International Limited on the standalone financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Navin Fluorine International Limited ("the Company") as of March 31, 2022 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

2. 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN : 22048125AIOWRJ6575

New Delhi
May 7, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Navin Fluorine International Limited on the standalone financial statements as of and for the year ended March 31, 2022

i. (a) • The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

• The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment (including Right Of Use assets and Investment Properties) are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment, Right Of Use assets and Investment Properties have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee and self-constructed properties), as disclosed in Notes 5A and 6 Property, Plant and Equipment and Investment Properties respectively on to the standalone financial statements, are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5.00 crores, in aggregate, from Axis Bank Limited, Bank of Baroda and HDFC Bank Limited on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks. There were no material differences with the unaudited books of accounts.

iii. (a) The Company has made investments in two Companies, granted unsecured loans in nature of loans to one company, and stood guarantee to one company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees to subsidiaries are as per the table given below:

(₹ in Crores)

Particulars	Guarantees	Loans	Investments
Aggregate amount during the year - Subsidiaries	26.14	292.64	150.30
Balance outstanding as a balance sheet date - Subsidiaries	26.14	292.64	150.00

(b) In respect of the aforesaid investments, guarantees and loans the terms and conditions under which such loans were granted, investments were made and guarantees provided are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which were granted to same parties and which fell due during the year and were renewed/extended. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

(f) The loans granted during the year to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 47(ii) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, income tax, service tax, duty of customs, cess, goods and services tax and other material statutory dues which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In crores)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act	Excise Duty	0.90	1993-94 to 2005-06	High Court
Central Excise Act	Excise Duty	**	2005-06 & 2006-07	Assistant Commissioner of Central Excise
Central Excise Act	Excise Duty	2.54	Aug 2015 to June 2017	Commisioner of GST and Central Excise
Uttar Pradesh Value Added Tax	Value Added Tax	0.69	1998-99 and 2000-2001	Appellate Authority – Upto Commissioner's level
MP Commercial Tax Act	Central Sales tax, Value Added Tax	0.12	1995-96,1996-97 & 2006-07	Appellate Board
MP Commercial Tax Act	Central Sales tax, Value Added Tax	0.01	1992-93 & 1993-94	Appellate Authority – Upto Commissioner's level
Gujarat Value Added Tax Act, 2003	Central Sales Tax	0.08	2010-11 and 2015-16	Appellate Authority – Upto Commissioner's level

*net of amount paid under protest

** Numbers are below rounding off.

viii. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) As the Company does not have any loans or other borrowings from any lender as at the balance sheet date, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(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, associates or joint ventures.

(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, joint ventures or associate companies.

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

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, was not required to be filed. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 55 to the Standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 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 (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN : 22048125AIOWRJ6575

New Delhi
May 7, 2022

Standalone Balance Sheet as at March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	372.87	347.80
b. Right-of-use assets	5B	14.65	13.44
c. Capital work-in-progress	5C	25.88	36.53
d. Investment properties	6	40.67	41.52
e. Other intangible assets	7	0.41	0.71
f. Financial assets			
i. Investment in Subsidiaries and Joint Ventures	8	503.39	353.39
ii. Investments	9	13.16	12.37
iii. Loans	10	2.88	5.24
iv. Other financial assets	10A	16.24	17.29
g. Non-current tax assets (net)	11	27.44	28.79
h. Other non-current assets	12	5.99	4.27
Total non-current assets		**1,023.58**	**861.35**
Current assets			
a. Inventories	13	229.46	154.32
b. Financial assets			
i. Investments	14	102.18	84.54
ii. Trade receivables	15	352.11	275.94
iii. Cash and cash equivalents	16A	73.51	76.07
iv. Bank balances other than (iii) above	16B	4.66	312.85
v. Loans	17	298.74	1.86
vi. Other financial assets	18	3.03	62.87
c. Other current assets	19	36.59	36.64
Total current assets		**1,100.28**	**1,005.09**
Total assets		**2,123.86**	**1,866.44**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	9.91	9.90
b. Other equity			
i. Reserves and surplus	21A	1,703.26	1,488.92
ii. Other reserves	21B	151.05	151.28
Total equity		**1,864.22**	**1,650.10**
Liabilities			
Non-current liabilities			
a. Financial liabilities - Lease liabilities	22	12.14	10.32
b. Provisions	23	13.21	11.62
c. Deferred tax liabilities (Net)	24	16.69	16.70
d. Other non-current liabilities	25	13.49	13.50
Total non-current liabilities		**55.53**	**52.14**
Current liabilities			
a. Financial liabilities			
i. Lease Liabilities	26	3.92	4.05
ii. Trade payables	27A		
a. Total outstanding dues of micro enterprises and small enterprises		14.03	13.66
b. Total outstanding dues other than (ii)(a) above		127.54	89.00
iii. Other financial liabilities	27B	18.22	20.57
b. Contract liabilities		1.25	3.03
c. Provisions	28	4.83	3.90
d. Current tax liabilities (Net)	11	9.24	7.74
e. Other current liabilities	29	25.08	22.25
Total current liabilities		**204.11**	**164.20**
Total liabilities		**259.64**	**216.34**
Total equity and liabilities		**2,123.86**	**1,866.44**
Significant Accounting Policies	2		

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary
Mumbai, May 7, 2022

Basant Kumar Bansal
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	30	1,403.61	1,133.11
Other Income	31	37.47	74.53
Total Income		**1,441.08**	**1,207.64**
EXPENSES			
Cost of materials consumed	32	646.12	520.12
Changes in Inventories of finished goods and work in progress	33	(7.86)	(9.13)
Employee benefits expense	34	153.28	116.19
Finance costs	35	1.66	1.42
Depreciation and amortisation expense	36	44.25	40.67
Other Expenses	37	256.65	195.09
Total Expenses		**1,094.10**	**864.36**
Profit before exceptional items and tax		**346.98**	**343.28**
Exceptional items	50	-	66.23
Profit before tax		**346.98**	**409.51**
Tax expenses			
(1) Current tax			
(a) for the year	38	83.85	118.60
(b) for earlier year	38	(3.28)	-
(2) Deferred tax	24.1	(0.02)	(8.30)
Total Tax expenses		**80.55**	**110.30**
Profit for the year		**266.43**	**299.21**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement loss of the defined benefit obligations		(1.02)	(0.08)
Current tax relating to the above		0.24	0.03
Total other comprehensive income, net of tax		**(0.78)**	**(0.05)**
Total comprehensive income for the year		**265.65**	**299.16**
Earnings per equity share (of face value of ₹ 2.00 each)	40		
(1) Basic (in ₹)		53.79	60.46
(2) Diluted (in ₹)		53.76	60.37
Significant Accounting Policies	2		

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

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(DIN:07279004)

Niraj B. Mankad
Company Secretary

Basant Kumar Bansal
Chief Financial Officer

Mumbai, May 7, 2022

Standalone Statement of Cash Flow for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	**346.98**	**409.51**
Adjustments for:		
Depreciation and amortisation expense	44.25	40.67
Loss / (gain) on sale / write off of property, plant and equipment (Net)	0.47	(39.29)
Loss / (gain) Loss on sale of investments (Net)	0.37	(33.07)
Changes in fair value of financial assets at fair value through profit or loss	(3.14)	(8.06)
Employee Share-based payment expense	-	0.14
Provision for diminution in value of investment	0.30	1.52
Finance Costs	1.66	1.42
Interest income	(19.13)	(17.72)
Lease rental income on investment properties	(8.42)	(8.89)
Net loss / (gain) on foreign currency transactions	0.62	(1.36)
Dividend Income	(0.02)	-
Excess provision/ liabilities written back	-	(0.15)
Provision for doubtful debts	0.06	0.12
Operating profit before changes in operating assets and liabilities	**364.00**	**344.84**
Adjustments for:		
Increase in trade receivables	(76.76)	(68.66)
Increase in inventories	(75.14)	(18.25)
Decrease in other assets	64.68	7.52
Increase in trade and other payables	40.53	11.71
Cash generated from operations	**317.31**	**277.16**
Income taxes paid (net of refunds)	(80.72)	18.59
Net cash generated from operating activities	**236.59**	**295.75**
Cash flows from investing activities		
Payments for property, plant and equipment	(60.58)	(46.29)
Proceeds from sale of property, plant and equipment	3.05	8.14
Decrease / (Increase) in deposits with banks	308.94	(223.53)
Repayments of loans and advances from Subsidiaries and Joint ventures	0.75	6.27
Inter Corporate deposits to Subsidiaries	(293.00)	-
Payments for purchase of investments	(452.49)	(31.71)
Amount invested in Subsidiaries	(150.30)	(246.52)
Proceeds from sale of investment in Joint Venture	-	65.10
Proceeds from sale of investments	436.83	98.77
Lease rental income on investment properties	9.49	7.44
Dividend received	0.02	-
Interest received	16.10	17.07
Net cash used in investing activities	**(181.19)**	**(345.27)**

Standalone Statement of Cash Flow for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from financing activities		
Principal elements of lease payments	(4.61)	(4.16)
Calls in arrears received (including securities premium)	(0.23)	-
Proceeds from allotment of Employee Stock Option Plan (ESOP)	2.70	1.45
Dividend paid	(54.16)	(39.43)
Interest paid	(1.66)	(1.42)
Net cash used in financing activities	**(57.96)**	**(43.56)**
Net decrease in cash and cash equivalents	**(2.56)**	**(93.08)**
Cash and cash equivalents at the beginning of the year	76.07	169.15
Cash and cash equivalents at the end of the year	**73.51**	**76.07**
Reconciliation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - note 16A	73.51	76.07
As per Cash flow statement	73.51	76.07

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, "Statement of Cash Flows" as notified under Companies (Accounts) Rules, 2015.

The above Standalone Cash Flow should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary
Mumbai, May 7, 2022

Basant Kumar Bansal
Chief Financial Officer

Standalone Statement of changes in equity for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Amount ₹ in crores unless otherwise stated

Particulars	Amount
Balance as at March 31, 2020	**9.90**
Shares issued on exercise of employee stock options during the year	*
Less: Calls in arrears	-
Balance as at March 31, 2021	**9.90**
Shares issued on exercise of employee stock options during the year	0.01
Less: Calls in arrears	-
Balance as at March 31, 2022	**9.91**

* Numbers are below rounding off

B. OTHER EQUITY

Particulars	Reserves & Surplus				Other Reserves				
	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Retained Earnings	Capital Reserve 1	Capital Reserve 2	Capital redemption reserve	Call in arrears / share options pending for allotment	Total other equity
Balance as at March 31, 2020	**20.02**	**73.33**	**2.70**	**1,131.94**	**80.35**	**70.35**	**0.34**	**0.01**	**1,379.05**
Profit for the year	-	-	-	299.21	-	-	-	-	299.21
Other comprehensive income for the year, net of income tax	-	-	-	(0.05)	-	-	-	-	(0.05)
Total comprehensive income for the year	**-**	**-**	**-**	**299.16**	**-**	**-**	**-**	**-**	**299.16**
Shares issued on exercise of employee stock options during the year	1.69	-	-	-	-	-	-	-	1.69
Calls in arrears/share options received during the year	-	-	-	-	-	-	-	0.23	0.23
Recognition of share-based payments (Net)	-	-	(0.34)	-	-	-	-	-	(0.34)
Payment of dividends (including tax)	-	-	-	(39.59)	-	-	-	-	(39.59)
Balance as at March 31, 2021	**21.71**	**73.33**	**2.36**	**1,391.51**	**80.35**	**70.35**	**0.34**	**0.24**	**1,640.20**
Profit for the year	-	-	-	266.43	-	-	-	-	266.43
Other comprehensive income for the year, net of income tax	-	-	-	(0.78)	-	-	-	-	(0.78)
Total comprehensive income for the year	**-**	**-**	**-**	**265.65**	**-**	**-**	**-**	**-**	**265.65**
Shares issued on exercise of employee stock options during the year	3.76	-	-	-	-	-	-	-	3.76
Recognition of share-based payments (Net)	-	-	(1.06)	-	-	-	-	-	(1.06)
Calls in arrears/share options received during the year	-	-	-	-	-	-	-	(0.23)	(0.23)
Payment of dividends	-	-	-	(54.48)	-	-	-	-	(54.48)
Reversal of excess provision of Dividend Distribution Tax	-	-	-	0.48	-	-	-	-	0.48
Balance as at March 31, 2022	**25.47**	**73.33**	**1.30**	**1,603.16**	**80.35**	**70.35**	**0.34**	**0.01**	**1,854.31**

The above Standalone Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary
Mumbai, May 7, 2022

Basant Kumar Bansal
Chief Financial Officer

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

1. CORPORATE INFORMATION

Navin Fluorine International Limited ("the Company") is a public limited company, incorporated under the provisions of the Companies Act, 1956. Its registered office is located at Office No. 602, Natraj by Rustomjee, Near Western Express Highway, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069.

It's shares are listed on the Bombay and National stock exchanges. The Company belongs to the Padmanabh Mafatlal Group, with a legacy of business operations since 1967, having one of the largest integrated fluorochemicals complex in India. The Company primarily focuses on fluorine chemistry - producing refrigeration gases, inorganic fluorides, specialty organofluorines and offers Contract Research and Manufacturing Services. Its manufacturing facilities are located at Surat in Gujarat and Dewas in Madhya Pradesh.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

(i) Compliance with Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for certain financial instrument, financial assets and liabilities, defined benefit plans and share based payments which are measured at fair value.

(iii) New and amended standards adopted by the Company

The company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Company has changed the classification/presentation of (i) security deposits, in the current year (ii) Lease Liability.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

Further, lease liability (which meet the definition of a leases as per Ind AS 116) have been included in 'lease liability' line item. Previously, these lease liabilities were included in 'other financial liability' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

(₹ in crores)

Balance sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Loans (non-current)	13.23	(7.99)	5.24
Other financial assets (non-current)	9.30	7.99	17.29
Loans (current)	4.53	(2.67)	1.86
Other financial assets (current)	60.20	2.67	62.87
Other financial liabilities (non-current)	10.31	(10.31)	-
Lease liabilities (non-current)	-	10.31	10.31
Other financial liabilities (current)	24.61	(4.04)	20.57
Lease liabilities (current)	-	4.04	4.04

(vi) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Revenue recognition

(i) Sale of Goods

Revenue is generated primarily from sale of chemicals. Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer in accordance with the terms of customer contracts. In case of domestic customers, generally revenue recognition take place when goods are dispatched and in case of export customers when goods are shipped onboard based on bill of lading as per the terms of contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Sale of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to render services to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the rendering of promised services to the customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

(iii) Export Incentives

Export incentives are recognised for based on the eligibility and when there is no uncertainty in receiving the same.

c) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

d) Leases

(i) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carryforwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

f) 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 liabilities in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that 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 on government bonds 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 the Statement of Profit and 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 plan such as gratuity and provident fund for certain employees

(b) defined contribution plans such as family pension fund, superannuation fund and provident fund for certain employees

(a) Defined benefit plan –

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan 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 actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows 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 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 the retained earnings in the statement of changes in equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provident fund liability

Provident Fund for certain employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognized by the Income Tax authorities where other entities are also the participant. Periodic contributions to the Fund are charged to the Statement of Profit and Loss and when services are rendered by the employees. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

(b) Defined contribution plans

The Company contributes towards family pension fund, superannuation fund and provident fund (for certain employees) which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

g) Employee share-based payment arrangements

Eligible employees of the Company and its subsidiary company receives remuneration in the form of share-based payments in consideration of the services rendered.

Under the equity settled share-based payment, the fair value on the grant date of the awards given to eligible employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

In respect of option granted to the employees of the subsidiary company, the amount equal to the expense for the grant date fair value of the award is recognised as an investment in subsidiary as a capital contribution and a corresponding increase in equity (Employee stock option reserve) over the vesting period.

The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this pricing model.

h) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less deprecation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised 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 expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment which are not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful life. The useful lives have been determined based on technical evaluation done by the management's expert which are equal to the useful lives as prescribed under schedule II of the Companies Act, 2013, except for few items in Plant & Machinery where the useful lives are lower than those prescribed in Schedule II to the Companies Act, 2013 as per below:

Assets	Useful Life
Plant and Machinery	5,6,8,10 and 12 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, these are estimated by management taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

i) Intangible assets

Computer Software are stated at cost, less accumulated amortization and impairments, if any.

Computer Software which are capitalised are amortised over a period of 3 years on straight-line basis.

The estimated amortisation method, useful life and residual value are reviewed at the end of each reporting period, with effect of any changes in the estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the intangible assets.

j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

Investment properties are depreciated using straight line method over their useful lives specified in Schedule II to the Companies Act, 2013.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the investment properties.

k) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset/cash generating unit exceeds its recoverable amount. The recoverable amount of the assets/ cash generating unit is fair value less costs of disposal or value in use, whichever is higher. A previously recognised impairment loss is reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

Investment in subsidiaries, property, plant and equipment, intangible assets and other assets are tested for impairment at least annually and when event occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount is higher of value-in-use and fair value less cost to dispose. The calculation of value in use involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

l) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on weighted average basis. Cost includes all charges in bringing the goods to their present location and condition. The cost of process stock and finished goods comprises of materials, direct labour, other direct costs and related production overheads and taxes as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

m) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements of the Company are presented in Indian Rupees ('₹`), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

n) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

o) Trade receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other income/expense.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

r) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares,
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant & equipments utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

t) Provisions and contingencies

Provisions are recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

u) Investment in subsidiaries and joint ventures

Investments in subsidiary companies and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries and joint ventures recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost, except for an investment in a subsidiary, for which fair value at a transition date is considered as the deemed cost.

v) Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the Statement of Profit and Loss.

a. Investment and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the assets and cash flows characteristic. There are three measurement categories into which the group classifies its debt instruments.

i. **Amortised Cost:** Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. **Fair value through other comprehensive Income (FVOCI):** Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to Statement of Profit and Loss.

iii. **Fair Value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss is recognised in the Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments

All investment in equity instruments other than subsidiary companies, associate and joint venture companies are measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of such receivables.

De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the right to receive cash flows from the financial assets, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such case, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

b. Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires. An instrument issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

x) Exceptional items

If the management believes that losses are material and is relevant to an understanding of the entity's financial performance, it discloses the same as an exceptional item.

3. Critical estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Useful lives of property, plant and equipment [Refer note : 2.2(h)]
(b) Defined benefits plan [Refer note : 2.2(f) (iii) (a)]
(c) Impairment loss on investments carried at cost [Refer note : 2.2 (u)]
(d) Estimation of provisions and contingent liabilities [Refer note : 2 (t)]

4. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

5A. PROPERTY, PLANT AND EQUIPMENT

Amount ₹ in crores unless otherwise stated

Description of Assets	Freehold land	Buildings	Office Equipment	Vehicles	Plant and machinery	Furniture and Fixture	Total
I. Gross Block							
Balance as at April 1, 2020	0.37	69.42	14.37	2.36	335.29	8.46	430.27
Additions	-	4.05	1.56	-	42.58	0.03	48.22
Disposals/Adjustments	-	-	(1.09)	(0.05)	(0.55)	-	(1.69)
Balance as at March 31, 2021	**0.37**	**73.47**	**14.84**	**2.31**	**377.32**	**8.49**	**476.80**
II. Accumulated depreciation							
Balance as at April 1, 2020	-	9.76	3.93	0.90	78.29	2.92	95.80
Depreciation expense for the year	-	2.53	1.61	0.30	29.17	0.92	34.53
Disposals/Adjustments	-	-	(0.99)	(0.06)	(0.28)	-	(1.33)
Balance as at March 31, 2021	**-**	**12.29**	**4.55**	**1.14**	**107.18**	**3.84**	**129.00**
Net block (I-II)							
Balance as at March 31, 2021	**0.37**	**61.18**	**10.29**	**1.17**	**270.14**	**4.65**	**347.80**
I. Gross Block							
Balance as at April 1, 2021	0.37	73.47	14.84	2.31	377.32	8.49	476.80
Additions	-	14.65	1.60	1.04	44.04	5.19	66.52
Disposals/Adjustments	-	(2.60)	(0.01)	(0.19)	(2.59)	(1.85)	(7.24)
Balance as at March 31, 2022	**0.37**	**85.52**	**16.43**	**3.16**	**418.77**	**11.83**	**536.08**
II. Accumulated depreciation							
Balance as at April 1, 2021	-	12.29	4.55	1.14	107.18	3.84	129.00
Depreciation expense for the year	-	2.22	1.60	0.34	32.71	1.06	37.93
Disposals/Adjustments	-	(0.03)	-	(0.17)	(1.80)	(1.72)	(3.72)
Balance as at March 31, 2022	**-**	**14.48**	**6.15**	**1.31**	**138.09**	**3.18**	**163.21**
Net block (I-II)							
Balance as at March 31, 2022	**0.37**	**71.04**	**10.28**	**1.85**	**280.68**	**8.65**	**372.87**

Note: For details of Capital commitment relating to Property, Plant and Equipment (refer note 46).

5B. RIGHT-OF-USE ASSETS

This note provides information for leases where the Company is a lessee. The Company leases various Premises, Vehicles and Plant and machinery.

Description	Premises	Vehicles	Plant and machinery	Leasehold land	Total
I. Gross Block					
Balance as at April 1, 2020	11.93	2.09	0.86	25.65	40.53
Addition	10.74	0.18	0.48	-	11.40
Disposals/Adjustments	(7.82)	-	-	(25.65)	(33.47)
Balance as at March 31, 2021	**14.85**	**2.27**	**1.34**	**-**	**18.46**
II. Accumulated depreciation					
Balance as at April 1, 2020	3.31	0.60	0.53	1.06	5.50
Depreciation expense for the year	3.64	0.59	0.32	0.26	4.81
Disposals/Adjustments	(3.97)	-	-	(1.32)	(5.29)
Balance as at March 31, 2021	**2.98**	**1.19**	**0.85**	**-**	**5.02**
Net block (I-II)					
Balance as at March 31, 2021	**11.87**	**1.08**	**0.49**	**-**	**13.44**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

5B. RIGHT-OF-USE ASSETS (contd.)

