PADMANABH MAFATLAL GROUP

Creating value. Sharing Value.

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

July 8, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001
Scrip Code: 532504

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051
Symbol: NAVINFLUOR EQ

Dear Sir / Madam,

Sub.: Annual Report of the Company for the Financial Year 2022-2023

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 2022-2023 along with the Notice of the 25th 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**

Niraj Bipin Mankad
Digitally signed by Niraj Bipin Mankad
Date: 2023.07.08 19:36:04 +05'30'

Niraj B. Mankad
President Legal and Company Secretary

Encl.: a/a

Annual Report 2022-23

PADMANABH
MAFATLAL
GROUP

Creating value. Sharing value.

Navin Fluorine
International Limited

Contents

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.

Online Annual Report
www.nfil.in

Our Beloved Visionary Founder
Shri Arvind N. Mafatlal

A Life Lived With Grace
(27th October, 1923 - Forever)
Celebrating His Centenary Birth Year

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)

Ms. Apurva S. Purohit
(DIN: 00190097) Director

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

Company Secretary

Mr. Niraj B. Mankad

Chief Financial Officer

Mr. Anish P. Ganatra
(w.e.f. February 9, 2023)

Bankers

AXIS Bank Limited

Bank of Baroda

Citibank NA

HDFC Bank Limited

HSBC Limited

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: https://www.kfintech.com

25th Annual General Meeting

On Monday, July 31, 2023 at 3.00 pm IST through video conferencing/other audio visual means

Our FY 2022-23 Performance at a Glance

2,113	Revenues (₹ in crs)
21	Return on capital employed (%)
375	Net profit (₹ in crs)
586	EBITDA before exceptional items (₹ in crs)
21,144	Market capitalisation as on March 31, 2023 (₹ in crs)

Revenue by geography

FY 2022-23

34%	66%
Domestic	Exports

FY 2021-22

48%	52%
Domestic	Exports

Revenue by business units

FY 2022-23

36%	43%	21%
Specialty chemicals	High Performance Products	Contract Devlopment and Manufacturing Organisation

FY 2021-22

39%	37%	24%
Specialty chemicals	High Performance Products	Contract Devlopment and Manufacturing Organisation

Trust

Through People, Partnerships and Platforms

At Navin Fluorine, building trust is at the core of what we do.

We enhance trust through the interplay of People, Partnerships and Platforms.

We train, motivate and empower our people, leading to timely, informed and responsible decisions - a virtuous cycle.

We engage in trust-based partnerships – with marquee customers at one end and stable suppliers at the other – that makes it possible to grow our business in a sustainable way.

We leverage our consistent outperformance to be able to reinvest in our business, widening the value we create for all our stakeholders.

This interplay has made us an attractively sustainable Company evoking the respect of all our stakeholders.

Corporate snapshot

Navin Fluorine,

One of the largest and the most respected Indian manufacturers of specialty fluorochemicals.

The company is a trusted partner for global downstream users.

The company is also a fluorochemical solutions provider for various downstream sectors.

The Company is witnessing an exciting phase, making sizable investments in capacity, product platforms and multi-year partnerships.

Our vision

We at Navin Fluorine are committed to be a world class, customer focused, innovative organisation in the field of fine and specialty chemicals and partner of choice to global life science, crop science and material science companies.

Our mission

- To partner with our customers by providing world class fluorochemical intermediates, products and services.
- To continue and grow research and development as the sustenance engine of the organisation.
- To innovate, build and operate chemical plants in the most safe and environment friendly manner.
- To continuously enhance stakeholder value by optimum utilisation of resources.

Our pedigree

Navin Fluorine, the flagship Company of the Padmanabh Mafatlal Group, is led by Mr. Vishad P. Mafatlal (Chairman), Mr. Radhesh R. Welling (Managing Director) and a team of experienced professionals.

Our positioning

Navin Fluorine has emerged as a pure-play fluorination company, strengthening its personality and recall. The Group enjoys an extensive presence across three fluorine-based verticals backed by timely investments in R&D, assets and advanced technologies.

Our brand

The Group's prominent Mafron brand evokes the trust of refrigerant gas OEMs and aftermarket customers. Besides, the Navin Fluorine corporate brand stands for integrity, ESG standards and a commitment to enhance value for all stakeholders in a sustainable way.

Our strengths

The Group is a fluorination leader, possessing more than half a century's rich experience in complex fluorine chemistries. The Group is also a trustworthy supplier of specialty chemicals, refrigerants, inorganic chemicals and Contract Research and Development Services, marked by growing customer relationships.

Our footprint

Headquartered in Mumbai (India), the Company operates manufacturing units - in Surat (Gujarat) and Dewas (Madhya Pradesh) and one manufacturing unit of Navin Fluorine Advanced Sciences Limited in Dahej (Gujarat). These units are proximate to ports, making it convenient to import raw materials and export finished products. The Group also operates a manufacturing unit in Manchester (United Kingdom).

Our products

- Prominent manufacturer of fluorinated specialty chemicals
- The first and only producer of hydrofluoro-olefins in India
- One of the world's largest BF3 gas manufacturers
- Large Indian manufacturer of inorganic fluorides
- Advanced CDMO services provider in the fluorination segment

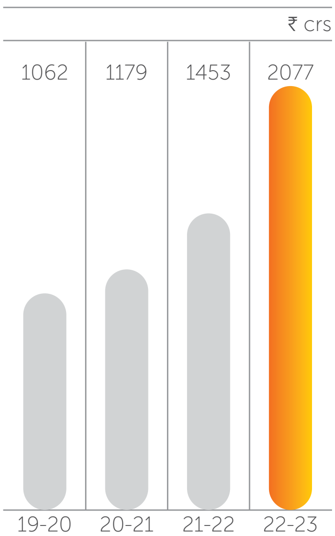
Our clients

Navin Fluorine addresses the growing needs of marquee global clients, comprising key global life science and crop science innovators, leading petrochemical players, stainless steel manufacturers, air-conditioner OEMs and other downstream fluorochemical users.