Amount ₹ in crores unless otherwise stated

Description	Premises	Vehicles	Plant and machinery	Leasehold land	Total
I. Gross Block					
Balance as at April 1, 2021	14.85	2.27	1.34	-	18.46
Addition	6.30	-	-	-	6.30
Disposals/Adjustments	(3.95)	(0.71)	(0.51)	-	(5.17)
Balance as at March 31, 2022	**17.20**	**1.56**	**0.83**	**-**	**19.59**
II. Accumulated depreciation					
Balance as at April 1, 2021	2.98	1.19	0.85	-	5.02
Depreciation expense for the year	4.39	0.44	0.26	-	5.09
Disposals/Adjustments	(3.95)	(0.71)	(0.51)	-	(5.17)
Balance as at March 31, 2022	**3.42**	**0.92**	**0.60**	**-**	**4.94**
Net block (I-II)					
Balance as at March 31, 2022	**13.78**	**0.64**	**0.23**	**-**	**14.65**

5C. Capital work-in progress

(a) Movement of Capital work-in-progress

Description	Total
Balance as at April 1, 2020	38.85
Addition	45.90
Disposals/Adjustments/Transfers	(48.22)
Balance as at March 31, 2021	**36.53**
Addition	50.72
Disposals/Adjustments/Transfers	(61.37)
Balance as at March 31, 2022	**25.88**

(b) Ageing of Capital work-in-progress

As at March 31, 2022

Particulars	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	24.96	0.87	0.05	-	25.88
ii) Projects in temporarily suspended	-	-	-	-	-
Total	**24.96**	**0.87**	**0.05**	**-**	**25.88**

As at March 31, 2021

Particulars	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	22.46	13.99	0.08	-	36.53
ii) Projects in temporarily suspended	-	-	-	-	-
Total	**22.46**	**13.99**	**0.08**	**-**	**36.53**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

6. INVESTMENT PROPERTIES

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
I. Gross carrying amount		
Opening Balance	45.78	45.78
Additions	-	-
Disposals	-	-
Closing Balance	**45.78**	**45.78**
II. Accumulated depreciation		
Opening Balance	4.26	3.41
Charge for the year	0.85	0.85
Closing Balance	5.11	4.26
Net carrying amount (I-II)	**40.67**	**41.52**

i) Amount recognised in the Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2022	As at March 31, 2021
Rental Income (refer note 31)	8.42	8.89
Direct operating expenses from property that generated rental income	2.53	2.12
Profit from investment properties before depreciation	**5.89**	**6.77**
Depreciation	0.85	0.85
Profit from investment properties	**5.04**	**5.92**

(ii) The Company has given office premises under lease rental agreement. Details of minimum lease payments for non-cancellable leases are as under:

Particulars	As at March 31, 2022	As at March 31, 2021
not later than one year	4.76	4.51
later than one year and not later than five years	0.37	3.47
Total	**5.13**	**7.98**
Operating lease rentals credited to the Statement of Profit and Loss (refer note 31)	8.42	8.89

(iii) Fair Value:

Particulars	As at March 31, 2022	As at March 31, 2021
Investment properties	139.12	132.21

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by independent valuer. The valuation is based on market research, market trend and comparable values as considered appropriate. All resulting fair value estimates for investment properties are included in level 3.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

7. OTHER INTANGIBLE ASSETS

Amount ₹ in crores unless otherwise stated

Particulars	Software
Balance at April 1, 2020	**2.66**
Additions	0.23
Deduction/Adjustment	-
Balance at March 31, 2021	**2.89**
Accumulated amortisation	
Balance at April 1, 2020	1.70
Amortisation expense	0.48
Deduction/Adjustment	-
Balance at March 31, 2021	**2.18**
Net carrying amount as at March 31, 2021	**0.71**
Balance at April 1, 2021	2.89
Additions	0.08
Deduction/Adjustment	(0.03)
Balance at March 31, 2022	**2.94**
Accumulated amortisation	
Balance at April 1, 2021	2.18
Amortisation expense	0.38
Deduction/Adjustment	(0.03)
Balance at March 31, 2022	**2.53**
Net carrying amount as at March 31, 2022	**0.41**

8. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
Investments in Equity Instruments				
In subsidiaries (Unquoted, fully paid up) - (at cost)				
- Equity shares of Sulakshana Securities Limited of ₹ 10.00 each	1,50,000	8.31	1,50,000	8.31
- Equity shares of Navin Fluorine Advanced Sciences Limited of ₹ 10.00 each	39,99,99,996	400.00	25,00,00,000	250.00
- Equity shares of Manchester Organics Limited of GBP 0.01 each	5,100	32.65	5,100	32.65
- Equity shares of NFIL (UK) Limited of GBP 1.00 each.	64,50,000	61.25	64,50,000	61.25
In subsidiary (Unquoted, fully paid up) - (at fair value)				
- Equity shares of Navin Fluorine (Shanghai) Co. Ltd. of RMB 1.00 each. [Gross (-) impairment of ₹ 5.88 crores (March 31, 2021: ₹ 5.58 crores)]	56,52,995	-	53,94,600	-
In joint ventures (Unquoted, fully paid up) - (at cost)				
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹ 10.00 each	11,82,500	1.18	11,82,500	1.18
Total		**503.39**		**353.39**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		503.39		353.39
Aggregate amount of impairment in value of investments		5.88		5.58

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

9. INVESTMENTS

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments				
Unquoted, fully paid up - (at fair value through profit or loss)				
- Equity shares of Cebon Apparel Private Limited of ₹10.00 each	4,81,600	2.95	4,81,600	1.75
- Equity shares of Mafatlal Services Limited of ₹100.00 each	9,300	-	9,300	-
(b) Investments in Alternate investment fund - (at fair value through profit or loss)				
- ASK Real Estate Special Situation Fund - I -RESSF-4071	903	10.21	1,000	10.62
Total		**13.16**		**12.37**
Of the above:				
Aggregate amount of unquoted investments		13.16		12.37
Aggregate amount of impairment in value of investments		-		-

10. LOANS (NON-CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties (refer note 45.2)	2.88	5.24
Total	**2.88**	**5.24**

Break-up of Security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	2.88	5.24
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**2.88**	**5.24**
Loss allowance	-	-
Total	**2.88**	**5.24**

10A. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with bank held as margin money*	6.03	6.03
Security deposits	9.26	7.99
Rent Receivable	0.95	3.27
Total	**16.24**	**17.29**

* The above bank deposit is marked as lien against bank guarantees.

11. NON-CURRENT TAX ASSETS / CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current Tax Assets [net of provision ₹ 288.36 crores (March 31, 2021: ₹ 279.74 crores)]	27.44	28.79
Current Tax Liability [net of Advance tax ₹ 170.46 crores (March 31, 2021: ₹ 164.86 crores)]	9.24	7.74

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

12. OTHER NON-CURRENT ASSETS

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	3.33	0.80
Prepaid expenses	0.99	1.80
Advance Fringe benefit tax	0.04	0.04
Advances towards a Project (refer note 49)	1.63	1.63
Total	**5.99**	**4.27**

13. INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	136.47	71.70
Work-in-progress	38.53	41.95
Finished goods	43.03	31.75
Stores and Spares	11.43	8.92
Total	**229.46**	**154.32**

Write-downs of inventories to net realisable value amounted to ₹ 1.00 crores (March 31, 2021: ₹ 1.75 crores). These were recognised as an expense during the year and included in 'Cost of materials consumed' in the Statement of Profit and Loss.

14. INVESTMENTS

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments (Quoted, fully paid up) - (at fair value through profit or loss)				
- Equity shares of NOCIL Limited of ₹ 10.00 each	1,10,000	2.75	1,10,000	1.92
(b) Investments in mutual funds (Quoted) - (at fair value through profit or loss)				
- HDFC Liquid Fund - Regular Growth	24,092	10.00	-	-
- Tata Liquid Fund Regular Plan - Growth	30,010	10.00	-	-
- ICICI Pru Liquid Fund - Growth	3,19,430	10.00	-	-
- L&T Liquid Fund - Regular Growth	34,489	10.00	-	-
- Adity Birla SunLife Liquid Fund - Growth - Regular plan	2,93,809	10.00	-	-
- HDFC Overnight Fund - Regular Plan Growth	15,956	5.00	-	-
- SBI Overnight Fund - Regular Plan Growth	14,609	5.00	-	-
- TATA Overnight Fund - Regular Plan Growth	53,704	6.00	-	-
- Nippon India Overnight Fund - Regular Plan Growth	5,27,820	6.00	-	-
- UTI Overnight Fund - Regular Plan Growth	17,354	5.00	-	-
- AXIS Overnight Fund - Regular Plan Growth	44,607	5.00	-	-
- ICICI Prudential Overnight Fund Growth	6,56,792	7.51	-	-
- L&T Overnight Fund Growth	47,544	7.51	-	-
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	-	-	1,00,00,000	11.65
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days), Regular Growth	-	-	62,50,000	7.85
- Sundaram Fixed Term Plan - IE - Regular Growth	-	-	1,00,00,000	12.67
- UTI FIXED Term Income Fund XXVIII – X- 1153 Days - Growth Plan	-	-	1,50,00,000	17.08
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	-	-	1,00,00,000	12.78
- Kotak FMP Series 220 - Growth (Regular Plan)	-	-	1,00,00,000	12.66

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

14. INVESTMENTS (contd.)

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
(c) Investments in Non-Convertible Market Linked debentures - (at fair value through profit or loss)				
- Fullerton India Credit Company Limited - INE535H07BA7	-	-	50	5.75
(d) Investments in Bonds/debentures (Unquoted, fully paid up) - (at amortised cost)				
10% Non-convertible debentures of ATS Infrabuild Private Limited SR-I to III NCD	18	2.41	18	2.18
Total		**102.18**		**84.54**
Of the above:				
Aggregate amount of quoted investments and market value thereof		2.75		1.92
Aggregate amount of unquoted investments		99.43		82.62
Aggregate amount of impairment in value of investments		-		-

15. TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables from other parties	354.05	277.84
Trade receivables from related parties (refer note 45.2)	0.17	0.14
Less:- Allowance for doubtful debts (expected credit loss allowances) (refer note 43.7)	(2.11)	(2.04)
Total	**352.11**	**275.94**

Break-up for security details

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Secured	1.14	1.10
Trade receivables considered good - Unsecured	350.97	274.84
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2.11	2.04
Total	**354.22**	**277.98**
Allowance for doubtful debts (expected credit loss allowances) (refer note 43.7)	(2.11)	(2.04)
Total	**352.11**	**275.94**

Ageing of Trade Receivables:

As at March 31, 2022

Particulars	Outstanding for following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
a) Considered good	299.75	51.46	0.90	-	-	-	352.11
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed Trade receivables	**299.75**	**51.46**	**0.90**	**-**	**-**	**-**	**352.11**
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	0.03	0.71	0.01	1.36	2.11
Total disputed Trade receivables	**-**	**-**	**0.03**	**0.71**	**0.01**	**1.36**	**2.11**
Total Trade Receivables	**299.75**	**51.46**	**0.93**	**0.71**	**0.01**	**1.36**	**354.22**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

15. TRADE RECEIVABLES (contd.)

Amount ₹ in crores unless otherwise stated

Ageing of Trade Receivables:

As at March 31, 2021

Particulars	Outstanding for following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
a) Considered good	236.00	39.63	0.28	0.03	-	-	275.94
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed Trade receivables	**236.00**	**39.63**	**0.28**	**0.03**	**-**	**-**	**275.94**
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	0.01	0.57	0.01	0.19	1.26	2.04
Total disputed Trade receivables	**-**	**0.01**	**0.57**	**0.01**	**0.19**	**1.26**	**2.04**
Total Trade Receivables	**236.00**	**39.64**	**0.85**	**0.04**	**0.19**	**1.26**	**277.98**

16A. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.10	0.10
Balances with banks*	11.15	30.95
Deposits with original maturity of less than or equal to 3 months	62.26	45.02
Total	**73.51**	**76.07**

*One current account with bank balance ₹ 0.02 crores (March 31, 2021 ₹ 0.02 crores), which has not been transferred from Mafatlal Industries Limited pursuant to its scheme of demerger, is in the process of being transferred in the Company's name.

16B. OTHER BANK BALANCES

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend	4.65	4.33
Buyback account	0.01	0.01
Deposits with maturity of more than 3 month and less than 12 months	-	308.51
Total	**4.66**	**312.85**

17. LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties (refer note 45.2)	298.74	1.86
Total	**298.74**	**1.86**

Break-up of Security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	298.74	1.86
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**298.74**	**1.86**
Loss allowance	-	-
Total	**298.74**	**1.86**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

18. OTHER FINANCIAL ASSETS

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Rent Receivable	1.81	0.56
Security deposits	0.36	2.66
Derivative assets - Forward exchange contracts	0.86	0.57
Receivable from related party (refer note 45.2)	-	55.85
Export Incentive receivables	-	3.23
Total	**3.03**	**62.87**

19. OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	6.68	2.78
Prepaid expenses	1.86	1.87
Balances with government authorities	19.40	22.34
Other deposits	2.12	2.29
Other advances	6.53	7.36
Total	**36.59**	**36.64**

20. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Shares		
17,50,00,000 equity shares of ₹ 2.00 each	35.00	35.00
Issued, subscribed and fully Paid shares		
4,95,53,150 (as at March 31, 2021 - 4,95,03,220) equity shares of ₹ 2.00 each	9.91	9.90
Less: Calls in arrears [refer note 20 (f)]	*	*
Total	**9.91**	**9.90**

* Numbers are below rounding off

(a) Reconciliation of the number of shares and amount outstanding:

Particulars	Number of shares	Amount
Balance as at March 31, 2020	**4,94,84,320**	**9.90**
Add: Shares issued on exercise of employee stock options during the year	18,900	*
Balance as at March 31, 2021	**4,95,03,220**	**9.90**
Add: Shares issued on exercise of employee stock options during the year	49,930	0.01
Balance as at March 31, 2022	**4,95,53,150**	**9.91**

* Numbers are below rounding off

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2.00 per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company in proportion to the number of and amounts paid on the shares held.

(c) Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 44.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

20. EQUITY SHARE CAPITAL (contd.)

Amount ₹ in crores unless otherwise stated

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2022		
Mafatlal Impex Private Limited	1,14,07,420	23.02%
Smallcap World Fund, Inc	30,68,598	6.19%
As at March 31, 2021		
Mafatlal Impex Private Limited	1,14,07,420	23.04%
Smallcap World Fund, Inc	38,46,051	7.77%

(e) Details of shareholders holding of promoter:

Shareholding of promoters as on March 31, 2022

Particulars	Number of shares	% of total number of shares	% of change during the year
Vishad Mafatlal as Trustee of Vishad P Mafatlal Family Trust No. 1	3,82,635	0.77	*
Vishad Padmanabh Mafatlal	11,54,349	2.33	(17.21)%
Padmanabh Arvind Mafatlal (HUF)	14,550	0.03	*
Vishad P. Mafatlal Pam HUF1 P Mafatlal	4,550	0.01	*
Rupal Vishad Mafatlal	101	-	*
Chetna Padmanabh Mafatlal	1,015	-	*
Anshi Ventures Pvt Ltd (Formerly Known as Milap Texchem Pvt Ltd)	100	-	*
Pamil Investments Pvt Ltd	5,000	0.01	*
Mafatlal Exim Private Limited	16,28,729	3.29	*
Mafatlal Impex Private Limited	1,14,07,420	23.02	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	1,21,275	0.24	*
Total	**1,47,19,724**	**29.70**	

* Numbers are below rounding off.

Shareholding of promoters as on March 31, 2021

Particulars	Number of shares	% of total number of shares	% of change during the year
Vishad Mafatlal as Trustee of Vishad P Mafatlal Family Trust No. 1	3,82,635	0.77	*
Vishad Padmanabh Mafatlal	13,94,349	2.82	(9.12)%
Padmanabh Arvind Mafatlal (HUF)	14,550	0.03	*
Vishad P. Mafatlal Pam HUF1 P Mafatlal	4,550	0.01	*
Rupal Vishad Mafatlal	101	-	*
Chetna Padmanabh Mafatlal	1,015	-	*
Anshi Ventures Pvt Ltd (Formerly Known as Milap Texchem Pvt Ltd)	100	-	*
Pamil Investments Pvt Ltd	5,000	0.01	*
Mafatlal Exim Private Limited	16,28,729	3.29	*
Mafatlal Impex Private Limited	1,14,07,420	23.04	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	1,21,275	0.24	*
Total	**1,49,59,724**	**30.21**	

* Numbers are below rounding off.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

20. EQUITY SHARE CAPITAL (contd.)

Amount ₹ in crores unless otherwise stated

(f) Calls unpaid (by other than officers and directors)

Particulars	Number of shares	Amount
As at March 31, 2022		
Equity shares of ₹ 2.00 each, ₹ 1.00 called up but unpaid	14,555	*
As at March 31, 2021		
Equity shares of ₹ 2.00 each, ₹ 1.00 called up but unpaid	14,555	*

* Numbers are below rounding off

(g) Out of the rights issue made in 2004-05, 109 equity shares could not be offered on rights basis due to the non-availability of details of beneficial holders from depositories. The same are kept in abeyance.

21. OTHER EQUITY

21A RESERVES AND SURPLUS

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium	25.47	21.71
General Reserve	73.33	73.33
Share Options Outstanding Account	1.30	2.36
Retained Earnings	1,603.16	1,391.51
Total	**1,703.26**	**1,488.92**

(i) Securities Premium

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	21.71	20.02
Add: Received during the year on shares issued on exercise of employee stock options during the year	3.76	1.69
Closing Balance	**25.47**	**21.71**

(ii) General Reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	73.33	73.33
Closing Balance	**73.33**	**73.33**

(iii) Share Options Outstanding Account

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	2.36	2.70
Less: Recognition of share-based payments (Net)	(1.06)	(0.34)
Closing Balance	**1.30**	**2.36**

(iv) Retained Earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,391.51	1,131.94
Add: Profit for the year	266.43	299.21
Less:		
Other comprehensive income for the year, net of income tax	(0.78)	(0.05)
Dividends (including tax)	(54.48)	(39.59)
Reversal of excess provision of Dividend Distribution Tax	0.48	-
Closing Balance	**1,603.16**	**1,391.51**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

21. OTHER EQUITY (contd.)

Amount ₹ in crores unless otherwise stated

Description of reserves:

Securities Premium - The Securities Premium was created on issue of shares at a premium. The reserve is utilised in accordance with the provisions of the Act.

General Reserve - The general reserve comprises of transfer of profits from retained earnings for appropriation purpose. The reserve can be distributed/utilised by the Company in accordance with the provisions of the Act.

Share Options Outstanding Account - The employee stock options outstanding represents reserve in respect of equity settled share options granted to the Group's employees in pursuance of the employee stock option plan.

Retained Earnings - This represent the amount of accumulated earnings of the Company.

21B OTHER RESERVES

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve no.1	80.35	80.35
Capital Reserve no.2	70.35	70.35
Capital redemption reserve	0.34	0.34
Call in arrears / share options pending for allotment	0.01	0.24
Total	**151.05**	**151.28**

(i) Capital Reserve no.1:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	80.35	80.35
Closing Balance	**80.35**	**80.35**

(ii) Capital Reserve no.2

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	70.35	70.35
Closing Balance	**70.35**	**70.35**

(iii) Capital redemption reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	0.34	0.34
Closing Balance	**0.34**	**0.34**

(iv) Call in arrears / share options pending for allotment

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	0.24	0.01
Add: Calls in arrears received during the year	-	-
Add: amount received against share options during the year	(0.23)	0.23
Closing Balance	**0.01**	**0.24**

Description of reserves

Capital Reserve no. 1 - Capital reserve no. 1 was created for excess of assets over liabilities and reserves taken over pursuant to the scheme of demerger of chemical business of Mafatlal Industries Limited.

Capital Reserve no. 2 - Capital reserve no. 2 was created for compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances.

Capital Redemption Reserve - Capital redemption reserve was created out of the general reserve during the buy back of equity shares and it is a non-distributable reserves.