Our certifications

Our manufacturing units in Surat, Dewas and Dahej are certified for ISO 45000-1, ISO 14000-1 and ISO 9000-1. Navin Fluorine is also a registered user of the prestigious Responsible Care logo.

How we strengthened our performance over the years



Group Revenues

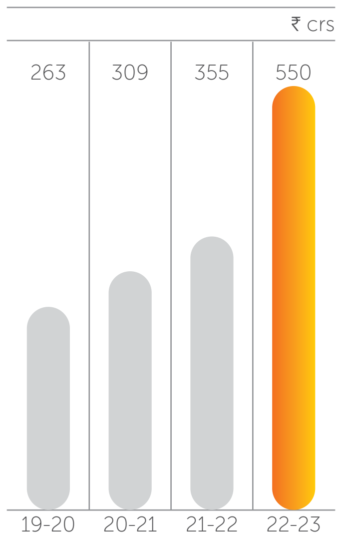
Definition
Growth in sales net of taxes.

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

What this means
Aggregate sales increased 43% during the year under review following the commissioning of a greenfield site in Dahej.

Value impact

The volume offtake remained creditable in an otherwise challenging year for the economy, following the commissioning of our new site in Dahej.



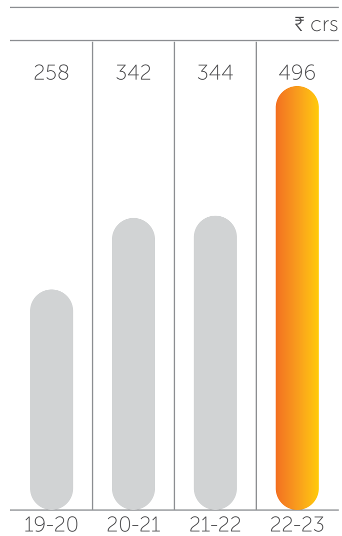
Group Operating EBITDA

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 Group reported 55% growth in EBITDA in FY 2022-23, primarily reflecting the commissioning of new assets in Dahej in addition to improved price realisations.



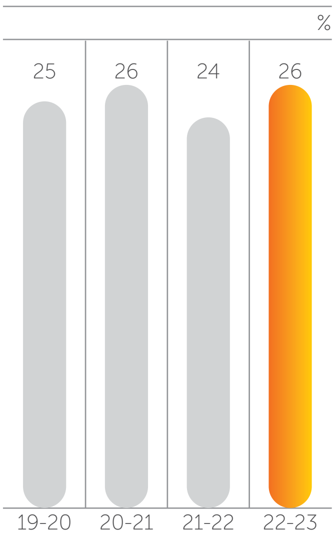
Group PBT before exceptional items

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 Group reported a 44% increase in profit before tax and exceptional items in FY 2022-23.



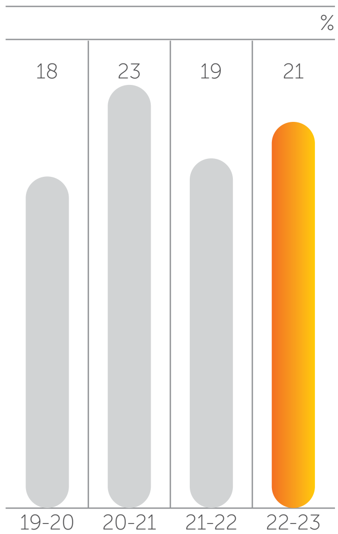
Group Operating EBITDA Margin

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, taxes, depreciation and amortisation) 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 Group reported a 200 bps increase in EBITDA margin in FY 2022-23.



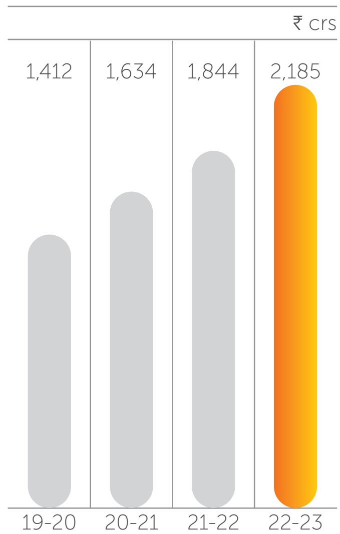
Group ROCE

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 shows the disciplined capital allocation.

Value impact
The Group reported a 200 bps increase in ROCE in FY 2022-23.



Group Net Worth

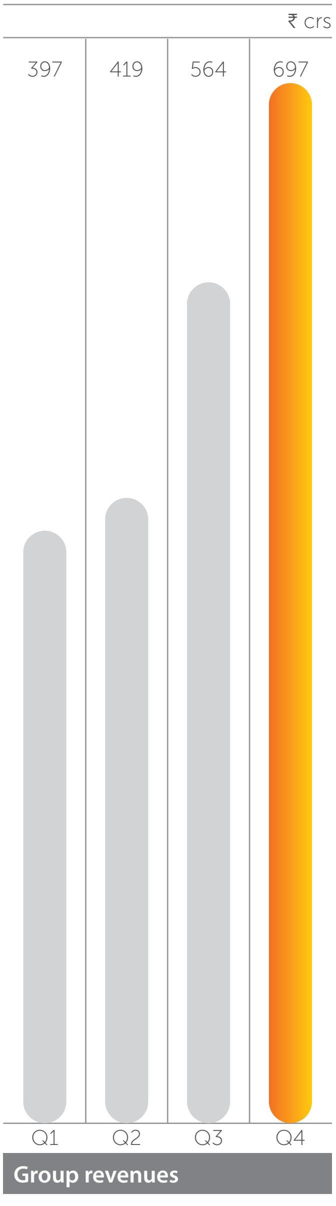
Definition
This is derived through the accretion of shareholder-owned funds.

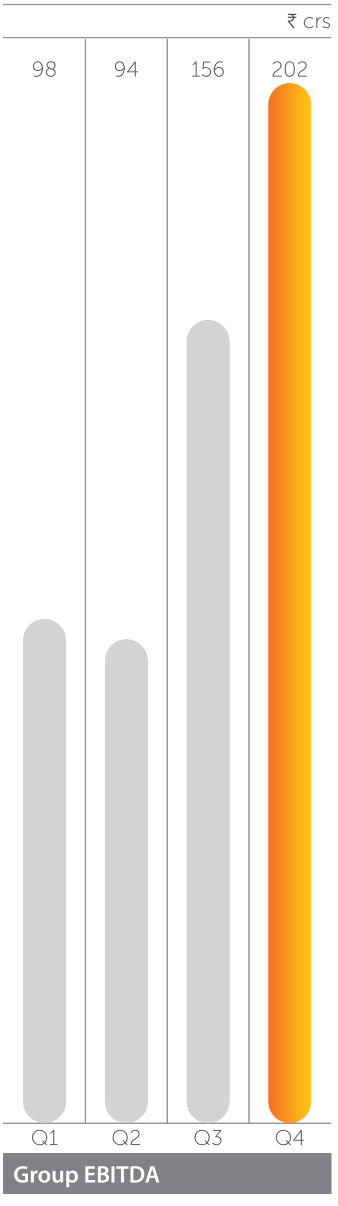
Why this is measured
Net worth indicates the financial soundness of the Company – the higher the better.

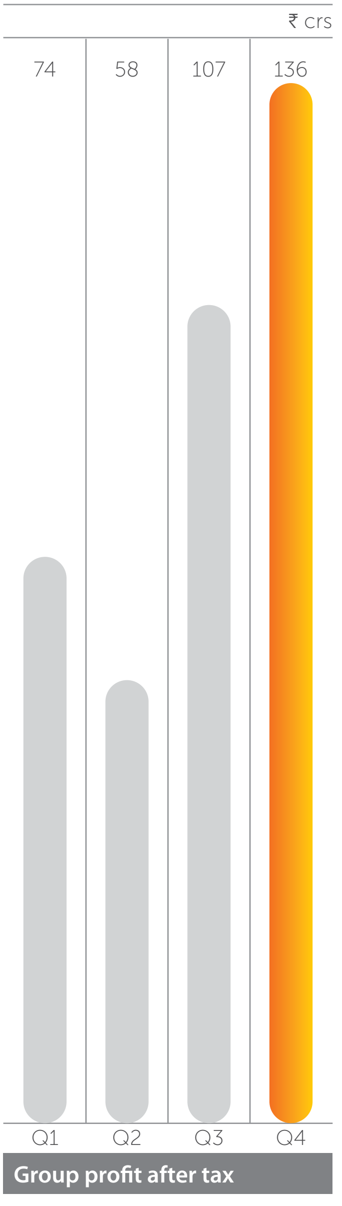
What this means
This indicates the borrowing capacity of the Company that influences the gearing (which, in turn, influences the cost at which the Company can mobilise debt).

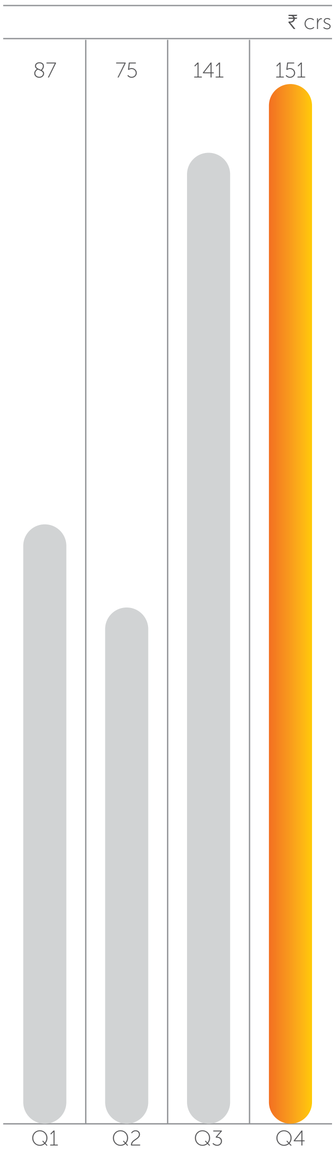
Value impact
The Group's net worth strengthened by 18% during the year under review.

Our quarterly performance FY 2022-23

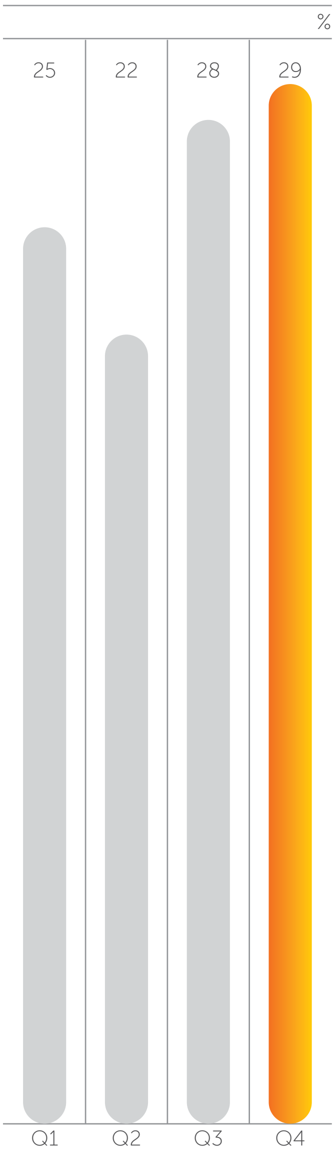








Group cash profit



Group EBITDA margin

Trust through People, Partnerships and Platforms

Dear Shareowners,

"The ability to establish, grow, extend and trust is the key professional and personal competency of our time."