22. FINANCIAL LIABILITIES - LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	12.14	10.32
Total	**12.14**	**10.32**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

23. NON-CURRENT PROVISIONS

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences (refer note 42.3)	13.21	11.62
Total	**13.21**	**11.62**

24. DEFERRED TAX ASSETS / DEFERRED TAX LIABILITIES - (NET)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	43.10	43.16
Less: Deferred tax assets	(26.41)	(26.46)
Total (Deferred Tax Assets) / Deferred Tax Liabilities (Net)	**16.69**	**16.70**

24.1 MOVEMENT OF DEFERRED TAX

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2022

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	36.84	1.17	-	38.01
Right-of-use to assets	3.38	0.31	-	3.69
Financial assets measured at FVTPL	1.97	(1.26)	-	0.71
Others	0.97	(0.28)	-	0.69
Total deferred tax liabilities (A)	**43.16**	**(0.06)**	**-**	**43.10**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	15.23	1.08	-	16.30
Fair Valuation of loan to wholly owned subsidiary	0.29	(0.15)	-	0.14
Provision for Compensated Absences	1.74	0.25	-	1.99
Provision for Gratuity	0.21	0.15	-	0.36
Provision for doubtful debts	0.51	0.02	-	0.53
Lease liabilities	3.61	0.43	-	4.04
Capital losses	1.71	(1.55)	-	0.16
Others	3.16	(0.27)	-	2.88
Total deferred tax assets (B)	**26.46**	**(0.04)**	**-**	**26.41**
Net deferred tax liabilities/(deferred tax assets) (A - B)	**16.70**	**(0.02)**	**-**	**16.69**

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2021

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	33.94	2.90	-	36.84
Right-of-use to assets	3.65	(0.27)	-	3.38
Financial assets measured at FVTPL	2.56	(0.59)	-	1.97
Others	0.83	0.14	-	0.97
Total deferred tax liabilities (A)	**40.98**	**2.19**	**-**	**43.16**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	14.39	0.84	-	15.23
Fair Valuation of loan to wholly owned subsidiary	0.72	(0.43)	-	0.29
Provision for Compensated Absences	0.32	1.42	-	1.74
Provision for Gratuity	-	0.21	-	0.21
Provision for doubtful debts	0.67	(0.16)	-	0.51
Lease Liabilities	3.83	(0.22)	-	3.61
MAT credit entitlement/(utilisation) (refer note 38.2)	38.07	6.35	(44.42)	-
Capital losses	2.40	(0.69)	-	1.71
Others	-	3.16	-	3.16
Total deferred tax assets (B)	**60.39**	**10.49**	**(44.42)**	**26.46**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**(19.41)**	**(8.30)**	**(44.42)**	**16.70**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

25. OTHER NON-CURRENT LIABILITIES

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Liability against project contracts (Refer note 49)	13.35	13.35
Deferred Government Grant	0.14	0.15
Total	**13.49**	**13.50**

26. LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	3.92	4.05
Total	**3.92**	**4.05**

The total expenses related to short term lease (included in other expenses) was ₹0.86 crores (March 31, 2021 : ₹0.07 crores)

27A. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	14.03	13.66
Total outstanding dues other than above	127.54	87.56
Trade payables - Related parties (Refer note 45.2)	-	1.44
Total	**141.57**	**102.66**

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at March 31, 2022	As at March 31, 2021
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14.03	13.66
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.04	0.02
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2.93	15.33
d. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.02
f. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	0.02	0.02
g. Interest accrued and remaining unpaid at the end of the accounting year	0.04	0.02
h. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	0.04	0.02

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

27A. TRADE PAYABLES (contd.)

Amount ₹ in crores unless otherwise stated

Ageing of Trade Payables: As at March 31, 2022

Particulars	Outstanding for following periods from the due date						
	Unbilled	Not Due	Less than 1 Year	1 - 2 years	2-3 years	More than 3 years	Total
Undisputed trade Payables							
a) Micro enterprises and small enterprises	-	13.57	0.46	-	-	-	14.03
b) Others	13.22	96.69	17.49	-	-	0.14	127.54
Total Undisputed Trade Payables	**13.22**	**110.26**	**17.95**	**-**	**-**	**0.14**	**141.57**
Disputed trade Payables							
a) Micro enterprises and small enterprises	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
Total disputed Trade Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Payables	**13.22**	**110.26**	**17.95**	**-**	**-**	**0.14**	**141.57**

Ageing of Trade Payables: As at March 31, 2021

Particulars	Outstanding for following periods from the due date						
	Unbilled	Not Due	Less than 1 Year	1 - 2 years	2-3 years	More than 3 years	Total
Undisputed trade Payables							
a) Micro enterprises and small enterprises	-	8.48	5.10	0.07	-	0.01	13.66
b) Others	17.40	56.82	14.52	-	0.04	0.22	89.00
Total Undisputed Trade Payables	**17.40**	**65.30**	**19.62**	**0.07**	**0.04**	**0.23**	**102.66**
Disputed trade Payables							
a) Micro enterprises and small enterprises	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
Total disputed Trade Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Payables	**17.40**	**65.30**	**19.62**	**0.07**	**0.04**	**0.23**	**102.66**

27B. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividends*	4.65	4.33
Unpaid money on buy-back of shares	0.01	0.01
Derivative liability - Forward exchange contract	0.26	0.28
Capital Creditors	4.12	6.22
Security Deposits received	9.18	9.73
Total	**18.22**	**20.57**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

28. PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences (refer note 42.3)	3.41	3.05
Gratuity Payable (refer note 42.2)	1.42	0.85
Total	**4.83**	**3.90**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

29. OTHER CURRENT LIABILITIES

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	4.55	5.74
Deferred Government Grant	0.02	0.02
Payables to Employees	20.51	16.49
Total	**25.08**	**22.25**

30. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	1,387.46	1,120.28
Sale of services	10.79	7.92
Other operating revenues		
- Scrap Sales	2.98	1.32
- Export Incentives	2.38	3.59
Total	**1,403.61**	**1,133.11**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the period	3.03	2.09

31. OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		
- on banks deposits	13.86	15.43
- on inter corporate deposits	3.72	-
- on income tax refund	5.30	34.60
- on loans and advances	1.54	2.29
Dividend income		
- on investments in Mutual Fund / Shares	0.02	-
Lease rental income on investment properties (refer note 6)	8.42	8.89
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	3.14	8.06
- Excess provision/ liabilities written back (net)	-	0.15
- Net gain arising on sale of Investments	-	2.28
- Net gain on foreign currency transactions	-	1.99
- Miscellaneous Income	1.47	0.84
Total	**37.47**	**74.53**

32. COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw material consumed	612.29	493.44
Packing Material consumed	33.83	26.68
Total	**646.12**	**520.12**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

33. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Finished goods	43.03	31.75
Work-in-process	38.53	41.95
	81.56	**73.70**
Inventories at the beginning of the year		
Finished goods	31.75	45.85
Work-in-process	41.95	18.72
	73.70	**64.57**
Net Increase	**(7.86)**	**(9.13)**

34. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and bonus	137.24	104.63
Contribution to provident and other funds (refer note 42.1)	6.76	5.65
Employee share-based payment expense (refer note 44)	-	0.14
Staff Welfare Expenses	6.67	3.50
Gratuity expenses (refer note 42.2)	2.61	2.27
Total	**153.28**	**116.19**

35. FINANCE COSTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Lease liabilities	1.15	1.02
Interest on Others	0.51	0.40
Total	**1.66**	**1.42**

36. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 5A)	37.93	34.79
Depreciation on Right-of-use assets (refer note 5B)	5.09	4.55
Depreciation on investment properties (refer note 6)	0.85	0.85
Amortisation of intangible assets (refer note 7)	0.38	0.48
Total	**44.25**	**40.67**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

37. OTHER EXPENSES

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel	75.63	53.89
Rent expense (refer note 41)	0.86	0.07
Repairs and Maintenance		
- Plant and Machinery	9.61	7.04
- Buildings	0.98	0.98
Consumption of stores and spares	41.06	31.87
Transport and freight charges (net)	35.76	23.83
Labor contract charges	16.97	14.23
Legal and Professional Charges (refer note 37.1)	26.90	17.98
Rates & Taxes	4.65	4.37
Insurance	6.01	5.78
Directors Sitting Fees	0.47	0.34
Loss on Sale/ retirement of property, plant & equipment (net)	0.47	0.14
Provision for doubtful debts (net)	0.06	0.13
Provision for diminution in value of investment	0.30	1.52
Expenditure on Corporate Social Responsibility (refer note 37.2)	5.28	5.68
Net loss on foreign currency transactions	0.69	-
Net loss arising on sale of Investments	0.37	-
Miscellaneous expenses	30.58	27.24
Total	**256.65**	**195.09**

37.1 Payments to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditors	0.57	0.50
Total	**0.57**	**0.50**

37.2 Corporate social responsibility

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the company during the year	5.23	4.35
b) Amount spent during the year on:	5.28	5.68
	In cash	Yet to be paid in cash
For the year March 31, 2022		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.28	-
For the year March 31, 2021		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.66	0.02

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

38. INCOME TAXES

Amount ₹ in crores unless otherwise stated

Income tax expenses recognised

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	83.85	118.60
- Excess provision of tax for earlier years	(3.28)	-
- Deferred tax	(0.02)	(8.30)
	80.55	**110.30**
In respect of the current year		
- Current tax recognised in other comprehensive income	(0.24)	(0.03)
	(0.24)	**(0.03)**
Total income tax expense recognised in the current year	**80.31**	**110.27**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**346.98**	**409.51**
Income tax expense calculated at 25.168% (2020-2021: 34.944%)	87.33	143.10
Effect of:		
Income exempt from tax	(3.37)	(28.15)
Tax Reversal of earlier years	(3.28)	-
MAT Created in the current year relating to earlier years	-	(6.35)
Deferred tax liability reversal due to change in tax rate	-	1.18
Expenses that are not deductible in determining taxable profit	1.47	7.12
Tax concessions (availed)	(2.49)	(4.04)
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	-	(0.84)
Others	0.89	(1.73)
Income tax expense recognised in Statement of Profit and Loss	**80.55**	**110.30**

39. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Chairman and Managing Director of the Company are the chief operating decision makers. The Company operates only in one Business Segment i.e. 'Chemical Business' which constitutes a single reporting segment.

Particulars	As at and for the year ended March 31, 2022			As at and for the year ended March 31, 2021		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues *	695.02	708.59	1,403.61	569.31	563.80	1,133.11
Carrying cost of non current assets@	895.77	95.53	991.30	730.92	95.53	826.45
Cost incurred on acquisition of property, plant and equipment	55.95	-	55.95	46.13	-	46.13

* Timing of revenue recongnition is at a point in time.

@ Excluding financial assets.

Note: Considering the nature of business of the Company in which it operates, the Company deals with various customers. Consequently, none of the customer's contribution exceeds 10% of total revenue of the Company.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

40. EARNING PER SHARE

Amount ₹ in crores unless otherwise stated

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year attributable to equity shareholders - (₹ in crores) - A	266.43	299.21
Weighted average number of equity shares outstanding during the year - B	4,95,28,217	4,94,91,580
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	33,287	68,083
Weighted average number of Equity shares adjusted for the effect of dilution - C	4,95,61,504	4,95,59,663
Basic earnings per share - ₹ (A/B)	53.79	60.46
Diluted earnings per share - ₹ (A/C)	53.76	60.37
Nominal value per share - ₹	2.00	2.00

41. LEASING ARRANGEMENT

The Company has taken office, residential premises and vehicles under operating lease or leave and license agreements. These are generally cancellable in nature and range between 11 months to 60 months. These leave and license agreements are generally renewable or cancellable at the option of the Company or the lessor. The lease payment recognised in the Statement of Profit and Loss is ₹ 0.86 crores (March 31, 2021: ₹ 0.07 crores). Refer note 5B for further information.

42. EMPLOYEE BENEFIT PLANS

42.1 Defined Contribution Plan

The company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Contribution to Provident Fund	3.66	2.96
Contribution to Family Pension Fund	1.30	1.18
Contribution to Superannuation Fund	1.71	1.42
Contribution to Employees' State Insurance Scheme	0.01	0.02
Contribution to Employees' Deposits Linked Insurance Scheme	0.08	0.07
Total	**6.76**	**5.65**

42.2 Defined Benefit Plans

(i) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

42.2 Defined Benefit Plans

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(ii) Gratuity (Funded)

The Company sponsors funded defined benefit gratuity plan for all eligible employees of the Company. The Company's defined benefit gratuity plan requires contributions to be made to a separately administered trust. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Company makes provision for gratuity fund based on an actuarial valuation carried out at the end of the year using 'projected unit credit' method.

(a) Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations of gratuity liability were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
1. Discount rate	6.84%	6.49%
2. Salary escalation	10%	10%
3. Mortality rate	Indian Assured Lives Mortality 2012 - 14 (Urban)	Indian Assured Lives Mortality (2006 - 08) Ultimate
4. Attrition rate	11%	10%

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan (gratuity) is as follows:

Balances of defined benefit plan

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	(29.67)	(27.71)
Fair value of plan assets	28.24	26.87
Net liability arising from gratuity	(1.43)	(0.85)

(c) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in Statement of Profit and Loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	2.56	2.27
Liabilities for employee transferred to other entity	-	(0.13)
Net interest expenses	0.05	0.13
Total (A) (refer note 34)	**2.61**	**2.27**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
B. Components of defined benefit costs recognised in other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
- Return on plan assets (excluding amounts included in net interest expense)	(0.29)	(0.45)
- Actuarial gains and losses arising from changes in demographic assumptions	(0.41)	0.44
- Actuarial gains and losses arising from changes in financial assumptions	(0.54)	(1.35)
- Actuarial gains and losses arising from experience adjustments	2.26	1.43
Total (B)	**1.02**	**0.08**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	27.71	25.65
Current service cost	2.56	2.27
Interest cost	1.80	1.69
Liabilities for employee transferred from other entity	-	(0.13)
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in demographic assumptions	(0.41)	0.44
- Actuarial gains and losses arising from changes in financial assumptions	(0.54)	(1.35)
- Actuarial gains and losses arising from experience adjustments	2.26	1.43
Benefits paid	(3.71)	(2.30)
Closing defined benefit obligation (C)	**29.67**	**27.71**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	26.87	23.67
Interest income	1.74	1.56
Remeasurement gain/(loss):		
-Return on plan assets (excluding interest income)	0.29	0.45
Contributions by employer	3.05	3.49
Benefits paid	(3.71)	(2.30)
Closing fair value of plan assets (D)	**28.24**	**26.87**

(d) The expected contribution to the plan for the next financial year is ₹ 3.66 crores (Previous Year: ₹ 3.05 crores)

(e) **Category wise plan assets**

The fair value of the plan assets at the end of the reporting period for each category are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Central Government of India	11.29%	5.07%
State Government Securities	26.73%	23.10%
Special Deposits Scheme	10.78%	12.28%
Debt Instruments/Corporate Bonds/Mutual Funds	51.20%	59.55%

(f) The weighted average duration of the defined benefit obligation is 7 years (Previous year: 7 years). The expected maturity analysis of gratuity is as follows:

Particulars	Within 1 year	1-5 years	Above 5 years
As at March 31, 2022	5.81	12.12	28.37
As at March 31, 2021	5.52	10.74	26.73

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

(g) **Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and attrition rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Following is the impact of changes in assumption in defined benefit obligation of gratuity:

Increase/ (decrease) in assumptions	As at March 31, 2022	As at March 31, 2021
Impact of discount rate for 50 basis points increase	(0.74)	(0.72)
Impact of discount rate for 50 basis points decrease	0.78	0.76
Impact of salary escalation rate for 50 basis points increase	0.75	0.74
Impact of salary escalation rate for 50 basis points decrease	(0.72)	(0.70)
Impact of attrition rate for 50 basis points increase	(0.18)	(0.17)
Impact of attrition rate for 50 basis points decrease	0.19	0.18

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

(iii) Provident fund (funded)

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Company. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

(a) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan (trust managed provident fund) is as follows:

Balances of defined benefit plan

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	(45.41)	(39.15)
Fair value of plan assets	45.41	40.82
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

(b) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in Statement of Profit and Loss, movement in defined benefit liability (i.e. provident fund) and movement in plan assets:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	2.59	2.78
Expected Return on plan assets	(3.21)	(3.06)
Net interest expenses	3.21	3.06
Total (A)	**2.59**	**2.78**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	39.15	34.00
Opening balance adjustment	(0.54)	0.50
Current service cost	2.59	2.78
Interest cost	3.21	3.06
Employee Contribution	4.49	3.45
Liabilities assumed for employee transferred from other entity	0.56	0.20
Benefits paid	(5.41)	(4.85)
Balance not recognized in Income Statement	1.36	-
Closing defined benefit obligation (B)	**45.41**	**39.15**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	40.82	35.90
Opening balance adjustment	-	0.40
Remeasurement (loss)	(0.85)	(0.12)
Expected Return on plan assets	3.21	3.06
Contributions	7.08	6.23
Asset transferred in for employee transferred from other entity	0.56	0.20
Benefits paid	(5.41)	(4.85)
Closing fair value of plan assets (C)	**45.41**	**40.82**

(c) **Category wise plan assets**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Central Government of India	13.71%	9.00%
State Government Securities	32.17%	35.82%
Special Deposits Scheme	23.03%	24.52%
Public Sector Units	27.01%	25.66%
Others	4.08%	5.00%

42.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹ 16.62 crores (March 31, 2021: ₹ 14.67 crores).

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

43. FINANCIAL INSTRUMENTS AND RISK REVIEW

Amount ₹ in crores unless otherwise stated

43.1 Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may return to shareholders the capital or issue new shares or take such appropriate action as may be needed. The Company considers total equity reported in the financial statements to be managed as part of capital. The Company does not have any borrowings as at March 31, 2022 and March 31, 2021.

43.2 Fair value measurements

(i) Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	78.17	388.91
– Investments	2.41	2.18
– Trade receivables	352.11	275.94
– Loans	301.62	7.09
– Other financial assets	18.41	79.59
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	5.70	3.67
– Investments in mutual funds / other funds	107.23	91.05
– Derivative assets	0.86	0.57
(b) designated at FVTPL		
Measured at fair value through other comprehensive income (FVTOCI)	-	-
Financial liabilities		
Measured at Amortised Cost		
– Trade payable	141.57	102.66
– Other financial liabilities	17.96	20.29
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	0.26	0.28
(b) designated at FVTPL	-	-

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2022	2.75	-	2.95	5.70
As at March 31, 2021	1.92	-	1.75	3.67
Investments in mutual funds / Other funds				
As at March 31, 2022	97.02	-	10.21	107.23
As at March 31, 2021	80.43	-	10.62	91.05
Derivative assets				
As at March 31, 2022	-	0.86	-	0.86
As at March 31, 2021	-	0.57	-	0.57

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on 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 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 the observable market data, the instrument is included in Level 3.

(iii) Valuation technique used to determine fair value

1. The fair value of the quoted investments is determined using quoted bid prices in an active market.
2. The fair value of the unquoted investments is determined using the inputs other than quoted prices included in level 1 that are observable for assets and liabilities.
3. Company has made investments in 'Ask Real Estate Special Situation Fund'. The Fund invests primarily in special purpose vehicles and holding companies of special purpose vehicles that undertake residential and mixed use real estate developments with a significant residential component. The Valuation methodology used shall depend on the type of property and market conditions and stage of development reached in the invested project. The suitability of a particular method of valuation is decided based on the below criteria:
    - For undeveloped properties: Sales/Market Comparison Method benchmarked by Discounted Cash Flow Method
    - For semi developed properties / properties under development: Weighted average of Discounted Cash Flow Method and Replacement Cost Method
    - For completed properties, leased property or ready for sale properties: Capitalization of Rental Method or Market Comparison Method

(iv) Fair value of Financial assets and liabilities measured at amortised cost

The carrying amounts of cash and cash equivalents, trade receivables, receivables from related parties and trade payables are considered to be the same as their fair values due to their short-term nature. Fair value of security deposits approximates the carrying value.

43.3 Financial risk management objectives

The Company's activities exposes it to a variety of financial risks including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of financial risks on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.4 Market Risks

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and other price risk. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

43.5 Foreign exchange risk

(i) **Exposure to foreign exchange risk:**

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency of the entity in the Company. The risk also includes highly probable foreign currency cash flows.

The Company has exposure arising out of export, import and other transactions other than functional risks. The Company hedges its foreign exchange risk using foreign exchange forward contracts. The same is within the guidelines laid down by Risk Management Policy of the Company.

(ii) **Foreign exchange risk management:**

To manage the foreign exchange risk arising from recognized assets and liabilities, Company use spot transactions, foreign exchange forward contracts, according to the Company's foreign exchange risk policy. Company's treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions. The Company's foreign exchange risk management policy is to selectively hedge net transaction exposures in major foreign currencies.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	(₹ in crores)	(Foreign Currency In crores)	(₹ in crores)	(Foreign Currency In crores)
Amount receivable				
USD	5.96	0.08	2.07	0.03
GBP	0.06	*	0.13	*
EURO	1.27	0.02	1.45	0.02
Amount payable				
USD	5.46	0.07	-	-
GBP	*	*	-	-
EURO	2.83	0.03	1.20	0.01

* Numbers are below rounding off

(iii) **Foreign exchange risk sensitivity:**

3% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analyze of change in profit where the Indian Rupee strengthens and weakens by 3% against the relevant currency:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	0.01	(0.01)	0.06	(0.06)
GBP	*	*	*	*
EURO	(0.05)	0.05	0.01	(0.01)

* Numbers are below rounding off

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

(iv) Forward foreign exchange contracts

The following table contain the details of forward foreign currency contracts outstanding at the end of the reporting period:

Particulars	Exposure to buy / sell	As at the year end	
		₹ in crores	Foreign Currency in crores
US Dollars			
March 31, 2022	sell	147.38	1.93
March 31, 2021	sell	117.62	1.60
EURO			
March 31, 2022	sell	3.38	0.04
March 31, 2021	sell	1.32	0.02
US Dollars			
March 31, 2022	buy	51.87	0.68
March 31, 2021	buy	28.00	0.38

43.6 Other price risks

The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.

In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Investment policy. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Management Committee.

Price Risk Sensitivity Analysis:

As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows:

For equity instruments, a 10% increase in equity prices would have led to approximately an additional ₹ 0.27 crores gain in Statement of Profit and Loss (March 31, 2021: ₹ 0.19 crores). A 10% decrease in equity prices would have led to an equal but opposite effect.

43.7 Credit risk

(i) Exposures to credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. The credit risk arises from its operating activities (i.e. primarily trade receivables), from its investing activities including deposits with banks and financial institutions and other financial instruments.

(ii) Credit risk management

a) Trade receivable

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 352.11 crores (March 31, 2021 - ₹ 275.94 crores).

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the Company customers' financial condition; ageing of trade accounts receivable and the Company's historical loss experience.