Stephen M.R. Covey

The glue that binds partners is trust.

This is the most potent catalyst across any collective pursuit, especially business.

Trust attracts partners, enhances mutual commitment and extends engagements. In turn, trust inspires the creation of platforms.

The complement of people, partnerships and platforms represents a trust-enhancing eco-system that blurs differences: 'me' into 'them' into 'us'.

The 'us' is by far the most effective force in enhancing outcomes across initiatives, geographies and time.

The power of such an eco-system, when leveraged, proves transformative. It translates into the capacity to procure the largest resource volumes in a consistent manner around the most favorable trade terms; it helps capture knowledge more effectively within people across the longest tenure; it enhances revenue visibility through multi-year customer engagement; it puts the Company in an attractive position to enhance shareholder value.

The mutual stakeholder trust facilitates a seamless interplay of value. This value deepens mutual trust, widening the circle of value-creation.

At Navin Fluorine, we have created such a trust-based enduring ecosystem.

The foundation of this platform was laid from our inception. Our founder, the late Arvindbhai, foresaw that for Navin Fluorine to succeed across market cycles, trust and inclusion would need to be more than attributes; they would need to be pillars of Navin Fluorine's eco-system.

What made us different was that the priority of trust and inclusion was not preached; it was practiced. The result is that Navin Fluorine has, over the decades, developed a large and dependable eco-system that has evolved it into one of the most competitive companies in its space.

Our stable engagement with all stakeholders, in turn, has enhanced value and prosperity for the Group, community and country.

I take this opportunity to thank the members of our Board, shareholders and all stakeholders for reposing their trust in our management, empowering us to deliver in line with their expectations.

Vishad P. Mafatlal
Chairman

Even as trust is really a qualitative input, it has an overarching influence on downstream quantitative outcomes

Business overview

This past year (FY'23) has been a travel from anticipation and anxieties to accomplishments and fulfilment. We started the year with three large capex programs at various stages of completion. In the history of our company, we had not undertaken projects of this complexity or magnitude. Working on such large projects, through the tough phase of COVID, was a real test of our teamwork, perseverance and disciplined execution. Seeing a successful completion of these projects and a safe start of these plants have been deeply satisfying for the operating teams. This has also significantly deepened the confidence of our partners in our ability to deliver technically complex and large projects on time. All of this has manifested in strengthening the one element that is the bedrock of any business – TRUST.

At Navin Fluorine, we take this trust seriously. The fulfilment of the commitments we make to our associates, partners, Board, shareholders and other stakeholders will continue to differentiate us and build a strong foundation for our long term, profitable and sustainable growth.

As we look to the future, we see a mixed picture. While we continue to identify and build an attractive set of new opportunities for the future, there are a number of immediate-term uncertainties. Recessionary headwinds in our largest markets have already resulted in significant inventory destocking across market segments. The chemical industry, typically, plays upstream in a number of consumption-driven value chains. Hence, we get more impacted by the length of recession versus the severity of it. In other words, the more relevant question for us is "How long will the recession stay" versus "How severe will the recession be?". If the recession is severe but short, we do not get as impacted. Not having clear answers to these questions, financial prudence will continue to remain our guiding post.

On the one hand, these challenges present short-term uncertainties, while on other hand, all our three business units-Specialty, CDMO and High Performance Products-continue to display strong signs of long-term growth. In the Specialty segment, we identified and developed three strong Building Blocks (BBs) and two new platforms, which should further strengthen our value proposition and deepen our partnerships with global crop science and performance material companies. In the CDMO space, we have atleast three new late-stage opportunities, which we believe should get commercialised in the coming years. These, along with other such opportunities from our legacy/ existing portfolio, will form the basis of our next capex cycle round. Our partnership with Honeywell is growing well and we continue to identify new opportunities to build. We believe atleast two of these would scale in the coming years, growing our HPP business. Our new investments in HFC and AHF will help develop new revenue streams for the company in coming years. As per industry standards, a company typically achieves peak annual revenue (PAR) in 3-4 years following plant commercialisation. We have consistently demonstrated industry-leading performance by achieving PAR in first and second year itself in most of our projects / plants. But, then, there is downside to this. If we continue to achieve such performance, we will need to continue to invest in at least one large scale plant every year. On a larger denominator, this could potentially lead to taking undue risks. Hence, it is necessary to calibrate our growth ambition and maintain a healthy balance between delivering consistent growth and prudent risk management.

Intangible inputs driving tangible outcomes

At Navin Fluorine, we believe that the manner in which we build our intangibles, like trust, will influence the pace and quality of our tangible outcomes. Our responsible people engagement model spans our entire stakeholder canvas. There is a growing conviction that only companies that address such intangibles in a consistent manner can claim to have created a truly sustainable foundation. This conviction has driven our consistent and significant investments in people, partnerships and platforms. These investments will continue to differentiate us from rest of the industry and help us consistently achieve top quartile financial returns over a long period of time.

We now stand at the cusp of an ocean of new possibilities. We believe our business model around 3Ps, which has stood us well in the past, will continue to drive us into the future. We look forward to undertaking this exciting journey into the future along with all of you, our partners and stakeholders.

Warm regards,

Radhesh R. Welling
Managing Director

Profitable growth

There is a commitment to not just grow the topline but grow profitably as well. This 'growing profitably' has been marked by a profit growth in percentage terms higher than the Company's revenue growth in percentage terms. The profitable growth highlights that the Company's revenue growth was not achieved through short-term discounting that could impact medium-term or long-term profitability.