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

Trade receivables are written off when there is no reasonable expectation of recovery. The allowance for lifetime expected credit loss on customer balances as at March 31, 2022 was ₹ 2.11 crores (March 31, 2021 ₹ 2.04 crores).

Movement in the credit loss allowance

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning	2.04	1.91
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	0.07	0.13
Balance at the end	**2.11**	**2.04**

b) Cash and Cash Equivalent

Credit risk on cash and cash equivalents is limited as Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Investment in Mutual Funds

Credit risk on investments in mutual fund is limited as Company invested in mutual funds issued by the financial institutions with high credit ratings assigned by credit rating agencies.

43.8 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

(i) Liquidity risk tables

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2022				
– Trade payable	141.57	141.57	-	141.57
– Lease liabilities	16.06	3.92	12.14	16.06
– Other financial liabilities (other than derivative liabilities)	17.96	17.96	-	17.96
– Derivative liabilities	0.26	0.26	-	0.26
– Corporate financial guarantees	30.77	30.77	-	30.77
As at March 31, 2021				
– Trade payable	102.66	102.66	-	102.66
– Lease liabilities	14.37	4.05	10.32	14.37
– Other financial liabilities (other than derivative liabilities)	20.29	20.29	-	20.29
– Derivative liabilities	0.28	0.28	-	0.28
– Corporate financial guarantees	31.60	31.60	-	31.60

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

44. SHARE BASED PAYMENTS

Amount ₹ in crores unless otherwise stated

Details of the employee share based plan of the Company

Employee stock option scheme 2007 ("ESOS 2007") - The Shareholders of the Company at their Annual General Meeting held on July 20, 2007 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹ 2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2007, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2007 shall be capable of being exercisable on vesting within 10 years from grant date.

Employee stock option scheme 2017 ("ESOS 2017") - The Shareholders of the Company at their Annual General Meeting held on June 29, 2017 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company and its subsidiary companies to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹ 2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2017, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2017 shall be capable of being exercisable on vesting within 10 years from grant date.

(i) The following share-based payment arrangements were in existence during the current and prior years under the scheme:

Scheme	Grant date	Number of Stock Options Granted	Vesting period	Exercise Price (₹)
ESOS 2007	July 28, 2007	1,11,000*	4 Years	74.84
	July 28, 2007	40,000*	4 Years	81.49
	April 28, 2014	4,33,500*	2 Years	78.00
	June 29, 2015	1,50,115*	2 Years	194.80
	October 24, 2016	56,075*	2 Years	554.40
ESOS 2017	March 19, 2018	58,830	2 Years	780.00
	May 9, 2018	725	2 Years	770.35
	January 7, 2019	14,315	2 Years	698.45

*Adjusted to corporate actions of sub-division of shares in the ratio of 5 Equity Shares of ₹ 2.00 each for every 1 Equity Share of ₹ 10.00 each.

44. SHARE BASED PAYMENTS (contd.)

Amount ₹ in crores unless otherwise stated

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of year				
ESOS 2007	37,420	345.20	45,670	367.24
ESOS 2017	52,465	757.62	63,115	761.40
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	-	-
Exercised during the year				
ESOS 2007	27,175	342.01	8,250	467.22
ESOS 2017	22,755	779.69	10,650	780.00
Expired during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	-	-
Balance at the end of the year				
ESOS 2007	10,245	353.65	37,420	345.20
ESOS 2017	29,710	740.72	52,465	757.62

(iii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry Date	"Exercise price (₹)"	Share options March 31, 2022	Share options March 31, 2021
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	5,720	21,770
October 24, 2016	October 23, 2026	554.40	4,525	15,650
March 19, 2018	March 18, 2028	780.00	15,395	37,425
May 9, 2018	May 8, 2028	770.35	-	725
January 7, 2019	January 6, 2029	698.45	14,315	14,315

(iv) No Stock options granted during the year.

(v) Expenses arising from employee share based payment transaction recognised in the Statement of Profit and Loss as part of employee benefit expense for the year ended March 31, 2022 is Nil (March 31, 2021: ₹ 0.14 crores). Also refer note 34.

45. RELATED PARTY TRANSACTIONS

Following are the name and relationship of related parties with whom Company have transactions/ balances:

a. **Enterprises over which key management personnel and their relatives are able to exercise significant influence**

Sri Sadguru Seva Sangh Trust

b. **Entity over which Company has joint control (i.e. joint venture)**

Swarnim Gujarat Fluorspar Private Limited, India
Convergence Chemicals Private Limited, India (upto February 24, 2021)

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

45. RELATED PARTY TRANSACTIONS (contd.)

Amount ₹ in crores unless otherwise stated

c. Entities over which Company has control

(i) Subsidiaries:

Sulakshana Securities Limited, India
Manchester Organics Limited, United Kingdom
Navin Fluorine (Shanghai) Co. Limited, China
NFIL (UK) Limited, United Kingdom
Navin Fluorine Advanced Sciences Limited, India

(ii) Step-down Subsidiaries:

NFIL USA, Inc., United States of America

d. Key Management personnel

Mr. Vishad P. Mafatlal - Chairman
Mr. Radhesh R. Welling - Managing Director
Mr. Mohan M. Nambiar - Non-Independent Non-Executive Director
Mr. Pradip N. Kapadia - Independent Non-Executive Director
Mr. Sunil S. Lalbhai - Independent Non-Executive Director
Mr. Sharad M. Kulkarni - Independent Non-Executive Director (upto March 31, 2021)
Mr. Sudhir G. Mankad - Independent Non-Executive Director
Mr. Harish H. Engineer - Independent Non-Executive Director
Mr. Atul K. Srivastava - Independent Non-Executive Director
Mrs. Radhika V. Haribhakti - Independent Non-Executive Director
Mr. Ashok U. Sinha - Independent Non-Executive Director
Mr. Sujal A. Shah - Independent Non-Executive Director (w.e.f. May 7, 2021)
Mrs. Apurva S. Purohit - Independent Non-Executive Director (w.e.f. October 19, 2021)

45.1 Disclosures in respect of significant transactions with related parties during the year:

Transactions	For the Year ended March 31,2022	For the Year ended March 31,2021
Sale of finished goods		
Convergence Chemicals Private Limited	-	10.38
Navin Fluorine Advanced Sciences Limited	0.01	-
Manchester Organics Limited	0.42	2.13
Sale / Transfer of Immovable Asset		
Navin Fluorine Advanced Sciences Limited	-	55.85
Convergence Chemicals Private Limited	-	7.90
Expenses incidental for Sale of Equity share		
Convergence Chemicals Private Limited	-	3.00
Payment of deposits / advances		
Convergence Chemicals Private Limited	-	2.73
Rental income		
Convergence Chemicals Private Limited	-	0.01
Navin Fluorine Advanced Sciences Limited	0.03	0.03
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	-	0.49
Sulakshana Securities Limited	0.58	0.90

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

45. RELATED PARTY TRANSACTIONS (contd.)

Amount ₹ in crores unless otherwise stated

Transactions	For the Year ended March 31,2022	For the Year ended March 31,2021
Purchase of raw materials		
Manchester Organics Limited	-	0.05
Convergence Chemicals Private Limited	-	**
Rent paid, including lease rentals		
Sulakshana Securities Limited	1.18	1.18
Reimbursement of expenses paid		
Manchester Organics Limited	5.32	6.91
NFIL USA, Inc.	7.11	3.73
Navin Fluorine (Shanghai) Co. Ltd.	0.44	-
Deposit taken		
Convergence Chemicals Private Limited	-	**
Reimbursement of expenses recovered		
Sulakshana Securities Limited	0.63	1.14
Convergence Chemicals Private Limited	-	0.87
Navin Fluorine Advanced Sciences Limited	1.79	4.94
Purchase of Investment in equity shares		
Navin Fluorine (Shanghai) Co. Ltd.	0.30	1.52
Navin Fluorine Advanced Sciences Limited	150.00	245.00
Inter corporate deposit given		
Navin Fluorine Advanced Sciences Ltd.	393.00	-
Interest on ICD		
Navin Fluorine Advanced Sciences Ltd.	3.72	-
Provision for Diminution		
Navin Fluorine (Shanghai) Co. Ltd.	0.30	1.52
Repayment of advances / Reimbursement of expenses from		
Sulakshana Securities Limited	0.75	3.03
Convergence Chemicals Private Limited	-	3.25
Donation		
Sri Sadguru Seva Sangh Trust	2.00	2.00
Managerial remuneration (Short Term Employee Benefit) #	16.54	15.78
Director Sitting fees and Commission*	2.80	2.21

\# Excludes provision for gratuity and compensated absences which are determined based on an actuarial valuation done on overall basis for the company and accordingly individual figure are not available.

* Commission payable to Independent / Non-Independent, Non-executive directors of ₹ 2.33 crores for the year ended March 31, 2022 is subject to approval of shareholders.

** Numbers are below rounding off

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

45. RELATED PARTY TRANSACTIONS (contd.)

Amount ₹ in crores unless otherwise stated

45.2 Disclosures of closing balances:

Transactions	As at March 31, 2022	As at March 31, 2021
Amounts due to		
Manchester Organics Limited	-	1.44
Amount due to Directors		
Mr. Vishad P. Mafatlal	5.44	5.31
Mr. Radhesh R. Welling	3.63	3.54
Mr. Mohan M. Nambiar	0.25	0.22
Mr. Pradip N. Kapadia	0.25	0.22
Mr. Sunil S. Lalbhai	0.25	0.22
Mr. Sharad M. Kulkarni	-	0.22
Mr. Sudhir G. Mankad	0.25	0.22
Mr. Harish H. Engineer	0.25	0.22
Mr. Atul K. Srivastava	0.25	0.22
Mrs. Radhika V. Haribhakti	0.25	0.22
Mr. Ashok U. Sinha	0.25	0.11
Mr. Sujal A. Shah	0.25	-
Mrs. Apurva S. Purohit	0.12	-
Amounts due from		
Manchester Organics Limited	0.17	0.14
Sulakshana Securities Limited	6.93	7.09
Navin Fluorine Advanced Sciences Limited		
Inter Corporate Deposit	293.00	-
Interest on Inter Corporate Deposit	1.69	-
Others	-	55.85
Corporate Guarantee given		
Navin Fluorine Advanced Sciences Limited	26.14	-
Manchester Organics Limited	4.48	2.52

Terms and Condition:

1. **Sales**

   The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. For the year ended March 31, 2022, the Company has not recorded any loss allowances for trade receivables from related parties.

2. **Purchases**

   The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and at market rates.

3. **Loan to Wholly Owned Subsidiary**

   Company had given interest free loan to Sulakshna Securities Limited (SSL) pursuant to the sanctioned scheme of rehabilitation. Amount lying as at March 31, 2022 is ₹ 7.49 crores (March 31, 2021:₹ 8.24 crores). Under Ind AS 109 ' Financial Instruments' the same has been fair valued. Accordingly, ₹ 8.16 crores (March 31, 2021: ₹ 8.16 crores) has been disclosed as Investment in equity of SSL and ₹ 6.93 crores (March 31, 2021: ₹ 7.09 crores) as loans to SSL as at March 31, 2022.

   Company had given Inter Corporate Deposit to Navin Fluorine Advanced Sciences Limited (NFASL). Amount lying as at March 31, 2022 is ₹ 293.00 crores (March 31, 2021: Nil).

4. **Guarantees to subsidiary and joint venture company**

   Guarantees provided to the lenders of the subsidiary and joint venture company are for availing term loans from the lender banks.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

46. CAPITAL AND OTHER COMMITMENTS

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
i. **Capital commitments for Property, Plant and Equipment:**		
Estimated amount of contracts remaining to be executed on capital account and not provided for	24.05	10.95
ii. **Other commitments:**		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	0.09	0.24

47. CONTINGENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
a. Income tax matters	3.29	3.29
b. Excise duty matters	4.23	4.23
c. Sales-tax matters	0.87	1.63
d. Employee related matters	0.07	0.07
e. Other Corporate guarantee / Bank guarantees	0.15	29.08

Note : It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

48. RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 34.89 crores (as at March 31, 2021 ₹ 21.68 crores) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Capital Expenditure	8.67	0.92
Revenue Expenditure	26.22	20.76
Total	**34.89**	**21.68**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	13.74	11.47
Material / Consumable / Spares	5.62	4.73
Utilities	1.58	1.29
Other expenditure	3.61	1.66
Depreciation	1.67	1.61
Total	**26.22**	**20.76**

49. Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers had asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Company pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer (Refer note 12 and note 25) .

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

50. EXCEPTIONAL ITEMS INCLUDE:

(i) Gain of ₹ 31.40 crores on account of sale of shares (net of incidental expenses) held in Convergence Chemicals Private Limited ('CCPL'), the Joint Venture Company, including gain for giving up lease rights in land related to financial year March 31, 2021, Current year : Nil

(ii) Gain of ₹ 34.83 crores on account of giving up lease rights in land situated at Dahej to Navin Fluorine Advanced Sciences Limited, the wholly owned subsidiary of the Company related to financial year March 31, 2021, Current year : Nil

51. The Board of Directors has recommended final dividend of ₹ 6.00 per share on the face value of ₹ 2.00 each (300%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

52. EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Export of goods calculated on FOB basis	683.51	548.99
Sale of Services	10.79	7.92

53. The Company had made a strategic investment in its wholly owned subsidiary Manchester Organics Limited (MOL), in the U.K. MOL has been an integral part of the overall Contract Research and Manufacturing Services (CRAMS) operations and strategy of the Company. Based on management assessment, the investments in MOL and identified property, plant and equipment located at Dewas Unit has been considered as one Cash Generating Unit (CGU).

The Company tests impairment on the aforesaid assets on an annual basis. The recoverable amount of the CGU is determined based on value-in-use calculations which require the use of assumptions. The Management has assessed the impairment of its CGU by reviewing the business forecasts and assumptions and believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash- generating unit.

54. NET DEBT RECONCILIATION

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	73.51	76.07
Liquid Investments	102.18	84.54
Lease Liabilities	(16.06)	(14.37)
Total	**159.63**	**146.24**

Particulars	Other assets		Liabilities from financing activities	Total
	Cash and bank overdraft	Liquid investments	Lease Liabilities	
Net debt as at April 1, 2020	**169.15**	**67.54**	**(10.97)**	**225.72**
Cash flows	(93.08)	2.57	4.57	(85.94)
New leases	-	-	(12.26)	(12.26)
Interest expense	-	-	(0.96)	(0.96)
De-recognition of lease liability	-	-	5.25	5.25
Fair value adjustments	-	14.43	-	14.43
Net debt as at March 31, 2021	**76.07**	**84.54**	**(14.37)**	**146.24**
Cash flows	(2.56)	17.05	5.75	20.24
New leases	-	-	(6.30)	(6.30)
Interest expense	-	-	(1.14)	(1.14)
Fair value adjustments	-	0.59	-	0.59
Net debt as at March 31, 2022	**73.51**	**102.18**	**(16.06)**	**159.63**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

55. ANALYTICAL RATIOS

Amount ₹ in crores unless otherwise stated

	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
(a)	Current Ratio	Current Assets	Current Liabilities	5.39	6.12	(12)%	NA
(b)	Debt-Equity	Total Debt	Shareholders' Equity	0.01	0.01	(1)%	NA
(c)	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service Interest & Lease Payments + Principal Repayments)	57.07	69.68	(18)%	NA
(d)	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	15%	20%	(23)%	NA
(e)	Inventory turnover Ratio	Sales	Average Inventory	3.33	3.52	(5)%	NA
(f)	Trade Receivables turnover Ratio	Net Sales	Closing Trade Receivable	3.99	4.11	(3)%	NA
(g)	Trade payables turnover Ratio	Total purchases	Closing Trade Payable	5.02	5.16	(3)%	NA
(h)	Net capital turnover Ratio	Net Sales	Closing Working Capital	1.57	1.35	16%	NA
(i)	Net profit Ratio	Net Profit after exptional items	Net Sales	19%	26%	(28)%	The variation in ratio in current year as compared to previous year is due to exceptional item (refer note 50) in previous year.
(j)	Return on Capital Employed	Earning before interest and taxes and exceptional items	Capital Employed	19%	21%	(10)%	NA
(k)	Return on investment	Earning before interest and taxes and exceptional items	Closing total assets	16%	18%	(11)%	NA

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

56 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i. Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Borrowing secured against current assets

The company does not has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

iii Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or any lender.

iv Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956

v Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

vi Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

x Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2022

56 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III (contd.)

xi Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes 5A and 6 to the financial statements, are held in the name of the company.

xii Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary

Basant Kumar Bansal
Chief Financial Officer

Mumbai, May 7, 2022

Independent Auditor's Report

To
the Members of
Navin Fluorine International Limited

Report on the Audit of the Consolidated financial statements

Opinion

1. We have audited the accompanying Consolidated financial statements of Navin Fluorine International Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and joint venture (refer Note 1B to the attached Consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and joint ventures as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Consolidated Financial Statements" section of our report. We are independent of the Group and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 and 17 of the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in paragraph 18 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of carrying value of: **(a) Goodwill relating to acquisition of Manchester Organics Limited, U.K.; and** **(b) Identified Property, Plant and Equipment (PP&E) relating to Dewas Unit** (Refer to Note 2(i), 2(j), 5A and 7 in the consolidated financial statements) The carrying value of goodwill in relation to the acquisition of the aforesaid subsidiary and the property, plant and equipment (PP&E) relating to the Group's manufacturing facility at Dewas as at March 31, 2022 is ₹72.85 crores and ₹166.82 crores respectively, which in aggregate represents approximately 10.05% of the total assets of the Group.	**Our procedures included the following** • Understood the management process for impairment assessment and also evaluated the design and tested the operating effectiveness of the Group's internal controls surrounding such assessment. • Reviewed the Group's accounting policy in respect of impairment assessment of goodwill and PP&E. • Assessed whether the Group's determination of CGU was consistent with our knowledge of the Group's operations. • Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting.

Key audit matter	How our audit addressed the key audit matter
The Group carries the Goodwill at cost less any accumulated impairment losses, if any, and PP&E at cost less accumulated depreciation and impairment losses, if any. The Group reviews their carrying values at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying value. Management estimates the recoverable amount of the Cash Generating Unit (CGU) to which the Goodwill and PP&E belongs, based on discounted cash flows, requiring judgements in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate. We have considered this to be a key audit matter as the balances are significant to the consolidated balance sheet and significant judgement is involved in calculation of recoverable value for the purpose of impairment testing.	• To assess the reasonableness of the key assumptions used, in particular those relating to discount rates, cash flow forecasts and terminal growth rates applied: - Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data. - Performed sensitivity analysis on the forecasts by varying the key assumptions within a foreseeable range. - Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Evaluated the adequacy and appropriateness of disclosures made in the financial statements. Based on the above procedures performed, we noted that the management's assessment of the carrying value of goodwill and PP&E is reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 and 17 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its and joint ventures are responsible for assessing the ability of the Group and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and joint ventures are responsible for overseeing the financial reporting process of the Group and joint ventures.

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

11. 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.

12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 Holding 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of one subsidiary (i.e. Sulakshana Securities Limited) whose financial statements reflect total assets of ₹31.15 crore and net assets of ₹10.78 crore as at March 31, 2022, total revenue of ₹4.53 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹2.66 crore and net cash outflows amounting to ₹0.01 crore for the year ended on that date, as considered in the consolidated financial statements This financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

17. The financial statements of (i) one subsidiary [i.e. Navin Fluorine (Shanghai) Co. Ltd] and one step down subsidiary [i.e. NFIL USA Inc] entities located outside India, included in the consolidated financial statements, which constitute total assets of ₹1.00 crore and net assets of ₹0.96 crore as at March 31, 2022, total revenue of ₹7.48 crores, total comprehensive income (comprising of loss and other comprehensive income) of ₹0.40 crore and net cash outflows amounting to ₹0.11 crores for the year then ended; have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

18. We did not audit the financial statements/ financial information of two subsidiaries [i.e. Manchester Organics Limited and NFIL (UK) Ltd.] whose financial statements reflect total assets of ₹108.46 crores and net assets of ₹87.89 crores as at March 31, 2022, total revenue of ₹51.09 crores, total comprehensive income (comprising of loss and other comprehensive income) of ₹0.30 crores and net cash outflows amounting to ₹0.50 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of ₹0.01 crore as considered in the consolidated financial statements, in respect of one joint venture whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

19. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

20. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of 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 A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and joint venture – Refer Note 47 to the consolidated financial statements.

ii. The Group and its joint venture have long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Group and joint ventures did not have any long-term derivative contracts as at March 31, 2022 for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint ventures incorporated in India during the year.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, its subsidiary companies, and joint ventures, is in compliance with Section 123 of the Act.

21. The Group and joint ventures have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN-22048125AIOWYS7086

New Delhi
May 7, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 20(f) of the Independent Auditor's Report of even date to the members of Navin Fluorine International Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Navin Fluorine International Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary companies and one jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN-22048125AIOWYS7086

New Delhi
May 7, 2022

Consolidated Balance Sheet as at March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	377.55	353.65
b. Right-of-use assets	5B	37.52	44.00
c. Capital work-in-progress	5C	742.10	94.87
d. Investment properties	6	52.78	53.91
e. Goodwill	7	87.76	87.76
f. Other intangible assets	7	0.49	0.83
g. Financial assets			
i. Investment accounted for using the equity method	8	0.76	0.77
ii. Investments	9	13.16	13.77
iii. Other financial assets	10	19.12	18.20
h. Non-current tax assets (Net)	11	28.98	30.76
i. Other non-current assets	12	5.99	4.27
Total non-current assets		**1,366.21**	**702.79**
Current assets			
a. Inventories	13	257.54	180.35
b. Financial assets			
i. Investments	14	104.19	84.54
ii. Trade receivables	15	357.66	284.11
iii. Cash and cash equivalents	16A	75.74	131.85
iv. Bank balances other than (iii) above	16B	20.09	412.02
v. Loans	17	0.51	-
vi. Other financial assets	18	5.86	7.02
c. Other current assets	19	197.68	94.85
Total current assets		**1,019.27**	**1,194.74**
Total assets		**2,385.48**	**1,897.53**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	9.91	9.90
b. Other equity			
i. Reserves and surplus	21A	1,679.72	1,468.80
ii. Other reserves	21B	154.59	155.21
Total equity		**1,844.22**	**1,633.91**
Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	22A	100.00	
ii. Lease Liabilities	22B	10.04	15.57
b. Provisions	23A	13.68	11.80
c. Deferred tax liabilities (Net)	23B	20.14	20.74
d. Other non-current liabilities	24	13.49	13.50
Total non-current liabilities		**157.35**	**61.61**
Current liabilities			
a. Financial liabilities			
i. Borrowings	25	4.47	2.52
ii. Lease Liabilities	26	6.31	6.97
iii. Trade payables	27A		
a. Total outstanding dues of micro enterprises and small enterprises		14.14	13.72
b. Total outstanding dues other than (iii)(a) above		132.39	93.70
iv. Other financial liabilities	27B	168.64	31.41
b. Contract liabilities		1.25	3.03
c. Provisions	28	5.40	4.22
d. Current tax liabilities (Net)	11	9.24	8.12
e. Other current liabilities	29	42.07	38.32
Total current liabilities		**383.91**	**202.01**
Total liabilities		**541.26**	**263.62**
Total equity and liabilities		**2,385.48**	**1,897.53**
Significant Accounting Policies	2		

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary

Basant Kumar Bansal
Chief Financial Officer

Mumbai, May 7, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	30	1,453.36	1,179.39
Other Income	31	39.22	79.04
Total Income		**1,492.58**	**1,258.43**
EXPENSES			
Cost of materials consumed	32	650.49	527.81
Purchases of stock-in-trade		25.40	21.13
Changes in Inventories of finished goods, work in progress and stock-in-trade	33	(10.26)	(11.57)
Employee benefits expense	34	181.53	141.70
Finance costs	35	1.90	1.84
Depreciation and amortisation expense	36	47.90	44.17
Other Expenses	37	251.39	191.03
Total Expenses		**1,148.35**	**916.11**
Profit before exceptional items and tax		**344.23**	**342.32**
Exceptional items	51	-	15.51
Profit before tax		**344.23**	**357.83**
Tax expenses			
(1) Current tax			
(a) for the year	38	85.04	119.35
(b) for earlier year	38	(3.28)	0.06
(2) Deferred tax	23B.1	(0.61)	(8.63)
Total Tax expenses		**81.15**	**110.78**
Profit for the year		**263.08**	**247.05**
Share of (loss) / profit from joint ventures (Net)		(0.01)	10.47
Total profit for the year		**263.07**	**257.52**
Other comprehensive income			
(A) Items that will not be reclassified to profit and loss			
(i) Remeasurement loss of the defined benefit obligations		(1.09)	(0.08)
(ii) Current tax relating to the above		0.26	0.03
(iii) Share of other comprehensive income in joint venture (net of tax)		-	0.02
Total (A)		**(0.83)**	**(0.03)**
(B) Items that may be reclassified to profit and loss			
(i) Exchange differences on translation of foreign operations		(0.40)	2.24
Total (B)		**(0.40)**	**2.24**
Total other comprehensive income (A+B)		**(1.23)**	**2.21**
Total comprehensive income for the year		**261.84**	**259.73**
Profit is attributable to:			
Owners of the Company		263.07	257.52
Other Comprehensive Income attributable to:			
Owners of the Company		(1.23)	2.21
Total Comprehensive Income attributable to:			
Owners of the Company		261.84	259.73
Earnings per equity share (of face value of ₹ 2 each)	40		
(1) Basic (in ₹)		53.12	52.03
(2) Diluted (in ₹)		53.08	51.96
Significant Accounting Policies	2		

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

For and on behalf of the Board of Directors

Jeetendra Mirchandani
Partner
Membership No. 48125

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary

Basant Kumar Bansal
Chief Financial Officer

New Delhi, May 7, 2022

Mumbai, May 7, 2022

Consolidated Statement of Cash Flow for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	**344.23**	**357.83**
Adjustments for:		
Depreciation and amortisation expense	47.90	44.17
Loss / (Gain) on sale / write off of property, plant and equipment (Net)	0.47	(4.46)
Gain on sale of investments (Net)	(0.09)	(17.19)
Changes in fair value of financial assets at fair value through profit or loss	(3.18)	(8.16)
Employee Share-based payment expense	-	0.14
Finance Costs	1.90	1.84
Interest income	(16.66)	(18.98)
Lease rental income on investment properties	(11.59)	(11.64)
Net Loss on foreign currency transactions	0.22	1.86
Dividend Income	(0.02)	-
Excess provision/ liabilities written back	-	(0.15)
Provision for doubtful debts	0.06	0.13
Operating profit before changes in operating assets and liabilities	**363.24**	**345.39**
Adjustments for:		
Increase in trade receivables	(74.14)	(68.65)
Increase in inventories	(77.19)	(22.47)
Increase in other assets	(101.06)	(49.50)
Increase in trade and other payables	42.03	15.15
Cash generated from operations	**152.88**	**219.92**
Income taxes paid (net of refunds)	(78.12)	17.35
Net cash generated from operating activities	**74.76**	**237.27**
Cash flows from investing activities		
Payments for property, plant and equipment	(578.89)	(98.69)
Proceeds from sale of property, plant and equipment	3.05	8.14
Repayment of Loans and Advances from a Joint venture	-	3.25
Decrease / (increase) in deposits with banks	391.48	(310.60)
Payments for purchase of investments	(452.49)	(31.71)
Proceeds from sale of investment in Joint Venture	-	65.10
Proceeds from sale of investments	436.72	98.76
Lease rental income on investment properties	9.88	10.67
Dividend received	0.02	-
Interest received	17.86	17.98
Net cash used in investing activities	**(172.37)**	**(237.10)**

Consolidated Statement of Cash Flow for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from financing activities		
Principal elements of lease payments	(6.89)	(6.35)
Calls in arrears (including securities premium)	(0.23)	-
Proceeds from allotment of Employee Stock Option Plan (ESOP)	2.73	1.45
Proceeds of long term borrowings	100.00	-
Proceeds of other borrowings (Net)	1.95	1.12
Dividend paid	(54.16)	(39.43)
Interest paid	(1.90)	(1.84)
Net cash generated from / (used in) financing activities	**41.50**	**(45.05)**
Net decrease in cash and cash equivalents	**(56.11)**	**(44.88)**
Cash and cash equivalents at the beginning of the year	131.85	176.73
Cash and cash equivalents at the end of the year	**75.74**	**131.85**
Reconciliation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - note 16A	75.74	131.85
As per Cash flow statement	75.74	131.85

Notes:

The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, "Statement of Cash Flows" as notified under Companies (Accounts) Rules, 2015.

The above Consolidated Statement Cash Flow should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary

Basant Kumar Bansal
Chief Financial Officer

Mumbai, May 7, 2022

Consolidated Statement of changes in equity for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Amount ₹ in crores unless otherwise stated

Particulars	Amount
Balance as at March 31, 2020	**9.90**
Shares issued on exercise of employee stock options during the year	*
Less: Calls in arrears	-
Balance as at March 31, 2021	**9.90**
Shares issued on exercise of employee stock options during the year	0.01
Less: Calls in arrears	-
Balance as at March 31, 2022	**9.91**

* Numbers are below rounding off.

B. OTHER EQUITY

Particulars	Reserves & Surplus				Other Reserves					
	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Retained Earnings	Capital Reserve 1	Capital Reserve 2	Capital redemption reserve	Call in arrears / share options pending for allotment	Foreign currency translation reserve	Total other equity
Balance as at March 31, 2020	**20.02**	**73.33**	**2.70**	**1,153.49**	**80.35**	**70.35**	**0.34**	**0.01**	**1.70**	**1,402.29**
Profit for the year	-	-	-	257.52	-	-	-	-		257.52
Other comprehensive income for the year, net of income tax	-	-	-	(0.03)	-	-	-	-	2.24	2.21
Total comprehensive income for the year	**-**	**-**	**-**	**257.49**	**-**	**-**	**-**	**-**	**2.24**	**259.73**
Shares issued on exercise of employee stock options during the year	1.70	-	-	-	-	-	-	-	-	1.70
Recognition of share-based payments (Net)	-	-	-	-	-	-	-	-	-	-
Calls in arrears/share options received during the year	-	-	-	-	-	-	-	0.23	-	0.23
Recognition of share-based payments (Net)		-	(0.34)	-	-	-	-	-	-	(0.34)
Payment of dividends (including tax)	-	-	-	(39.59)	-	-	-	-	-	(39.59)
Balance as at March 31, 2021	**21.72**	**73.33**	**2.36**	**1,371.39**	**80.35**	**70.35**	**0.34**	**0.24**	**3.94**	**1624.01**
Profit for the year	-	-	-	263.07	-	-	-	-		263.07
Other comprehensive income for the year, net of income tax	-	-	-	(0.83)	-	-	-	-	(0.40)	(1.23)
Total comprehensive income for the year	**-**	**-**	**-**	**262.24**	**-**	**-**	**-**	**-**	**(0.40)**	**261.84**
Shares issued on exercise of employee stock options during the year	3.75	-	-	-	-	-	-	-		3.75
Recognition of share-based payments (Net)	-	-	(1.06)	-	-	-	-	-		(1.06)
Calls in arrears/share options received during the year	-	-	-	-	-	-	-	(0.23)		(0.23)
Recognition of share-based payments (Net)		-	-	-	-	-	-	-		-
Payment of dividends (including tax)	-	-	-	(54.48)	-	-	-	-		(54.48)
Reversal of excess provision of DTT				0.47						0.47
Balance as at March 31, 2022	**25.47**	**73.33**	**1.30**	**1579.62**	**80.35**	**70.35**	**0.34**	**0.01**	**3.54**	**1,834.31**

The above Consolidated statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary

Basant Kumar Bansal
Chief Financial Officer

Mumbai, May 7, 2022

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

1A. CORPORATE INFORMATION

Navin Fluorine International Limited ("the Company") is a public limited company, incorporated under the provisions of the Companies Act, 1956. Its registered office is located at Office No. 602, Natraj by Rustomjee, Near Western Express Highway, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069.

The Company and its subsidiary Companies are referred to as the Group here under. The Group primarily focuses on fluorine chemistry - producing refrigeration gases, inorganic fluorides, specialty organofluorines and offers Contract Research and Manufacturing Services.

1B. BASIS OF CONSOLIDATION

Name of the Company	Country of Incorporation	Proportion of Ownership	
		As at March 31, 2022	As at March 31, 2021
Subsidiaries			
Sulakshana Securities Limited	India	100%	100%
Navin Fluorine Advanced Sciences Limited	India	100%	100%
NFIL (UK) Limited	UK	100%	100%
Manchester Organics Limited	UK	100%	100%
Navin Fluorine (Shanghai) Co. Limited	China	100%	100%
Step-down Subsidiary			
NFIL USA, Inc.	USA	100%	100%
Joint Ventures (JV)			
Swarnim Gujarat Fluorspar Private Limited(JV)	India	49.48%	49.48%

2. SIGNIFICANT ACCOUNTING POLICIES

This note provide a list of the significant accounting policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements are for the group consisting of the Company and its subsidiary companies.

a) Basis of Preparation

(i) Compliance with Indian Accounting Standards (Ind AS)

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments, financial assets and liabilities and defined benefit plans and share based payments which are measured at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the group has changed the classification/presentation of (i) security deposits, in the current year (ii) Lease Liability.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.Further, lease liability (which meet the definition of a leases as per Ind AS 116) have been included in 'lease liability' line item. Previously, these lease liabilities were included in 'other financial liability' line item.

The group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

(₹ in crores)

Balance sheet (extract)	31 March 2021 (as previously reported)	Increase/ (Decrease)	31 March 2021 (restated)
Loans (non-current)	8.05	(8.05)	-
Other financial assets (non-current)	10.15	8.05	18.20
Loans (current)	2.67	(2.67)	-
Other financial assets (current)	4.35	2.67	7.02
Other financial assets (non-current)	15.57	(15.57)	-
Lease Liabilities (non-current)	-	15.57	15.57
Other financial Liabilities (current)	38.38	(6.97)	31.41
Lease Liabilities (current)	-	6.97	6.97

(vi) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Division II of Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Principles of consolidation and equity accounting

(i) Subsidiary companies

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is obtained by the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Consolidated Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively.

(ii) Joint arrangements

Under Ind AS 111 Joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest only in Joint Ventures.

Interest in Joint Venture Company are accounted for using the equity method of accounting [see (iii) below], after initially being recognised at cost in the Consolidated Financial Statements.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit and loss of the investee in profit and loss, and share of the Group in Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associate and joint venture Company are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and joint venture Company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting Policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (l) below.

(iv) Change in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture Company or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Consolidated Statement of Profit and Loss where appropriate.

c) Revenue recognition

(i) Sale of Goods

Revenue is generated primarily from sale of chemicals. Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer in accordance with the terms of customer contracts. In case of domestic customers, generally revenue recognition take place when goods are dispatched and in case of export customers when goods are shipped onboard based on bill of lading as per the terms of contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to transfer goods to the customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Sale of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to render services to the customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the rendering of promised services to the customer and payment by the customer exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(iii) Export Incentives

Export incentives are recognised for based on the eligibility and when there is no uncertainty in receiving the same.

d) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Consolidated Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

e) Leases

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

f) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities..

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax liabilities are not recognised for temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

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 liabilities in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that 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 on government bonds 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 the Consolidated Statement of Profit and 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 plan such as gratuity and provident fund for certain employees

(b) defined contribution plans such as family pension fund, superannuation fund and provident fund for certain employees

(a) Defined benefit plan –
Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan 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 actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows 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 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 Consolidated 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 the retained earnings in the Consolidated Statement of Changes in Equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement of Profit and Loss as past service cost.

Provident fund liability

Provident Fund for certain employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognized by the Income Tax authorities where other entities are also the participant. Periodic contributions to the Fund are charged to the Consolidated

Statement of Profit and Loss and when services are rendered by the employees. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

(b) Defined contribution plans

The Group contributes towards family pension fund, superannuation fund and provident fund for certain employees which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

h) Employee share-based payment arrangements

Eligible employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to eligible employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

i) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less deprecation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment which are not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. However, for below assets, the useful lives are higher or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Assets	Useful Life
Plant and Machinery	
Laboratory Equipments	4, 5 and 10 years
Computers	3 and 5 years
Other Equipments	5,6,8,10 and 12 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

j) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiary companies is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold.

(ii) Computer software

Computer Software are stated at cost, less accumulated amortization and impairments, if any.

Computer Software which are capitalised are amortised over a period of 3 years on straight-line basis.

The estimated amortisation method, useful life and residual value are reviewed at the end of each reporting period, with effect of any changes in the estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the intangible assets.

k) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using straight line method over their useful lives specified in Schedule II to the Companies Act, 2013.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the investment properties.

l) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset/cash generating unit exceeds its recoverable amount. The recoverable amount of the assets/ cash generating unit is fair value less costs of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

m) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on weighted average basis. Cost includes all charges in bringing the goods to their present location and condition. The cost of process stock and finished goods comprises of materials, direct labour, other direct costs and related production overheads and taxes as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

n) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees ('₹'), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet.

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction).

c) all resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gains / (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

o) Cash and Cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

p) Trade receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other income/expense.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

r) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

s) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant & equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

u) Provisions and contingencies

Provisions are recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

v) Investment in associate and joint ventures

Investments in associate and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

w) Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Statement of Profit and Loss.

a. Investment and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Consolidated Statement of Profit and Loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Consolidated Statement of Profit and Loss or other comprehensive income.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group business model for managing the assets and cash flows characteristic. There are three measurement categories into which the group classifies its debt instruments.

i. **Amortised Cost:** Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. **Fair value through other comprehensive Income (FVOCI):** Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to the Consolidated Statement of Profit and Loss.

iii. **Fair Value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the Consolidated Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments

All investment in equity instruments other than subsidiary companies, associate and joint venture companies are measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Consolidated Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated Statement of Profit and Loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of such receivables.

De-recognition of financial assets

A financial assets is de-recognised only when

- The Group has transferred the right to receive cash flows from the financial assets.

- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such case, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

b. Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires. An instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

x) Rounding of amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

y) Exceptional items

If the management believes that losses are material and is relevant to an understanding of the entity's financial performance, it discloses the same as an exceptional item.

3. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Useful lives of property, plant and equipment [Refer note: 2.2(i)]

(b) Defined benefits plan [Refer note: 2.2(g)(iii)(a)]

(c) Impairment loss on investments carried at cost [Refer note:2.2(v)]

(d) Estimated goodwill impairment [Refer note: 2.2(j)(i)]

(e) Estimation of provisions and contingent liabilities [Refer note: 2.2(u)]

4. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

5A. PROPERTY, PLANT AND EQUIPMENT

Amount ₹ in crores unless otherwise stated

I. Gross Block	Freehold land	Buildings	Office Equipment	Vehicles	Plant and machinery	Furniture and Fixture	Total
Balance as at April 1, 2020	0.37	69.42	14.95	2.37	343.85	8.53	439.49
Additions	-	4.05	1.95	-	42.92	0.65	49.57
Disposals/Adjustments	-	-	(1.10)	(0.05)	(0.55)	-	(1.70)
Effect of Foreign currency exchange difference	-	-	0.04	-	0.79	0.01	0.84
Balance as at March 31, 2021	**0.37**	**73.47**	**15.84**	**2.32**	**387.01**	**9.19**	**488.20**
II. Accumulated depreciation							
Balance as at April 1, 2020	-	9.76	4.28	0.90	82.00	2.95	99.89
Depreciation expense for the year	-	2.53	1.77	0.30	30.06	0.95	35.61
Disposals/Adjustments	-	-	(0.99)	(0.05)	(0.28)	-	(1.32)
Effect of Foreign currency exchange difference	-	-	0.03	-	0.33	0.01	0.37
Balance as at March 31, 2021	**-**	**12.29**	**5.09**	**1.15**	**112.11**	**3.91**	**134.55**
Net block (I-II)							
Balance as at March 31, 2021	**0.37**	**61.18**	**10.75**	**1.17**	**274.90**	**5.28**	**353.65**

I. Gross Block	Freehold land	Buildings	Office Equipment	Vehicles	Plant and machinery	Furniture and Fixture	Total
Balance as at April 1, 2021	0.37	73.47	15.84	2.32	387.01	9.19	488.20
Additions	-	14.65	1.63	1.04	44.24	5.19	66.75
Disposals/Adjustments	-	(2.60)	(0.01)	(0.19)	(2.59)	(1.85)	(7.24)
Effect of Foreign currency exchange difference	-	-	(0.01)	-	(0.25)	*	(0.26)
Balance as at March 31, 2022	**0.37**	**85.52**	**17.45**	**3.17**	**428.41**	**12.53**	**547.45**
II. Accumulated depreciation							
Balance as at April 1, 2021	-	12.29	5.09	1.15	112.11	3.91	134.55
Depreciation expense for the year	-	2.22	1.80	0.34	33.63	1.18	39.17
Disposals/Adjustments	-	(0.03)	*	(0.17)	(1.80)	(1.73)	(3.73)
Effect of Foreign currency exchange difference	-	-	(0.01)	-	(0.08)	*	(0.09)
Balance as at March 31, 2022	**-**	**14.48**	**6.88**	**1.32**	**143.86**	**3.36**	**169.90**
Net block (I-II)							
Balance as at March 31, 2022	**0.37**	**71.04**	**10.57**	**1.85**	**284.55**	**9.17**	**377.55**

For details of Capital commitment relating to Property, Plant and Equipment (refer note 46).

*Numbers are below rounding off

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

5B. RIGHT-OF-USE ASSETS

Amount ₹ in crores unless otherwise stated

This note provides information for leases where the Company is a lessee. The Group leases various Premises, Vehicles and Plant and machinery.

Description	Premises	Vehicles	Plant and machinery	Leasehold land	Total
I. Gross Block					
Balance as at April 1, 2020	22.80	2.09	2.46	25.65	53.00
Addition	10.74	0.18	0.48	1.25	12.65
Disposals/Adjustments	(7.82)	-	-	(2.57)	(10.39)
Effect of Foreign currency exchange difference	-	-	-	-	-
Balance as at March 31, 2021	**25.72**	**2.27**	**2.94**	**24.33**	**55.26**
II. Accumulated depreciation					
Balance as at April 1, 2020	5.27	0.60	0.63	1.06	7.56
Depreciation expense for the year	5.60	0.59	0.48	0.26	6.93
Disposals/Adjustments	(3.97)	-	-	0.74	(3.23)
Effect of Foreign currency exchange difference	-	-	-	-	-
Balance as at March 31, 2021	**6.90**	**1.19**	**1.11**	**2.06**	**11.26**
Net block (I-II)					
Balance as at March 31, 2021	**18.82**	**1.08**	**1.83**	**22.27**	**44.00**

Description	Premises	Vehicles	Plant and machinery	Leasehold land	Total
I. Gross Block					
Balance as at April 1, 2021	25.72	2.27	2.94	24.33	55.26
Addition	0.86	-	-	-	0.86
Disposals / Adjustments	(3.95)	(0.71)	(0.51)	-	(5.17)
Effects of Foreign currency exchange difference	-	-	0.10	-	0.10
Balance as at March 31, 2022	**22.63**	**1.56**	**2.53**	**24.33**	**51.05**
II. Accumulated depreciation					
Balance as at April 1, 2021	6.90	1.19	1.11	2.06	11.26
Depreciation expense for the year	6.31	0.44	0.43	*	7.18
Disposals / Adjustments	(3.95)	(0.71)	(0.50)	0.24	(4.92)
Effects of Foreign currency exchange difference	-	-	0.01	-	0.01
Balance as at March 31, 2022	**9.26**	**0.92**	**1.05**	**2.30**	**13.53**
Net block (I-II)					
Balance as at March 31, 2022	**13.37**	**0.64**	**1.48**	**22.03**	**37.52**

* Numbers are below rounding off

5C. CAPITAL WORK-IN PROGRESS

(a) Movement of Capital work-in progress

Description	Total
Balance as at April 1, 2020	38.85
Addition	104.24
Disposals/Adjustments/Transfers	(48.22)
Balance as at March 31, 2021	**94.87**
Addition	708.60
Disposals/Adjustments/Transfers	(61.37)
Balance as at March 31, 2022	**742.10**

5C. CAPITAL WORK-IN PROGRESS (contd.)