Margins

The Company has worked at the complex end of fluorination chemistries, protected from emerging competition. As an extension of this reality, the Group has generated superior EBITDA margins 26% during the year under review (24% in FY 2021-22). The Company has taken this factor into account while making an unprecedented expansion; the EBITDA margin from the new projects will continue to be in desired profitability range. The resulting average will be within the 25-30% EBITDA range at the larger volumes, arising out of synergies, competitive advantage, supply chain stability, demand-supply dynamics, multi-year customer engagement and sales visibility.

How we have strengthened the financial competitiveness of our business

Liquid

The Group has consistently prioritised the need to remain liquid and profitable. The Company (through its subsidiary) was sanctioned ₹1,100 crs of debt for capacity expansion; even after this debt has been fully utilised, the Group's gearing is not expected to exceed 0.5 times. Besides, the debt outlay is funding attractive projects which, when commissioned, should produce sufficient cashflows to service interest, debt repayments and add to reserves.

Projects management

The Group has successfully commissioned ₹1,085 crs of greenfield projects during the year, the full outcome of which is likely to be visible from FY 2023-24 onwards. Further, the project for the manufacture and supply of a key fluoro specialty chemical entailing an investment of approximately ₹540 crs is under progress and will be commissioned in FY 2023-24.

Revenue drivers

The Group invested in growing revenue engines to broadbase the revenue profile, de-risk the Company and create scalable platforms. The Group's HPP business grew 64% from ₹540 crs in FY 2021-22 to ₹886 crs in FY 2022-23; the Specialty Chemicals business grew 31% from ₹566 crs in FY 2021-22 to ₹743 crs in FY 2022-23; the CDMO business grew 29% from ₹347 crs in FY 2021-22 to ₹448 crs in FY 2022-23. What provides these platforms with attractive multi-year headroom is that the Group enjoys a low global share in large addressable markets, which will be progressively scaled.

Stable addressable realities

The core drivers of our products are expected to remain favourable. The demand for Specialty Chemicals from the downstream agrochemical and pharmaceutical sector is likely to remain robust; the CDMO business enjoys a low share of a large global market. The Group is attractively placed on account of its proprietary R&D and process technology capacities as well as multi-year customer engagements.

Revenue visibility

We believe that trust begets order book and a larger customer wallet share. Over the years, the Group has seen growing business from existing customers and customer accretion, the basis of sizable investment in new manufacturing capacities. Besides, these new expansion projects were supported by complete assured offtake by marquee customers, graduating transactions into relationships and one-off engagement into multi-year revenue clarity. The Group generated a sizable share of revenues in FY 2022-23 from existing customers.

Hygiene

The Group recognises a priority to grow without compromising business quality. The Group focus is to maintain a strong Balance Sheet and working capital management, supporting our growth plan and aspirations. For FY 2022-23, the Group's Net Debt/ Equity stood at a comfortable 0.4x, reflecting the strength in our Balance Sheet, which will be further complemented as newly commissioned projects see full revenue potential.

Globalisation

The Group has positioned itself as a global company with an advantaged world-class manufacturing base in India. The Company leverages national competitive advantages (cost, technical talent availability, resource breadth and large captive market); around 66% revenues were derived from international operations in FY 2022-23. Besides, the export focus of the CDMO and Specialty Chemicals businesses could increase international revenues as a proportion of overall revenues in the coming years.

Integrated value

How trust building has enhanced value for all our stakeholders in an integrated way

Overview

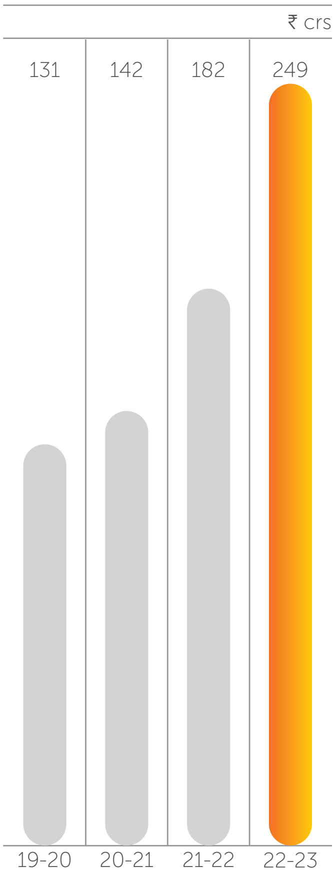
There is a growing premium on enhancing value for all stakeholders, comprising the inclusion of every single individual or sentient being influenced by the Group's operations. There is a need to report this value-creation – its priority, process and outcome. The resulting Integrated Value-Creation Report reconciles 'hard' and 'soft' initiatives, drawing on various developments (financial, management commentary, governance, remuneration and sustainability reporting). The Integrated Report enhances an understanding of how value has been enhanced across stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers), making its communication necessary.

Our approach

Manufacturing capital	Invested in technological upgradation, digitisation, processes and automation	Embarked on outcome-driven projects to integrate the business backwards and manufacture products	Deepening an outperformance-focused culture
Intellectual capital	A growing R&D focus backed by investments in equipment, infrastructure, projects and people	Strong product portfolio with scalable headroom	Timely expenditure in information technology
Financial capital	Strong relatively under-borrowed Balance Sheet; comfortable gearing and attractive operating margins	Frugal engineering environment; attractive margins across market cycles	Paid an interim dividend of ₹5 per share in FY 2022-23; recommended a final dividend of ₹7 per share
Human capital	Created specialised talent to enhance preparedness	Increased training and development	Focused employee retention
Natural capital	Focused moderation of the Company's carbon footprint	Moderated water consumption; increased process water and process waste recycling	Deepened statutory compliances; culture of transparent disclosures
Social & Relationship capital	Engaged with 84,729 community lives	CSR engagement overseen by the Board of Directors	Expended ₹6.15 crs in CSR, FY 2022-23