Amount ₹ in crores unless otherwise stated

(b) Ageing of Capital work-in progress

Particulars	As at March 31, 2022				
	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	680.72	61.33	0.05	-	742.10
ii) Projects in temporarily suspended	-	-	-	-	-
Total	**680.72**	**61.33**	**0.05**	**-**	**742.10**

Particulars	As at March 31, 2021				
	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	80.80	13.99	0.08	-	94.87
ii) Projects in temporarily suspended	-	-	-	-	-
Total	**80.80**	**13.99**	**0.08**	**-**	**94.87**

(c) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	F.Y. 2021-2022				
	To be completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	720.51	-	-	-	720.51

Particulars	F.Y. 2020-2021				
	To be completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	-	60.47	-	-	60.47

There was delay in completion of the projects due to outbreak of Covid 19 in India and nation wide lockdown and travel related restrictions. However, with gradual relaxations given by the government, group has resumed its operation for completion of the projects and expects to complete the same in above said time period.

(d) In current year group has included ₹21.46 Crores in Capital work -in- progress as preoperative expenses (Previous year : ₹8.38 Crores was included in Capital work-in progress)

6 INVESTMENT PROPERTIES

Particulars	As at March 31, 2022	As at March 31, 2021
I. Gross carrying amount		
Opening Balance	59.58	59.58
Additions	-	-
Disposals	-	-
Closing Balance	59.58	59.58
II. Accumulated depreciation		
Opening Balance	5.67	4.54
Charge for the year	1.13	1.13
Closing Balance	6.80	5.67
Net carrying amount (I-II)	**52.78**	**53.91**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

6 INVESTMENT PROPERTIES (contd.)

Amount ₹ in crores unless otherwise stated

(i) Amount recognised in the Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2022	As at March 31, 2021
Rental Income (refer note 31)	11.59	11.64
Direct operating expenses from property that generated rental income	2.74	2.32
Profit from investment properties before depreciation	**8.85**	**9.32**
Depreciation	1.13	1.13
Profit from investment properties	**7.72**	**8.19**

(ii) The Group has given office premises under lease rental agreement. Details of minimum lease payments for non-cancellable leases are as under:

Particulars	As at March 31, 2022	As at March 31, 2021
not later than one year	4.76	4.91
later than one year and not later than five years	0.37	3.47
later than five years	-	-
Total	**5.13**	**8.38**
Operating lease rentals credited to the Consolidated Statement of Profit and Loss (refer note 31)	11.59	11.64

(iii) Fair Value:

Particulars	As at March 31, 2022	As at March 31, 2021
Investment properties	190.74	182.27

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by independent valuer. The valuation is based on market research, market trend and comparable values as considered appropriate. All resulting fair value estimates for investment properties are included in level 3.

7. OTHER INTANGIBLE ASSETS

Particulars	Other intangible assets - Software	Goodwill
Balance at April 1, 2020	**2.66**	**87.76**
Additions	0.36	-
Deduction / Adjustment	-	-
Balance at March 31, 2021	**3.02**	**87.76**
Accumulated amortisation		
Balance at April 1, 2020	1.70	-
Amortisation expense	0.49	-
Deduction / Adjustment	-	-
Balance at March 31, 2021	**2.19**	**-**
Net carrying amount as at March 31, 2021	**0.83**	**87.76**

7. OTHER INTANGIBLE ASSETS (contd.)

Amount ₹ in crores unless otherwise stated

Particulars	Other intangible assets - Software	Goodwill
Balance at April 1, 2021	3.02	87.76
Additions	0.08	-
Deduction / Adjustment	(0.03)	-
Balance at March 31, 2022	**3.07**	**87.76**
Accumulated amortisation		
Balance at April 1, 2021	2.19	-
Amortisation expense	0.42	-
Deduction / Adjustment	(0.03)	-
Balance at March 31, 2022	**2.58**	**-**
Net carrying amount as at March 31, 2022	**0.49**	**87.76**

Significant estimate - impairment of Goodwill

For the purpose of impairment testing, Goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which Goodwill is monitored for internal Management purposes and which is not higher than the operating segment of the Group. The Goodwill of ₹ 14.91 Crores pertains to the acquisition of Sulakshana Securities Limited and recoverable amount has been determined using fair value less cost of disposal. Goodwill of ₹ 72.85 Crores pertains to the acquisition of Manchester Organics Limited and recoverable amount has been determined based on its value in use.

Under value in use calculation, management with the help of external valuer uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 15.71% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 3% per annum. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Accordingly, there was no impairment recorded for the period March 31, 2022.

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
Investments in Equity Instruments				
In joint ventures (Unquoted, fully paid up)				
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹ 10.00 each	11,82,500	0.77	11,82,500	0.78
Add: Share in total comprehensive income		(0.01)		(0.01)
Total		**0.76**		**0.77**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		0.76		0.77
Aggregate amount of impairment in value of investments		-		-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

9. INVESTMENTS

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments				
Unquoted, fully paid up - (at fair value through profit or loss)				
- Equity shares of Cebon Apparel Private Limited of ₹ 10.00 each	4,81,600	2.95	4,81,600	1.75
- Equity shares of Mafatlal Services Limited of ₹ 100.00 each	9,300	-	9,300	-
(b) Investments in mutual funds - (Unquoted) (at fair value through profit or loss)				
- Kotak Corporate Bond Fund - Growth	-	-	4,833	1.40
(c) Investments in Alternate investment fund - (at fair value through profit or loss)				
- ASK Real Estate Special Situation Fund - I -RESSF-4071	903	10.21	1,000	10.62
Total		**13.16**		**13.77**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		13.16		13.77
Aggregate amount of impairment in value of investments		-		-

10. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with bank held as margin money*	6.03	6.78
Security deposits	12.10	8.05
Rent Receivable	0.99	3.37
Total	**19.12**	**18.20**

* The above bank deposit is marked as lien against bank guarantees.

11. NON-CURRENT TAX ASSETS / CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current Tax Assets [net of provision ₹ 297.64 Crores (March 31, 2021: ₹ 285.93 Crores)]	28.98	30.76
Current Tax Liability [net of Advance tax ₹ 170.46 Crores (March 31, 2021: ₹ 165.02 Crores)]	9.24	8.12

12. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	3.33	0.80
Prepaid expenses	0.99	1.80
Advance Fringe benefit tax [net of provision Nil (March 31,2021 : Nil)]	0.04	0.04
Advances towards a Project (refer note 49)	1.63	1.63
Total	**5.99**	**4.27**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

13. INVENTORIES

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	136.47	71.70
Work-in-progress	38.82	42.55
Finished goods	45.22	33.86
Stock-in-trade	25.60	23.32
Stores and Spares	11.43	8.92
Total	**257.54**	**180.35**

Write-downs of inventories to net realisable value amounted to ₹ 1.00 Crore (March 31, 2021 – ₹ 1.75 Crores). These were recognised as an expense during the year and included in 'Cost of materials consumed' and 'Changes in Inventories of finished goods, work in progress and stock-in-trade' in the Statement of Profit and Loss.

14. INVESTMENTS

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments (Quoted, fully paid up) - (at fair value through profit or loss)				
- Equity shares of NOCIL Limited of ₹ 10.00 each	1,10,000	2.75	1,10,000	1.92
(b) Investments in mutual funds (Quoted) - (at fair value through profit or loss)				
- HDFC Liquid Fund - Regular Growth	24,092	10.00	-	-
- Tata Liquid Fund Regular Plan - Growth	30,010	10.00	-	-
- ICICI Pru Liquid Fund - Growth	3,19,430	10.00	-	-
- L&T Liquid Fund - Regular Growth	34,489	10.00	-	-
- Adity Birla SunLife Liquid Fund - Growth - Regular plan	2,93,809	10.00	-	-
- HDFC Overnight Fund - Regular Plan Growth	22,382	7.01		-
- SBI Overnight Fund - Regular Plan Growth	14,609	5.00	-	-
- TATA Overnight Fund - Regular Plan Growth	53,704	6.00	-	-
- Nippon India Overnight Fund - Regular Plan Growth	5,27,820	6.00	-	-
- UTI Overnight Fund - Regular Plan Growth	17,354	5.00	-	-
- AXIS Overnight Fund - Regular Plan Growth	44,607	5.00	-	-
- ICICI Prudential Overnight Fund Growth	6,56,792	7.51	-	-
- L&T Overnight Fund Growth	47,544	7.51		
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	-	-	1,00,00,000	11.65
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days), Regular Growth	-	-	62,50,000	7.85
- Sundaram Fixed Term Plan - IE - Regular Growth	-	-	1,00,00,000	12.67
- UTI FIXED Term Income Fund XXVIII – X- 1153 Days - Growth Plan	-	-	1,50,00,000	17.08
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	-	-	1,00,00,000	12.78
- Kotak FMP Series 220 - Growth (Regular Plan)	-	-	1,00,00,000	12.66
(c) Investments in Non-Convertible Market Linked debentures - (at fair value through profit or loss)				
- Fullerton India Credit Company Limited - INE535H07BA7	-	-	50	5.75
(d) Investments in Bonds/debentures (Unquoted, fully paid up) - (at amortised cost)				
10% Non-convertible debentures of ATS Infrabuild Private Limited SR-I to III NCD	18	2.41	18	2.18
Total		104.19		84.54

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

14. INVESTMENTS (contd.)

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
Of the above:				
Aggregate amount of quoted investments and market value thereof		2.75		1.92
Aggregate amount of unquoted investments		101.44		82.62
Aggregate amount of impairment in value of investments		-		-

15. TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	359.77	286.15
Less :- Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(2.11)	(2.04)
Total receivables	**357.66**	**284.11**

Break-up for security details

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Secured	1.14	1.11
Trade receivables considered good - Unsecured	356.52	283.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2.11	2.04
Total receivables	**359.77**	**286.15**
Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(2.11)	(2.04)
Total trade receivables	**357.66**	**284.11**

AGEING OF TRADE RECEIVABLES: As at March 31, 2022

Particulars	Outstanding for following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
a) Considered good	299.58	51.46	6.62	-	-	-	357.66
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed Trade receivables	**299.58**	**51.46**	**6.62**	**-**	**-**	**-**	**357.66**
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	0.03	0.71	0.01	1.36	2.11
Total disputed Trade receivables	**-**	**-**	**0.03**	**0.71**	**0.01**	**1.36**	**2.11**
Total Trade Receivables	**299.58**	**51.46**	**6.65**	**0.71**	**0.01**	**1.36**	**359.77**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

15. TRADE RECEIVABLES (contd.)

Amount ₹ in crores unless otherwise stated

As at March 31, 2021

Particulars	Outstanding for following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
a) Considered good	236.00	39.63	8.45	0.03	-	-	284.11
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed Trade receivables	**236.00**	**39.63**	**8.45**	**0.03**	**-**	**-**	**284.11**
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	0.01	0.57	0.01	0.19	1.26	2.04
Total disputed Trade receivables	**-**	**0.01**	**0.57**	**0.01**	**0.19**	**1.26**	**2.04**
Total Trade Receivables	**236.00**	**39.64**	**9.02**	**0.04**	**0.19**	**1.26**	**286.15**

16A. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.10	0.10
Balances with banks in current account *	13.38	46.62
Deposits with original maturity of less than or equal to 3 months	62.26	85.13
Total	**75.74**	**131.85**

*One current account with bank balance ₹ 0.02 Crores (March 31, 2021: ₹ 0.02 Crores), which has not been transferred from Mafatlal Industries Limited pursuant to its scheme of demerger, is in the process of being transferred in the Company's name.

16B. OTHER BANK BALANCES

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend	4.65	4.33
Buyback account	0.01	0.01
Deposits with maturity of more than 3 month and less than 12 months	4.13	396.91
Deposits received under protest (refer note 50)	10.95	10.42
Balances in earmarked accounts (Unpaid matured debentures)	0.35	0.35
Total	**20.09**	**412.02**

17. LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
Others	0.51	-
Total	**0.51**	**-**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

17. LOANS (contd.)

Amount ₹ in crores unless otherwise stated

Break-up of Security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	0.51	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**0.51**	**-**
Loss allowance	-	-
Total	**0.51**	**-**

18. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Rent Receivable	4.64	0.56
Security deposits	0.36	2.66
Derivative assets - Foreign exchange contracts	0.86	0.57
Export incentive receivables	-	3.23
Total	**5.86**	**7.02**

19. OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	70.65	55.33
Prepaid expenses	3.45	2.94
Balances with government authorities	114.92	26.91
Other deposits	2.12	2.29
Others advances	6.54	7.38
Total	**197.68**	**94.85**

20. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Shares		
17,50,00,000 equity shares of ₹ 2 each	35.00	35.00
Issued, subscribed and fully Paid shares		
4,95,53,150 (as at March 31, 2021 - 4,95,03,220) equity shares of ₹ 2.00 each	9.91	9.90
Less: Calls in arrears [refer note 20 (f)]	*	*
Total	**9.91**	**9.90**

* Numbers are below rounding off

(a) Reconciliation of the number of shares and amount outstanding:

Particulars	Number of shares	Amount
Balance as at March 31, 2020	**4,94,84,320**	**9.90**
Add: Shares issued on exercise of employee stock options during the year	18,900	-
Balance as at March 31, 2021	**4,95,03,220**	**9.90**
Add: Shares issued on exercise of employee stock options during the year	49,930	0.01
Balance as at March 31, 2022	**4,95,53,150**	**9.91**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

20. Equity share capital (contd.)

Amount ₹ in crores unless otherwise stated

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2.00 per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company in proportion to the number of and amounts paid on the shares held.

(c) Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 44.

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2022		
Mafatlal Impex Private Limited	1,14,07,420	23.02%
Smallcap World Fund, Inc	30,68,598	6.19%
As at March 31, 2021		
Mafatlal Impex Private Limited	1,14,07,420	23.04%
Smallcap World Fund, Inc	38,46,051	7.77%

(e) Details of shareholders holding of promoter:

Shareholding of promoters as on March 31, 2022

Particulars	Number of shares	% of total number of shares	% of change during the year
Vishad Mafatlal as Trustee of Vishad P Mafatlal Family Trust No. 1	3,82,635	0.77	*
Vishad Padmanabh Mafatlal	11,54,349	2.33	(17.21)%
Padmanabh Arvind Mafatlal (Huf)	14,550	0.03	*
Vishad P . Mafatlal Pam HUF1 P Mafatlal	4,550	0.01	*
Rupal Vishad Mafatlal	101	-	*
Chetna Padmanabh Mafatlal	1,015	-	*
Anshi Ventures Pvt Ltd (Formerly Known as Milap Texchem Pvt Ltd)	100	-	*
Pamil Investments Pvt Ltd	5,000	0.01	*
Mafatlal Exim Private Limited	16,28,729	3.29	*
Mafatlal Impex Private Limited	1,14,07,420	23.02	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	1,21,275	0.24	*
Total	**1,47,19,724**	**29.70**	

* Numbers are below rounding off

Shareholding of promoters as on March 31, 2021

Particulars	Number of shares	% of total number of shares	% of change during the year
Vishad Mafatlal as Trustee of Vishad P Mafatlal Family Trust No. 1	3,82,635	0.77	*
Vishad Padmanabh Mafatlal	13,94,349	2.82	(9.12)%
Padmanabh Arvind Mafatlal (HUF)	14,550	0.03	*
Vishad P . Mafatlal Pam HUF1 P Mafatlal	4,550	0.01	*
Rupal Vishad Mafatlal	101	-	*
Chetna Padmanabh Mafatlal	1,015	-	*

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

20. Equity share capital (contd.)

Amount ₹ in crores unless otherwise stated

Shareholding of promoters as on March 31, 2021

Particulars	Number of shares	% of total number of shares	% of change during the year
Anshi Ventures Pvt Ltd (Formerly Known as Milap Texchem Pvt Ltd)	100	-	*
Pamil Investments Pvt Ltd	5,000	0.01	*
Mafatlal Exim Private Limited	16,28,729	3.29	*
Mafatlal Impex Private Limited	1,14,07,420	23.04	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	1,21,275	0.24	*
Total	**1,49,59,724**	**30.21**	

* Numbers are below rounding off

(f) Calls unpaid (by other than officers and directors)

Particulars	No. of shares	Amount
As at March 31, 2022		
Equity shares of ₹ 2.00 each, ₹ 1.00 called up but unpaid	14,555	*
As at March 31, 2021		
Equity shares of ₹ 2.00 each, ₹ 1.00 called up but unpaid	14,555	*

*Numbers are below rounding off

(g) Out of the rights issue made in 2004-05, 109 equity shares could not be offered on rights basis due to the non-availability of details of beneficial holders from depositories. The same are kept in abeyance.

21. OTHER EQUITY

21A RESERVES AND SURPLUS

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium	25.47	21.72
General Reserve	73.33	73.33
Share Options Outstanding Account	1.30	2.36
Retained Earnings	1,579.62	1,371.39
Total	**1,679.72**	**1,468.80**

(i) Securities Premium

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	21.72	20.02
Add: Received during the year on shares issued on exercise of employee stock options during the year	3.75	1.70
Closing Balance	**25.47**	**21.72**

(ii) General Reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	73.33	73.33
Closing Balance	**73.33**	**73.33**

(iii) Share Options Outstanding Account

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	2.36	2.70
Add: Recognition of share-based payments (Net)	(1.06)	(0.34)
Closing Balance	**1.30**	**2.36**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

21. OTHER EQUITY (contd.)

Amount ₹ in crores unless otherwise stated

(iv) Retained Earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,371.39	1,153.49
Add: Profit for the year	263.07	257.52
Less:		
Other comprehensive income for the year, net of income tax	(0.83)	(0.03)
Dividends	(54.48)	(39.59)
Reversal of excess provision of Dividend Distribution Tax	0.47	-
Closing Balance	**1,579.62**	**1,371.39**

Description of reserves

Securities premium - The Securities Premium was created on issue of shares at a premium. The reserve is utilised in accordance with the provisions of the Act.

General Reserve - The general reserve comprises of transfer of profits from retained earnings for appropriation purpose. The reserve can be distributed/utilised by the Company in accordance with the provisions of the Act.

Share options outstanding account - The employee stock options outstanding represents reserve in respect of equity settled share options granted to the Group's employees in pursuance of the employee stock option plan.

Retained earnings - This represent the amount of accumulated earnings of the Company.

21B OTHER RESERVES

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve no.1	80.35	80.35
Capital Reserve no.2	70.35	70.35
Capital redemption reserve	0.34	0.34
Call in arrears/share options pending for allotment	0.01	0.24
Foreign currency translation reserve	3.54	3.93
Total	**154.59**	**155.21**

(i) Capital Reserve no.1

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	80.35	80.35
Closing Balance	**80.35**	**80.35**

(ii) Capital Reserve no.2

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	70.35	70.35
Closing Balance	**70.35**	**70.35**

(iii) Capital redemption reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	0.34	0.34
Closing Balance	**0.34**	**0.34**

(iv) Call in arrears / share options pending for allotment

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	0.24	0.01
Add: Calls in arrears received during the year	-	-
Add: Amount received against share options during the year	(0.23)	0.23
Closing Balance	**0.01**	**0.24**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

21B OTHER RESERVES (contd.)

Amount ₹ in crores unless otherwise stated

(v) Foreign currency translation reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	3.94	1.70
Add: Changes in foreign currency translation reserve	(0.40)	2.24
Closing Balance	**3.54**	**3.94**

Description of reserves

Capital Reserve no. 1 - Capital reserve no. 1 was created for excess of assets over liabilities and reserves taken over pursuant to the scheme of demerger of chemical business of Mafatlal Industries Limited.

Capital Reserve no. 2 - Capital reserve no. 2 was created for compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances.

Capital Redemption Reserve - Capital redemption reserve was created out of the general reserve during the buy back of equity shares and it is a non-distributable reserves.

Foreign Currency Translation Reserve - Exchange differences arising on translation of the foreign operations are recognised in Other Comprehensive Income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

22A BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan from a bank	100.00	-
Total	**100.00**	**-**

Terms of Borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2022	As at March 31, 2021
Secured					
Term loan from a bank	28-03-2028	16 quarterly installment of ₹ 7.8125 Crores each after 24 months of disbursement	3% per annum + 180 bps.	100.00	-

22B LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	10.04	15.57
Total	**10.04**	**15.57**

23A PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences (refer note 42.3)	13.68	11.80
Total	**13.68**	**11.80**

23B DEFERRED TAX LIABILITIES - (NET)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	46.58	47.88
Less: deferred tax assets	(26.44)	(27.14)
Total Deferred Tax Liabilities (Net)	**20.14**	**20.74**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

23B.1 MOVEMENT OF DEFERRED TAX

Amount ₹ in crores unless otherwise stated

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2022

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	37.82	1.11	-	38.93
Right-of-use to assets	4.82	(0.82)	-	4.00
Financial asset measured at FVTPL	1.97	(1.26)	-	0.71
On undistributed profit	2.84	-	-	2.84
Foreign currency translation reserve	0.24	-	-	0.24
Others	0.19	(0.33)	-	(0.14)
Total deferred tax liabilities	**47.88**	**(1.30)**	**-**	**46.58**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	15.23	1.08	-	16.30
Fair Valuation of loan to wholly owned subsidiary	(0.43)	(0.15)	-	(0.58)
Provision for Compensated Absences	1.74	0.25	-	1.99
Provision for Gratuity	0.21	0.15	-	0.36
Provision for doubtful debts	0.51	0.02	-	0.53
Preliminary expenses u/s. 35D	-	0.33	-	0.33
Lease Liabilities	5.06	(0.67)	-	4.39
Capital losses	1.71	(1.55)	-	0.16
Others	3.12	(0.15)	-	2.96
Total deferred tax assets	**27.14**	**(0.69)**	**-**	**26.44**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**20.74**	**(0.61)**		**20.14**

(ii) Deferred tax assets/ liabilities in relation to the year ended March 31, 2021

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	35.07	2.76	-	37.83
Right-of-use to assets	5.09	(0.27)	-	4.82
Financial asset measured at FVTPL	2.56	(0.59)	-	1.97
On undistributed profit	2.84	-	-	2.84
Foreign currency translation reserve	0.15	-	0.08	0.23
Others	0.28	(0.10)	-	0.18
Total deferred tax liabilities	**45.99**	**1.80**	**0.08**	**47.88**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	14.39	0.84	-	15.23
Fair Valuation of loan to wholly owned subsidiary	-	(0.43)	-	(0.43)
Provision for Compensated Absences	0.32	1.42	-	1.74
Provision for Gratuity	-	0.21	-	0.21
Provision for doubtful debts	0.67	(0.16)	-	0.51
Lease Liabilities	5.28	(0.22)	-	5.06
MAT credit entitlement/(utilisation) (refer note 38.2)	38.06	6.35	(44.42)	(0.01)
Capital losses	2.40	(0.69)	-	1.71
Others	0.02	3.11	-	3.13
Total deferred tax assets	**61.13**	**10.43**	**(44.42)**	**27.14**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**(15.14)**	**(8.63)**	**44.51**	**20.74**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

24. OTHER NON-CURRENT LIABILITIES

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Liability against project contracts (Refer note 49)	13.35	13.35
Deferred Government Grant	0.14	0.15
Total	**13.49**	**13.50**

25. BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost		
- Working Capital Loan from a bank#	4.47	2.52
Total	**4.47**	**2.52**

Terms of repayment and security

#Repayable on demand and carries interest rate of LIBOR +1.30% per annum. The same is secured by Fixed deposits.

26 LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	6.31	6.97
Total	6.31	6.97

The total expenses related to short term lease (included in other expenses) was ₹ 1.22 crores (March 31, 2021 : ₹ 0.40 crores)

27A. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	14.14	13.72
Total outstanding dues other than above	132.39	93.70
Total	**146.53**	**107.42**

Ageing of Trade Payables: As at March 31, 2022

Particulars	Outstanding for following periods from the due date						
	Unbilled	Not Due	Less than 1 Year	1 - 2 years	2-3 years	More than 3 years	Total
Undisputed trade Payables							
a) Micro enterprises and small enterprises	-	13.57	0.57	-	-	-	14.14
b) Others	13.23	96.69	22.33	-	-	0.14	132.39
Total Undisputed Trade Payables	**13.23**	**110.26**	**22.90**	**-**	**-**	**0.14**	**146.53**
Disputed trade Payables							
a) Micro enterprises and small enterprises	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
Total Disputed Trade Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Payables	**13.23**	**110.26**	**22.90**	**-**	**-**	**0.14**	**146.53**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

27A. TRADE PAYABLES (contd.)

Amount ₹ in crores unless otherwise stated

Ageing of Trade Payables: As at March 31, 2021

Particulars	Outstanding for following periods from the due date						
	Unbilled	Not Due	Less than 1 Year	1 - 2 years	2-3 years	More than 3 years	Total
Undisputed trade Payables							
a) Micro enterprises and small enterprises	-	8.54	5.10	0.07	-	0.01	13.72
b) Others	17.42	56.76	19.26	-	0.04	0.22	93.70
Total Undisputed Trade Payables	**17.42**	**65.30**	**24.36**	**0.07**	**0.04**	**0.23**	**107.42**
Disputed trade Payables							
a) Micro enterprises and small enterprises	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
Total Disputed Trade Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Payables	**17.42**	**65.30**	**24.36**	**0.07**	**0.04**	**0.23**	**107.42**

27B. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividends*	4.65	4.33
Unpaid money on buy-back of shares	0.01	0.01
Unclaimed matured debentures and interest accrued thereon	0.35	0.35
Derivative liability - Foreign exchange contract	0.26	0.28
Capital Creditors	152.90	15.37
Security Deposits received	10.42	11.02
Others	0.05	0.04
Total	**168.64**	**31.41**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

28. PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences (refer note 42.3)	3.50	3.10
Gratuity Payable (refer note 42.2)	1.90	1.12
Total	**5.40**	**4.22**

29. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers (refer note 50)	11.32	10.81
Statutory dues	8.20	9.26
Deferred Government Grant	0.02	0.02
Payables to Employees	20.53	16.50
Others	2.00	1.73
Total	**42.07**	**38.32**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

30. REVENUE FROM OPERATIONS

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	1,437.22	1,166.56
Sale of services	10.79	7.92
Other operating revenues		
- Scrap Sales	2.97	1.32
- Export Incentives	2.38	3.59
Total	**1,453.36**	**1,179.39**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the period	3.03	2.09

31. OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		
- on banks deposits	15.70	17.59
- on income tax refund	5.30	34.60
- on loans and advances	0.96	1.39
Dividend income		
- on investments in Shares	0.02	-
Lease rental income on investment properties (refer note 6)	11.59	11.64
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	3.18	8.16
- Excess provision/ liabilities written back (Net)	-	0.15
- Net gain arising on sale of Investments	0.09	2.28
- Net gain on foreign currency transactions	-	1.99
- Miscellaneous Income	2.38	1.24
Total	**39.22**	**79.04**

32. COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw material consumed	616.66	501.13
Packing Material consumed	33.83	26.68
Total	**650.49**	**527.81**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Finished goods	45.22	33.86
Work-in-process	38.82	42.55
Stock-in-trade	25.60	23.32
	109.64	99.73
Inventories at the beginning of the year		
Finished goods	33.86	47.48
Work-in-process	42.55	19.33
Stock-in-trade	23.32	19.57
	99.73	86.38
	(9.91)	(13.35)
Add/(Less): Foreign currency translation adjustments	0.35	(1.78)
Net Increase	**(10.26)**	**(11.57)**

34. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and bonus	165.45	130.11
Contribution to provident and other funds (refer note 42.1 and 42.2)	6.76	5.65
Employee share-based payment expense (refer note 44)	-	0.14
Staff Welfare Expenses	6.71	3.53
Gratuity expenses (refer note 42.2)	2.61	2.27
Total	**181.53**	**141.70**

Note:In current year ₹ 13.47 crores (Previous year ₹ 6.17 crores) pertaining to employee benefits expenses have been capitalised.

35. FINANCE COSTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	0.17	0.18
Interest on Lease liabilities	1.21	1.23
Interest on Others	0.52	0.43
Total	**1.90**	**1.84**

36. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 5A)	39.17	35.62
Depreciation on Right-of-use assets (refer note 5B)	7.18	6.93
Depreciation on investment properties (refer note 6)	1.13	1.13
Amortisation of intangible assets (refer note 7)	0.42	0.49
Total	**47.90**	**44.17**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

37. OTHER EXPENSES

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel	75.63	53.89
Rent expense (refer note 41)	1.22	0.40
Repairs and Maintenance		
- Plant and Machinery	10.57	7.91
- Buildings	0.98	0.98
Consumption of stores and spares	41.06	31.87
Transport and freight charges (Net)	35.76	23.83
Labor contract charges	16.97	14.23
Property maintenance expenses	0.08	0.08
Legal and Professional Charges (refer note 37.1)	15.41	8.00
Rates & Taxes	5.53	6.91
Insurance	6.68	6.35
Directors Sitting Fees	0.47	0.34
Loss on Sale/ retirement of property, plant & equipment	0.47	0.14
Net loss on foreign currency transactions	0.93	0.09
Provision for doubtful debts / advances (Net)	0.06	0.13
Expenditure on Corporate Social Responsibility (refer note 37.2)	5.28	5.68
Net loss arising on sale of Investments	0.37	-
Miscellaneous expenses	33.92	30.20
Total	**251.39**	**191.03**

Note: In current year ₹7.99 crores (Previous year ₹2.21 crores) pertaining to Other expenses have been capitalised.

37.1 PAYMENTS TO AUDITORS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditors	0.74	0.53

37.2 CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the company during the year	5.23	4.35
b) Amount spent during the year on:	5.28	5.68
	In cash	Yet to be paid in cash
For the year March 31, 2022		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.28	-
For the year March 31, 2021		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.66	0.02

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

38. INCOME TAXES RELATING TO CONTINUING OPERATIONS

Amount ₹ in crores unless otherwise stated

INCOME TAX EXPENSES RECOGNISED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	85.04	119.35
- Excess provision of tax for earlier years	(3.28)	0.06
- Deferred tax	(0.61)	(8.63)
	81.15	**110.78**
In respect of the current year		
- Current tax recognised in other comprehensive income	(0.26)	(0.03)
	(0.26)	**(0.03)**
Total income tax expense recognised in the current year	**80.89**	**110.75**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**344.23**	**357.83**
Income tax expense	88.17	125.26
Effect of:		
Income exempt from tax	(3.37)	(10.64)
Tax (Reversal)/ Charge of earlier years	(3.28)	0.06
MAT Created in the current year relating to earlier years	-	(6.35)
Deferred tax liability reversal due to change in tax rate	-	1.18
Expenses that are not deductible in determining taxable profit	1.75	8.25
Tax concessions availed	(3.71)	(4.91)
Income taxable at different tax rate	(0.10)	0.45
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	(0.01)	(0.97)
Others	1.70	(1.54)
Income tax expense recognised in Consolidated Statement of Profit and loss	**81.15**	**110.78**

39. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. Chairman and Managing Director of the Group are the chief operating decision makers. The Group operates only in one Business Segment i.e. 'Chemical Business' which constitutes a single reporting segment.

The Group has two geographical segments based upon location of its customers - within and outside India:

Particulars	As at and for the year ended March 31, 2022			As at and for the year ended March 31, 2021		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	695.01	758.35	1,453.36	569.31	610.08	1,179.39
Carrying cost of non current assets@	1,327.54	5.62	1,333.16	664.19	6.63	670.82
Cost incurred on acquisition of property, plant and equipment	713.83	0.21	714.04	104.61	0.45	105.06

@ Excluding financial assets.

Note: Considering the nature of business of the Group in which it operates, the Group deals with various customers. Consequently, none of the customer's contribution exceeds 10% of total revenue of the Group.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

40. EARNING PER SHARE

Amount ₹ in crores unless otherwise stated

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year attributable to equity shareholders - (₹ in lakhs) - A	263.07	257.52
Weighted average number of equity shares outstanding during the year - B	4,95,28,217	4,94,91,580
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	33,287	68,083
Weighted average number of Equity shares adjusted for the effect of dilution - C	4,95,61,504	4,95,59,663
Basic earnings per share - ₹ (A/B)	53.12	52.03
Diluted earnings per share - ₹ (A/C)	53.08	51.96
Nominal value per share - ₹	2.00	2.00

41. LEASING ARRANGEMENT

The Group has taken office, residential premises and vehicles under operating lease or leave and license agreements. These are generally cancellable in nature and range between 11 months to 60 months. These leave and license agreements are generally renewable or cancellable at the option of the Group or the lessor. The lease payment recognised in the Consolidated Statement of Profit and Loss is ₹ 1.22 Crores (March 31, 2021: ₹ 0.40 Crores). From April 1, 2019 the Group has recognised right of use assets for these leases, except short term leases. Refer note 5B for further information.

42. EMPLOYEE BENEFIT PLANS

42.1 Defined Contribution Plan

The Group has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Contribution to Provident Fund	3.66	2.96
Contribution to Family Pension Fund	1.30	1.18
Contribution to Superannuation Fund	1.71	1.42
Contribution to Employees' State Insurance Scheme	0.01	0.02
Contribution to Employees' Deposits Linked Insurance Scheme	0.08	0.07
Total	**6.76**	**5.65**

42.2 Defined Benefit Plans

(i) Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk- A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk- The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk- The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(ii) Gratuity (Funded)

The Group sponsors funded defined benefit gratuity plan for all eligible employees of the Group except for certain employees. The Group's defined benefit gratuity plan requires contributions to be made to a separately administered trust. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Group makes provision for gratuity fund based on an actuarial valuation carried out at the end of the year using 'projected unit credit' method.

a) Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations of gratuity liability were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
1. Discount rate	7.37% / 6.84%	6.49% / 6.86%
2. Salary escalation	10%	10%
3. Mortality rate	Indian Assured Lives Mortality 2012 - 14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
4. Attrition rate	2% / 11%	5% / 10%

(b) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plan (gratuity) is as follows:

Balances of defined benefit plan

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	(30.15)	(27.98)
Fair value of plan assets	28.24	26.87
Net liability arising from gratuity	(1.91)	(1.11)

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

(c) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in Consolidated Statement of Profit and Loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	2.67	2.40
Net interest expenses	-	0.13
Less: Amount transferred to Capital work in progress	0.05	(0.27)
Total (A)	**2.72**	**2.27**
B. Components of defined benefit costs recognised in other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
-Return on plan assets (excluding amounts included in net interest expense)	(0.29)	(0.45)
-Actuarial gains and losses arising from changes in demographic assumptions	(0.41)	0.44
-Actuarial gains and losses arising from changes in financial assumptions	(0.54)	(1.35)
-Actuarial gains and losses arising from experience adjustments	2.26	1.43
Total (B)	**1.02**	**0.08**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	27.98	25.65
Current service cost	2.67	2.40
Interest cost	1.82	1.69
Liabilities assumed for employee transferred to/from other entity	0.01	-
- Actuarial gains and losses arising from changes in demographic assumptions	(0.33)	-
- Actuarial gains and losses arising from changes in financial assumptions	(0.58)	0.44
- Actuarial gains and losses arising from experience adjustments	2.29	(1.34)
Liabilities assumed for employees transfered from other entity	-	1.44
Benefits paid	(3.71)	(2.30)
Closing defined benefit obligation (C)	**30.15**	**27.98**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	26.87	23.67
Interest income	1.74	1.56
Remeasurement gain/(loss):		
- Return on plan assets (excluding interest income)	0.29	0.45
Contributions by employer	3.05	3.48
Benefits paid	(3.71)	(2.30)
Closing fair value of plan assets (D)	**28.24**	**26.87**

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

(d) The expected contribution to the plan for the next financial year is ₹ 3.66 Crores (Previous Year: ₹ 3.05 Crores)

(e) **Category wise plan assets**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Central Government of India	11.29%	5.07%
State Government Securities	26.73%	23.10%
Special Deposits Scheme	10.78%	12.28%
Debt Instruments/Corp Bonds	51.20%	59.55%

(f) The weighted average duration of the defined benefit obligation is 7 years (March 31, 2021: 7 years). The expected maturity analysis of gratuity is as follows:

Particulars	Within 1 year	1-5 years	Above 5 years
As at March 31, 2022	5.81	12.14	30.19
As at March 31, 2021	5.53	10.78	27.27

(g) **Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and attrition rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Following is the impact of changes in assumption in defined benefit obligation of gratuity:

Increase/ (decrease) in assumptions	As at March 31, 2022	As at March 31, 2021
Impact of discount rate for 50 basis points increase	(0.78)	(0.73)
Impact of discount rate for 50 basis points decrease	0.82	0.78
Impact of salary escalation rate for 50 basis points increase	0.79	0.75
Impact of salary escalation rate for 50 basis points decrease	(0.75)	(0.71)
Impact of attrition rate for 50 basis points increase	(0.19)	(0.18)
Impact of attrition rate for 50 basis points decrease	0.20	0.18

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

(iii) Provident fund (funded)

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund for all employees, are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Group. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

(a) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plan (trust managed provident fund) is as follows:

Balances of defined benefit plan

Particular	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	(45.41)	(39.15)
Fair value of plan assets	45.41	40.82
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised

(b) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in Consolidated Statement of Profit and Loss, movement in defined benefit liability (i.e. provident fund) and movement in plan assets:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	2.59	2.78
Expected Return on plan assets	(3.21)	(3.06)
Net interest expenses	3.21	3.06
Total (A)	**2.59**	**2.78**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	39.15	34.00
Opening balance adjustment	(0.54)	0.51
Current service cost	2.59	2.78
Interest cost	3.21	3.06
Employee Contribution	4.49	3.45
Liabilities assumed for employee transferred from other entity	0.56	0.20
Benefits paid	(5.41)	(4.85)
Balance not recognized in Income statement	1.36	-
Closing defined benefit obligation (B)	**45.41**	**39.15**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	40.82	35.90
Opening balance adjustment	-	0.40
Remeasurement loss :	(0.85)	(0.12)
Expected Return on plan assets	3.21	3.06
Contributions	7.08	6.23
Asset transferred in for employee transferred from other entity	0.56	0.20
Benefits paid	(5.41)	(4.85)
Closing fair value of plan assets (C)	**45.41**	**40.82**

42. EMPLOYEE BENEFIT PLANS (contd.)

Amount ₹ in crores unless otherwise stated

(c) Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Central Government of India	13.71%	9.00%
State Government Securities	32.17%	35.82%
Special Deposits Scheme	23.03%	24.52%
Public Sector Units	27.01%	25.66%
Others	4.08%	5.00%

42.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹17.18 Crores (March 31, 2021: ₹ 14.90 Crores).

43. FINANCIAL INSTRUMENTS AND RISK REVIEW

43.1 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return to shareholders the capital or issue new shares or take such appropriate action as may be needed. The Group considers total equity reported in the financial statements to be managed as part of capital. The Group has Net Debt (Net debt includes, interest bearing loans and borrowings less cash and cash equivalents) as mentioned below :

Particulars	As at March 31, 2022	As at March 31, 2021
Net Debt	104.47	2.52
Total equity	1,844.22	1,633.91
Net debt to equity ratio	**5.66%**	**0.15%**

43.2 Fair value measurements

(i) Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	95.83	543.87
– Investments	2.41	2.18
– Trade receivables	357.66	284.11
– Loans	0.51	-
– Other financial assets	24.12	24.65
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	5.70	3.67
– Investments in mutual funds / Other funds	109.28	86.71
– Derivative assets	0.86	0.57
(b) designated at FVTPL	-	-
Measured at fair value through other comprehensive income	-	-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

(i) Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities		
Measured at Amortised Cost		
– Borrowing	104.47	2.52
– Lease liabilities	14.51	18.09
– Trade payable	146.53	107.42
– Other financial liabilities	178.42	46.70
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	0.26	0.28
(b) designated at FVTPL	-	-

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2022	2.75	-	2.95	5.70
As at March 31, 2021	1.92	-	1.75	3.67
Investments in mutual funds / Other funds				
As at March 31, 2022	99.07	-	10.21	109.28
As at March 31, 2021	76.09	-	10.62	86.71
Derivative liability				
As at March 31, 2022	-	0.26	-	0.26
As at March 31, 2021	-	0.28	-	0.28

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on 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 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 the observable market data, the instrument is included in Level 3.

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

(iii) Valuation technique used to determine fair value

1. The fair value of the quoted investments is determined using quoted bid prices in an active market.

2. The fair value of the unquoted investments is determined using the inputs other than quoted prices included in level 1 that are observable for assets and liabilities.

3. Group has made investments in 'Ask Real Estate Special Situation Fund'. The Fund invests primarily in special purpose vehicles and holding companies of special purpose vehicles that undertake residential and mixed use real estate developments with a significant residential component. The Valuation methodology used shall depend on the type of property and market conditions and stage of development reached in the invested project. The suitability of a particular method of valuation is decided based on the below criteria:

- For undeveloped properties: Sales/Market Comparison Method benchmarked by Discounted Cash Flow Method
- For semi developed properties / properties under development: Weighted average of Discounted Cash Flow Method and Replacement Cost Method
- For completed properties, leased property or ready for sale properties: Capitalization of Rental Method or Market Comparison Method

(iv) Fair value of Financial assets and liabilities measured at amortised cost

The carrying amounts of cash and cash equivalents, trade receivables, receivables from related parties and trade payables are considered to be the same as their fair values due to their short-term nature. Fair value of security deposits approximates the carrying value.

43.3 Financial risk management objectives

The Group's activities exposes it to a variety of financial risks including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of financial risks on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.4 Market Risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and other price risk. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

43.5 Foreign exchange risk

(i) Exposure to foreign exchange risk:

The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency of the entity in the Group. The risk also includes highly probable foreign currency cash flows.

The Group has exposure arising out of export, import and other transactions other than functional risks. The Group hedges its foreign exchange risk using foreign exchange forward contracts. The same is within the guidelines laid down by Risk Management Policy of the Group.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

43. Financial Instruments and Risk Review (contd.)

Amount ₹ in crores unless otherwise stated

(ii) Foreign exchange risk management:

To manage the foreign exchange risk arising from recognized assets and liabilities, Group use spot transactions, foreign exchange forward contracts, according to the Group's foreign exchange risk policy. Group's treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions. The Group's foreign exchange risk management policy is to selectively hedge net transaction exposures in major foreign currencies.