How we consistently enhanced stakeholder value

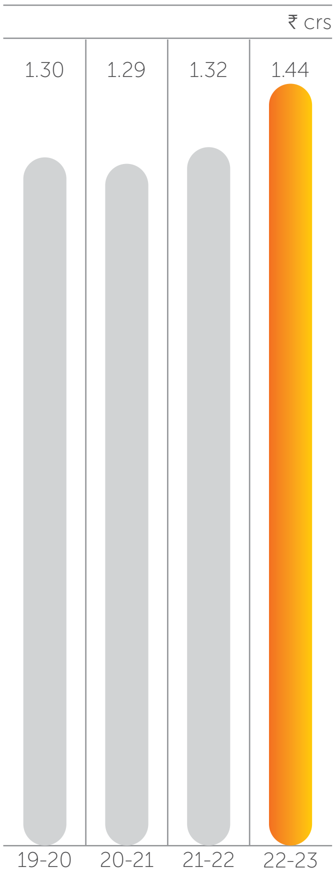
Employee value



Salaries and wages

The Group has financed a substantial amount in skill development, employee training, overall welfare and growth, deepening its role as a reliable employer.

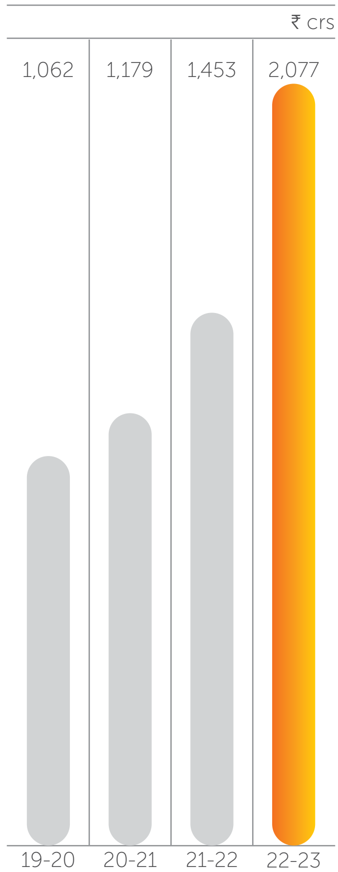
People productivity



Revenue per person

The Group's expenditure in its people (training, empowerment and career growth) increased output (revenue per person).

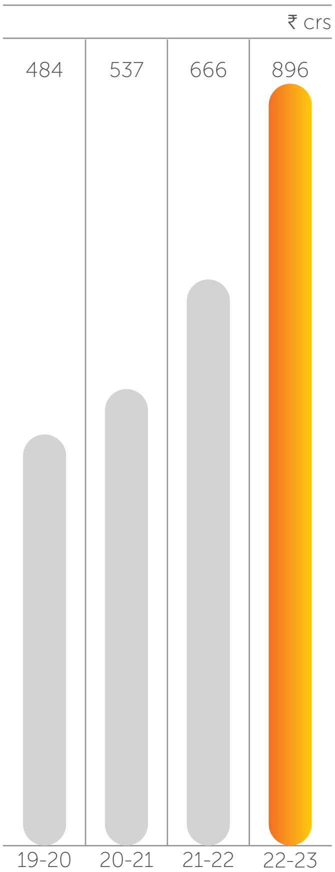
Customer value



Revenues

The Group achieved higher revenues on account of value created for customers, accompanied by an increase in customer wallet share.

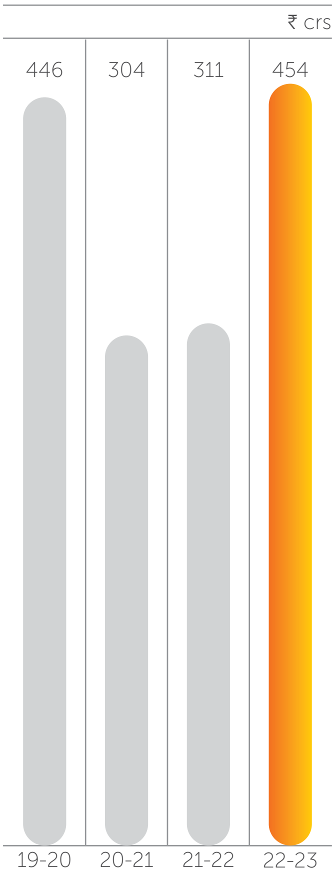
Vendor value



Procurement

The Group has enhanced procurement, strengthening related economies.

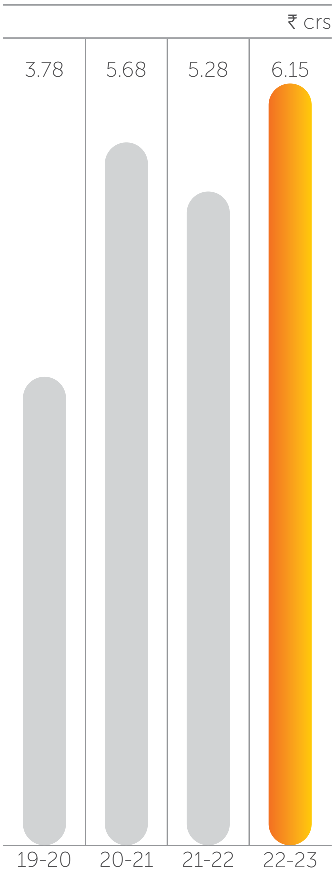
Shareholder value



Free cash

The Group strengthened shareholder value through a prudent reinvestment of accruals

Community



CSR investment

The Group enriched communities particularly in the geographies of its India presence

Business driver

Our manufacturing excellence

Overview

Navin Fluorine is well known for having invested in advanced continuous and batch manufacturing technologies that generate high process consistency, superior product quality, high capacity utilisation, operational safety and attractive yields.