The carrying amounts of the Group's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	(₹ in crores)	(Foreign Currency In crores)	(₹ in crores)	(Foreign Currency In crores)
Amount receivable				
USD	5.96	0.08	2.07	0.03
GBP	0.06	*	0.13	*
EURO	1.27	0.02	1.45	0.02
Amount payable				
USD	5.46	0.07	-	-
GBP	*	*	-	-
EURO	2.83	0.03	1.20	0.01

* Numbers are below rounding off

(iii) Foreign exchange risk sensitivity:

3% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analyze of change in profit where the Indian Rupee strengthens and weakens by 3% against the relevant currency:

Particulars	For year ended March 31, 2022		For year ended March 31, 2021	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	0.01	(0.01)	0.06	(0.06)
GBP	*	*	*	*
EURO	(0.05)	0.05	0.01	(0.01)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

* Numbers are below rounding off

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

(iv) Forward foreign exchange contracts

The following table contains the details of forward foreign currency contracts outstanding at the end of the reporting period:

Particulars	Exposure to buy / sell	As at the year end	
		₹ in crores	Foreign Currency in crores
US Dollars			
March 31, 2022	sell	147.38	1.93
March 31, 2021	sell	117.62	1.60
EURO			
March 31, 2022	sell	3.38	0.04
March 31, 2021	sell	1.32	0.02
US Dollars			
March 31, 2022	buy	51.87	0.68
March 31, 2021	buy	28.00	0.38

43.6 Other price risks

The Group is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.

In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Investment policy. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Management Committee.

Price Risk Sensitivity Analysis:

As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows:

For equity instruments, a 10% increase in equity prices would have led to approximately an additional ₹ 0.27 Crores gain in Consolidated statement of profit and loss (March 31, 2021: ₹ 0.19 Crores). A 10% decrease in equity prices would have led to an equal but opposite effect.

43.7 Interest rate risk:

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed in floating interest rate. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group has exposure to interest rate risk, arising principally on changes in GBP LIBOR rate and T-Bill rate.

If interest rate had been 50 basis points higher and all other variables were held constant profit for the year ended March 31, 2022 would have been lower by ₹ 0.52 Crores. (March 31, 2021: ₹ 0.01 Crores). An opposite impact would have been on profit had the interest rate had been 50 basis points lower.

43.8 Credit risk

(i) Exposures to credit risk

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. The credit risk arises from its operating activities (i.e. primarily trade receivables), from its investing activities including deposits with banks and financial institutions and other financial instruments.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

(ii) Credit risk management

1) Trade receivable

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 357.34 Crores (March 31, 2021 - ₹ 284.11 Crores).

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the group customers' financial condition; ageing of trade accounts receivable and the Group's historical loss experience.

Trade receivables are written off when there is no reasonable expectation of recovery. The allowance for lifetime expected credit loss on customer balances as at March 31, 2022 was- ₹ 2.11 Crores (March 31, 2021 - ₹ 2.04 Crores).

Movement in the credit loss allowance

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning	2.04	1.91
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	0.07	0.13
Balance at the end	**2.11**	**2.04**

2) Cash and Cash Equivalent

Credit risk on cash and cash equivalents is limited as Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

3) Investment in Mutual Funds

Credit risk on investments in mutual fund is limited as Group invested in mutual funds issued by the financial institutions with high credit ratings assigned by credit rating agencies.

43.9 Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

(i) Liquidity risk tables

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

43. FINANCIAL INSTRUMENTS AND RISK REVIEW (contd.)

Amount ₹ in crores unless otherwise stated

Particulars	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2022				
– Borrowing	104.47	4.47	100.00	104.47
– Trade payable	146.53	146.53	-	146.53
– Lease liabilities	16.35	6.31	10.04	16.35
– Other financial liabilities (other than derivative liabilities)	178.42	178.42	-	178.42
– Derivative liabilities	0.26	0.26	-	0.26
As at March 31, 2021				
– Borrowing	2.52	2.52	-	2.52
– Trade payable	107.42	107.42	-	107.42
– Lease liabilities	22.54	6.97	15.57	22.54
– Other financial liabilities (other than derivative liabilities)	46.70	46.70	-	46.70
– Derivative liabilities	0.28	0.28	-	0.28

44. SHARE BASED PAYMENTS

Details of the employee share based plan of the Group

Employee stock option scheme 2007 ("ESOS 2007") - Employee stock option scheme 2007 ("ESOS 2007") - The Shareholders at their Annual General Meeting held on July 20, 2007 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹ 2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2007, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2007 shall be capable of being exercisable on vesting within 10 years from grant date.

Employee stock option scheme 2017 ("ESOS 2017") - The Shareholders at their Annual General Meeting held on June 29,2017 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company and its subsidiary companies to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹ 2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2017, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2017 shall be capable of being exercisable on vesting within 10 years from grant date.

(i) The following share-based payment arrangements were in existence during the current and prior years under the scheme:

Scheme	Grant date	Number of Stock Options Granted	Vesting period	Exercise Price (₹)
ESOS 2007	July 28, 2007	1,11,000*	4 Years	74.84
	July 28, 2007	40,000*	4 Years	81.49
	April 28, 2014	4,33,500*	2 Years	78.00
	June 29, 2015	1,50,115*	2 Years	194.80
	October 24, 2016	56,075*	2 Years	554.40
ESOS 2017	March 19, 2018	58,830	2 Years	780.00
	May 9, 2018	725	2 Years	770.35
	January 7, 2019	14,315	2 Years	698.45

*Adjusted to corporate actions of sub-division of shares in the ratio of 5 Equity Shares of ₹ 2.00 each for every 1 Equity Share of ₹ 10.00 each.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

44. SHARE BASED PAYMENTS (contd.)

Amount ₹ in crores unless otherwise stated

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

Scheme	Year ended March 31, 2022		Year ended March 31, 2021	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of year				
ESOS 2007	37,420	345.20	45,670	367.24
ESOS 2017	52,465	757.62	63,115	761.40
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	-	-
Exercised during the year				
ESOS 2007	27,175	342.01	8,250	467.22
ESOS 2017	22,755	779.69	10,650	780 .00
Expired during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	-	-
Balance at the end year				
ESOS 2007	10,245	353.66	37,420	345.20
ESOS 2017	29,710	740.72	52,465	757.62

(iii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise price (₹)	Share options March 31, 2022	Share options March 31, 2021
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	5,720	21,770
October 24, 2016	October 23, 2026	554.40	4,525	15,650
March 19, 2018	March 18, 2028	780.00	15,395	37,425
May 9, 2018	May 9, 2028	770.35	-	725
January 7, 2019	January 6, 2029	698.45	14,315	14,315

(iv) No Stock options granted during the year.

(v) Expenses arising from employee share based payment transaction recognised in the Consolidated Statement of Profit and Loss as part of employee benefit expense for the year ended March 31, 2022 is ₹ Nil Crores (March 31, 2021: ₹ 0.14 Crores). Also refer note 34.

45. RELATED PARTY TRANSACTIONS

Following are the name and relationship of related parties with whom Group have transactions/ balances:

a. **Enterprises over which key management personnel and their relatives are able to exercise significant influence**

Sri Sadguru Seva Sangh Trust

b. **Entity over which Company has joint control (i.e. joint venture)**

Swarnim Gujarat Fluorspar Private Limited, India

Convergence Chemicals Private Limited, India (upto February 24, 2021)

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

45. RELATED PARTY TRANSACTION (contd.)

Amount ₹ in crores unless otherwise stated

c. **Key Management personnel**

Mr. Vishad P. Mafatlal - Chairman

Mr. Radhesh R. Welling - Managing Director

Mr. Mohan M. Nambiar - Non-Independent Non-Executive Director

Mr. Pradip N. Kapadia - Independent Non-Executive Director

Mr. Sunil S. Lalbhai - Independent Non-Executive Director

Mr. Sharad M. Kulkarni - Independent Non-Executive Director (upto March 31, 2021)

Mr. Sudhir G. Mankad - Independent Non-Executive Director

Mr. Harish H. Engineer - Independent Non-Executive Director

Mr. Atul K. Srivastava - Independent Non-Executive Director

Mrs. Radhika V. Haribhakti - Independent Non- Executive Director

Mr. Ashok U. Sinha - Independent Non- Executive Director

Mr. Sujal A. Shah - Independent Non- Executive Director (w.e.f. May 7, 2021)

Mrs. Apurva S. Purohit - Independent Non- Executive Director (w.e.f. October 19, 2021)

45.1 Disclosures in respect of significant transactions with related parties during the year:

Transactions	For the Year ended March 31,2022	For the Year ended March 31,2021
Sale of finished goods		
Convergence Chemicals Private Limited	-	10.38
Sale / Transfer of Immovable Asset		
Convergence Chemicals Private Limited	-	7.90
Expenses incidental for Sale of Equity share		
Convergence Chemicals Private Limited	-	3.00
Payment of deposits/advances		
Convergence Chemicals Private Limited	-	2.73
Rental income		
Convergence Chemicals Private Limited	-	0.01
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	-	0.49
Purchase of raw materials		
Convergence Chemicals Private Limited	-	**
Deposit taken		
Convergence Chemicals Private Limited	-	**
Reimbursement of expenses recovered		
Convergence Chemicals Private Limited	-	0.87

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

45. RELATED PARTY TRANSACTION (contd.)

Amount ₹ in crores unless otherwise stated

Transactions	For the Year ended March 31,2022	For the Year ended March 31,2021
Repayment of advances / Reimbursement of expenses from		
Convergence Chemicals Private Limited	-	3.25
Donation		
Sri Sadguru Seva Sangh Trust	2.00	2.00
Managerial remuneration (Short term Employee Benefits) #	16.54	15.78
Director sitting fees and commission	2.81	2.21

Excludes provision for gratuity and compensated absences which are determined based on an actuarial valuation done on overall basis for the company and accordingly individual figure are not available.

* Commission payable to Independent / Non-Independent, Non-executive directors of ₹ 2.33 crores for the year ended March 31, 2022 is subject to approval of shareholders.

* Numbers are below rounding off

45.2 Disclosures of closing balances:

Transactions	As at March 31,2022	As at March 31,2021
Amount due to Directors		
Mr. Vishad P. Mafatlal	5.44	5.31
Mr. Radhesh R. Welling	3.63	3.54
Mr. Mohan M. Nambiar	0.25	0.22
Mr. Pradip N. Kapadia	0.25	0.22
Mr. Sunil S. Lalbhai	0.25	0.22
Mr. Sharad M. Kulkarni	-	0.22
Mr. Sudhir G. Mankad	0.25	0.22
Mr. Harish H. Engineer	0.25	0.22
Mr. Atul K. Srivastava	0.25	0.22
Mrs. Radhika V. Haribhakti	0.25	0.22
Mr. Ashok U. Sinha	0.25	0.11
Mr. Sujal A. Shah	0.25	-
Mrs. Apurva S. Purohit	0.12	-

Terms and Condition:

1. **Sales**

   The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. For the year ended March 31, 2022, the Group has not recorded any loss allowances for trade receivables from related parties.

2. **Purchases**

   The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and at market rates.

3. **Guarantees for joint venture company**

   Guarantees provided to the lenders of the joint venture company are for availing term loans from the lender banks.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

46. CAPITAL AND OTHER COMMITMENTS

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	212.26	351.42
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	0.09	0.24

47. CONTINGENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts		
a. Income tax matters - Matters decided against the group in respect of which the group has preferred an appeal.	3.55	3.55
b. Excise duty matters	4.23	4.23
c. Sales-tax matters	0.87	1.63
d. Employee related matters	0.07	0.07
e. Other Bank guarantees	0.15	29.08

Note : It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

48. RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 34.89 Crores (as at March 31, 2021 ₹ 21.68 Crores) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Expenditure	8.67	0.92
Revenue Expenditure	26.22	20.76
Total	**34.89**	**21.68**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	13.74	11.47
Material / Consumable / Spares	5.62	4.73
Utilities	1.58	1.29
Other expenditure	3.61	1.66
Depreciation	1.67	1.61
Total	**26.22**	**20.76**

49. Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers have asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Group pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer (Refer note 12 and note 24).

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

50. Before transfer of assets to Sulakshana Securities Limited (SSL) by Mafatlal Industries Limited (MIL) pursuant to its sanctioned scheme of rehabilitation, MIL had initiated steps for revision in rent/recovery of expenses and filed legal proceedings for eviction of some of its tenants/ (now) ex-tenants who were occupying at that time some of the premises in its building at Nariman Point, Mumbai. Pending resolution of those legal cases, rent of ₹ Nil, previous year, ₹ Nil, (aggregate to date, ₹ 0.66 Crores, as at March 31, 2021, ₹ 0.66 Crores) and recovery of expenses, of ₹ Nil, previous year, ₹ Nil (aggregate to date, ₹ 0.42 Crores, as at March 31, 2021, 2021 ₹ 0.42 Crores), have not been accounted, on legal advice. The ex-tenants have filed Civil Revision Application and secured a stay from the Hon'ble Bombay High Court in April 2013 against the Order of the appeal bench of Hon'ble Small Causes Court awarding an increased amount to SSL. During the year 2014-15, pursuant to the directions of the Hon'ble Bombay High Court and the Undertakings provided by SSL, SSL received ₹ 6.56 Crores deposited by the ex- tenants, which is subject to final disposal of the matter. SSL is liable to refund the amount if the final decision goes against it. Pending final decision on the matter, the aforesaid amount has been kept in Term deposit account and the interest thereon is not considered as an Income.

51. EXCEPTIONAL ITEMS INCLUDE:

Exceptional Items include gain of ₹ 15.51 Crores on account of sale of shares (net of incidental expenses) held in Convergence Chemicals Private Limited ('CCPL'), the Joint Venture Company, including gain for giving up lease rights in land, related to financial year March 31,2021 current year nil.

51A. Net debt reconciliation

Lease Liabilities (Current and Non-current)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	75.74	131.85
Liquid Investments	104.19	84.54
Borrowings	(104.47)	(2.52)
Lease Liabilities	(16.35)	(22.54)
Total	**59.11**	**191.33**

Particulars	Other assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid investments	Lease Liabilities	Borrowings	
Net debt as at April 1, 2020	**176.73**	**67.54**	**(21.34)**	**(1.40)**	**221.53**
Cash flows	(44.88)	2.57	6.54	(1.12)	(36.89)
New leases	-	-	(11.82)	-	(11.82)
Interest expense	-	-	(1.17)	-	(1.17)
De-recognition of lease liability	-	-	5.25	-	5.25
Fair value adjustments	-	14.43	-	-	14.43
Net debt as at March 31, 2021	**131.85**	**84.54**	**(22.54)**	**(2.52)**	**191.33**
Cash flows	(56.11)	19.06	7.72	(101.95)	(131.28)
New leases	-	-	(0.35)	-	(0.35)
Interest expense	-	-	(1.18)	-	(1.18)
De-recognition of lease liability	-	-	-	-	-
Fair value adjustments	-	0.59	-	-	0.59
Net debt as at March 31, 2022	**75.74**	**104.19**	**(16.35)**	**(104.47)**	**59.11**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

Amount ₹ in crores unless otherwise stated

52A. Details of the Subsidiaries/Step down subsidiary

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at March 31, 2022	As at March 31, 2021
Sulakshana Securities Limited - SSL	Lease rental of investment property	India	100%	100%
Navin Fluorine Advanced Sciences Limited - w.e.f. February 6, 2020	Chemical Business	India	100%	100%
Manchester Organics Limited - MOL	Chemical Business	U.K	100%	100%
Navin Fluorine (Shanghai) Co. Ltd	Chemical Business	China	100%	100%
NFIL (UK) Limited	Chemical Business	U.K	100%	100%
NFIL (USA) Inc - Step down subsidiary	Chemical Business	USA	100%	100%

52B. Investments in Joint Ventures

Aggregate information of Joint Ventures that are not individually material

Particulars	As at March 31, 2022	As at March 31, 2021
The Group's share of (loss) / profit from continuing operations	(0.01)	10.47
The Group's share of other comprehensive income	-	0.02
The Group's share of (loss) / profit in total comprehensive income/(loss)	(0.01)	10.49

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate carrying amount of the Group's interests in the Joint Ventures	0.76	0.77

There is no change in the group's ownership interest in Joint Ventures during the year except divestment in one Joint Venture (refer note 8 and 51). There are no significant restrictions on the ability of Joint Ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

53. The Board of Directors has recommended final dividend of ₹ 6.00 per share on the face value of ₹ 2.00 each (300%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

54. ADDITIONAL DISCLOSURE REQUIRED BY SCHEDULE III

Amount ₹ in crores unless otherwise stated

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of Consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated comprehensive income	Amount (₹ in Crores)
Parent								
Navin Fluorine International Limited	72.90%	1,344.30	99.03%	260.51	95.94%	(1.18)	99.04%	259.33
Subsidiaries								
Indian								
Sulakshana Securities Limited - SSL	0.58%	10.78	1.01%	2.66	-	-	1.02%	2.66
Navin Fluorine Advanced Sciences Limited- NFASL	21.66%	399.53	0.23%	0.61	4.06%	(0.05)	0.21%	0.56
Foreign								
Manchester Organics Limited - MOL	1.46%	27.02	(0.10)%	(0.26)	-	-	(0.10)%	(0.26)
Navin Fluorine (Shanghai) Co. Ltd	0.01%	0.12	(0.30)%	(0.80)	-	-	(0.30)%	(0.80)
NFIL (UK) Limited	3.30%	60.87	(0.02)%	(0.04)	-	-	(0.02)%	(0.04)
NFIL (USA) Inc	0.05%	0.84	0.15%	0.40	-	-	0.15%	0.40
Joint Ventures (as per equity method)								
Indian								
Swarnim Gujarat Fluorspar Private Limited – SGFPL	0.04%	0.76	(0.00%)	(0.01)	-	-	0.00%	(0.01)
Total March 31, 2022	**100.00%**	**1,844.22**	**100.00%**	**263.07**	**100.00%**	**(1.23)**	**100.00%**	**261.84**

55 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i. Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Borrowing secured against current assets

The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts

iii Wilful defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956

v Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

55 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III (contd.)

vi Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

x Valuation of Property, Plant and Equipment, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

xi Title deeds of immovable properties not held in name of the Group

The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes 5A and 6 to the financial statements, are held in the name of the Group.

xii Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

New Delhi, May 7, 2022

For and on behalf of the Board of Directors

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary

Basant Kumar Bansal
Chief Financial Officer

Mumbai, May 7, 2022

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 statements of subsidiaries and joint ventures

Part "A" subsidiaries

Amount ₹ in crores unless otherwise stated

Sr. No.	Name of the Subsidiary Company	Reporting period for the subsidiary	% of share	Reporting currency and Exchange rate	Share capital	Other Equity	Total assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Dividend
1	Sulakshana Securities Limited	April 1,2021 - March 31, 2022	100%	₹	0.15	10.63	31.15	20.37	-	-	3.43	0.77	2.66	-
2	Manchester Organics Limited	April 1,2021 - March 31, 2022	*100%	"GBP 1 GBP = INR 99.4550"	***	27.42	43.06	15.64	-	49.85	(0.34)	(0.17)	(0.16)	-
3	NFIL (UK) Limited	April 1,2021 - March 31, 2022	**100%	"GBP 1 GBP = INR 99.4550"	64.15	1.33	65.53	0.05	63.72	-	(0.04)	-	(0.04)	-
4	NFIL (USA) Inc	April 1,2021 - March 31, 2022	100%	"USD 1 USD = ₹ 75.7925"	0.76	0.08	0.86	0.02	-	7.20	0.43	0.03	0.40	-
5	Navin Fluorine (Shanghai) Co. Ltd	April 1,2021 - March 31, 2022	100%	"RMB 1 RMB = ₹ 11.9375"	6.75	(6.63)	0.14	0.02	-	0.42	(0.83)	-	(0.83)	-
6	Navin Fluorine Advanced Sciences Ltd	April 1,2021 - March 31, 2022	100%	₹	400.00	(0.47)	945.79	546.26	2.01	-	0.60	(0.01)	0.61	-

The figures reported above are without considering elimination

* Navin Fluorine International Limited holds 51% and NFIL (UK) Limited holds 49% in Manchester Organics Limited

** NFIL (UK) Limited holds 100% in NFIL (USA) Inc

*** Numbers are below rounding off.

1 Names of subsidiaries which are yet to commence operations: Navin Fluorine Advanced Sciences Limited

2 Names of subsidiaries which have been liquidated or sold during the year: None

3 The Companies enlisted above have been subsidaries of Navin Fluorine International Limited since their incorporation except Manchester Organics Limited which became a subsidary from May 3, 2011.

Part "B" Joint Ventures

Statement pursuant to section 129 (3) of the companies Act 2013 related to Joint Ventures

Sr. No.	Name of the Joint Venture/Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures/Associate held by the Company on the year end			Net worth attributable to share as per latest audited Balance Sheet	Profit/Loss for the year	
			No. of Shares	Amount of investment in Joint Venture	Extend of %		Considered in Consolidation	Not Considered in Consolidation
1	Swarnim Gujarat Fluorspar Private Limited – SGFPL	March 31, 2022	11,82,500	1.18	49.48%	0.76	(0.01)	-

1 . Names of joint ventures which are yet to commence operation : Swarnim Gujarat Fluorspar Private Limited.

2. There is significant influence due to percentage(%) of Equity Shares Capital held

3. The Financial statements of the joint venture have been considered for consolidation.

4. The Company enlisted above has been joint venture of Navin Fluorine International Limited since its incorporation.

Notes

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Navin Fluorine
International Limited

www.nfil.in