Across the last decade, the Group invested in strengthening key technology platforms and building blocks as well as its state-of-the art multi-purpose plant, strengthening its position as a contemporary player benchmarked to the highest standards of the day. This commitment was evident during the last financial year when the Group optimised its capacity and technology upgradation that enhanced throughput and moderated costs.

The Group's culture of manufacturing excellence was influenced by rising internal targets, market developments and evolving technology roadmap. The Group's customisation facilitated molecule sampling, customer approval, certifications and timely commercialisation, a complete, structured and efficient loop taking the customer business ahead. The interplay between research, technology scale-up and manufacturing functions represents a responsible lifecycle engagement, translating into business sustainability.

Competitive advantages

Brand: Navin Fluorine is recognised for its market leadership, service reliability, manufacturing excellence and a superior price-value proposition. The one word that signifies the Group's recall is 'trust'.

Professionalism: The Group has been an Indian pioneer in the field of fluorine chemistry. It has been an enduring fluorination company with decades of operating experience, establishing itself as a go-to supplier.

Quality: The Group invested in cutting-edge manufacturing and control technologies in its Surat (Gujarat), Dahej (Gujarat) and Dewas (Madhya Pradesh) facilities, strengthening process and product outcomes. The Group enhanced stakeholder confidence through a complement of credible certifications like ISO 45000-1, ISO 14000-1 and ISO 9000-1.

Scale: The Group has amongst the largest fluorination facilities in India in addition to being one of the fastest growing.

Service: The Group produces quantities from grams scale to multi hundred tonnes, addressing the diverse needs of customers, emerging as a one-stop fluorine chemistry solution provider.

Talent: The Group is respected among the most knowledgeable in the field of fluorination technologies and products; this position of market leadership has been marked by selective recruitment, renewal (training) and retention

Safety: The Group invested extensively in safety practices, especially in the management of bromine, hydrofluoric acid and toxic hazardous chemicals, as well as an in-house process safety test lab, strengthening stakeholder confidence.

Proximity: The Group's key manufacturing units are located in Surat (Gujarat), Dahej (Gujarat) and Dewas (Madhya Pradesh), which are proximate to multi-modal logistical options (ports, roads and railways) that enhance access to vendors and customers.

Customers: The Group's marquee customers comprise large life science, crop science and performance material companies, air-conditioner manufacturers, petrochemical and stainless steel manufacturers, among others. Considering that these products are integral to modern-day lifestyles, there is an element of sustainable visibility built into the Company's revenues.

Challenges and responses

The Group is well versed with rising environmental, social and governance (ESG) benchmarks, the bottomline of its existence. The Group addressed ESG standards from a manufacturing and operational perspective; it upgraded processes, improved efficiencies, reduced energy intensity, renewed product/process certifications and intensified safety training, among other factors. The result is that our facilities were appraised as global in character following customer audits.

Highlights, FY 2022-23

Surat unit

• The Group developed new products at the Surat plant, and commercialised the same following the deployment of advanced technologies (proprietary or in collaboration with external agencies).

• The Group upgraded laboratory infrastructure that enhanced the synthesis, analysis and reporting integrity, strengthening customer (external and internal) confidence.

• The Group's business process re-engineering will help enhance the capacity of inorganic products in the coming year.

• The Group successfully addressed diverse customer needs, strengthening customer retention on the one hand and generating a higher wallet share on the other.

Dewas unit

• The Group invested ₹75 crs in debottlenecking its manufacturing capacity from 160KL to 200 KL.

• The Group made proactive equipment modifications, empowering the unit to perform specific reactions at challenging high as well as deep sub-zero temperatures.

• The Company substantially reduced the production cycle time across specific products, strengthening asset productivity.

• The Group reduced water consumption through stronger systemic control and reuse of treated waste; its unique membrane system investment enhanced effluents recovery.

• The Group invested in an advanced digitalised documentation management system.

Dahej unit

• Dahej unit commenced commercial operations during the year under review.

• The plant that supplies HFOs to Honeywell International Inc. and two specialty chemical plants to supply fluorine based agri intermediates were commissioned and ramped to optimum throughput safely and efficiently.

Outlook

The Group intends to increase capacity utilisation in the new plants commissioned during the year under review. This increased scale will be increasingly relevant in servicing the timely needs of large customers within India and the world over, enhancing their confidence in entering larger multi-year outsourcing projects with the Group.

Business driver

How we strengthened our supply chain

Overview

In a competitive world, there is a growing premium on business continuity. This is increasingly derived from the ability to secure supply chains leading to stable manufacture, superior capacity utilisation and the ability to deliver to customers on schedule.

At Navin Fluorine, success has been influenced by our ability to work with a set of dependable suppliers. Given the criticality of supply chain management within the Group's eco-system, there is a priority in acquiring and retaining suppliers that not just secure the present but also assure prospective supply security to take our business ahead.

By appraising the selection of suppliers holistically and with constant interaction to provide constructive performance feedback to them, Navin Fluorine ensures a trusted long-term collaborative engagement and mutually beneficial growth.

Strengths

- Navin Fluorine added 655 vendor partners during the year under review; 28% of the Company's supply chain partners had been associated with it for five years or more as on March 31, 2023.
- Navin Fluorine's supply chain competence has been derived from strategic relationships, tested across periods of uncertainty and challenges. It was able to procure adequate material to keep its production lines moving and supplying the needs of downstream customers on time and in full.
- Navin Fluorine evolved vendor engagements to a collaborative relationship that helped enhance the vendor's product traceability, quality processes and sustainability practices, helping strengthen the Company's eco-system.
- Navin Fluorine strongly supported a phase of high capex projects with timely supplies of all capital equipment and services within a challenging environment.

Challenges and responses

Navin Fluorine encountered supply chain disruptions following floods in South Africa, mid 2022, which affected our Fluorospar supplies. The Group was affected by high ocean freight rates as also by a severe shortage of shipping space and shipping containers. There was also significant inflation related to petrochemicals, steel and nickel following the outbreak of the Russia-Ukraine war.

Despite these challenges, Navin Fluorine's supply chain kept supplies going and delivered quality products to global customers. This represented a validation of the Group's ability to stay informed, de-risk and seek alternative options in a transforming landscape.

Highlights, FY 2022-23

• Navin Fluorine grew its business without supply chain disruptions. Prudent sourcing helped moderate the full impact of cost increases and inventory stock outs.

• The Group engaged in alternate vendor development on all critical raw materials, to de-risk from unforeseen disruptions.

• The Group consolidated spending across its locations, and worked on Total Cost of Ownership principles, enhancing its negotiation power and gained lower rates and better terms.

• The Group laid a strong emphasis on supporting the company's cash flow management through prudent inventory management and improved payables.

Outlook

Navin Fluorine anticipates a progressive cooling of commodity prices in 2024 on account of a looming global recession in key geographies, even as short-term volatility may persist. By leveraging its supply chain and vendor relationships, the Group intends to deliver quality products to customers with predictability and assuredness, the basis of trust building.

The Company proposes to introduce a vendor portal to strengthen its vendor engagement and transactional convenience.

The company's proposed implementation of an e-procurement tool will provide a fillip to supply chain management through a seamless end-to-end and touchless source-to-pay experience and a digital interface with suppliers that will bring in spend visibility and consolidation, comprehensive supplier management, contracts life cycle management, efficient sourcing through electronic e-auctions and quotes and smooth payment processing through e-invoices. This will provide better governance, transparency, strengthen cost management through analytics and improve operational efficiencies.

Business driver

Our Research and Development review

Overview

In the fluorination business, there is a growing priority on advanced research for good reasons.

One, the fluorination technology is globally guarded, resulting in a handful of large players who dominate the market, reinvesting large annual outlays into cutting-edge research.

Two, the business has been marked by a need to shift to environment-friendly processes and resources, warranting research into sustainable alternatives.

Three, the competitive nature of the business has put a premium on cost leadership, warranting sustained research investments.

Four, there is a widening need to provide customers with a larger number of products and build single point service, putting a premium on the need to build product portfolios.

Competitive advantage

At Navin Fluorine, we produce and synthesize cost-effective chemicals within short turnaround times, deepening our engagement as a company that empowers customers to enhance their market competitiveness.

Even while we do not create new clinical entities, we produce chemicals – high in price-value proposition – that address the widening needs of downstream industries.

To protect our brand and competitiveness, we continued to build a research-based culture, which has consistently generated new products of higher grades, superior product outcomes and superior customer value. This capability has been consistently validated, manifested in marquee customer accretion cum retention, which, in turn, has strengthened our revenue visibility.

Achievements, FY 2022-23

Surat unit

• The Surat unit accounted for 55% of the Group's revenue.

• The company has undertaken a project to set up an HFC 32 plant based on in-house developed technology.

• The Company transferred products to the subsidiary for commercialisation and scale up.

• The Company secured long-term supply agreements with large marquee customers, enhancing revenue visibility.

Dewas unit

• The Dewas unit accounted for 18% of the Group's revenue

• The Company strengthened its R&D team and upgraded its analytical capabilities.

• Dewas site was audited for GMP & EHS practices by several big pharma customers during the year and passed the tests successfully.

• The CDMO business continued to build a strong late phase and commercial project pipeline which will enable significant growth in the next two years.

Dahej unit

• Dahej unit commenced commercial operations during the year, contributing 25% of the Group's revenue.

• The full revenue potential of these projects is expected in coming years.

• In FY 2023-24 the Company will incur capital expenditure in a HF manufacturing plant and commission an additional specialty chemical plant to supply fluorine-based agri intermediates.

Outlook

The Group is the first commercial scale HFO manufacturer in India. In FY 2023-24, this capability will be further leveraged to garner revenue and margin. The Group is implementing a HFC 32 project based on gas-phase technology, a significant shift from the conventional liquid phase equivalent.

Environment-Social-Governance

ESG represents the foundation of our business

The Navin Fluorine team receiving the prestigious Madhya Pradhesh Annual Environment Award

Overview

ESG is integral to modern business, a dipstick by which companies and their intent are appraised by an increasingly demanding stakeholder the world over.

At Navin Fluorine, we emphasise a formal and structured ESG approach, which addresses the needs of all stakeholders.

At Navin Fluorine, the ESG integration into our business has enhanced sustainability and emphasises the role of systems and processes, which are critical in enhancing our operational stability, systemic predictability and stakeholder trust.

1 Environment

Our pledge to protect and preserve

The environmental aspect of ESG, represented by the letter 'E', encompasses our energy consumption, waste management, resource utilisation and impact on living beings. Besides, it includes aspects related to carbon emissions and actions towards addressing climate change.

Navin Fluorine is committed to environmental conservation, and completed the EcoVadis sustainability assessment, which focuses on 21 sustainability criteria grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

Effective control systems: Navin Fluorine is committed to invest in environmental management systems. The Company conducts environmental due diligence, environmental assessment emergency response and mitigating measures. The Company established a strategic framework, comprising periodic monitoring, investment in advanced processes and ensuring a complete compliance with audit findings and regulatory needs.

Reducing greenhouse gas emissions: Navin Fluorine established a process to optimise energy consumption and the emission of greenhouse gases through cleaner processes and fuels.

Compliance: Navin Fluorine's audit and compliance commitment ensured that performance and processes remained trustable; the Company extended beyond the compliance threshold stipulated by the applicable regulatory requirements & conditions.

Audit: Navin Fluorine is committed to the highest safety and quality standards, benchmarked with independent evaluations conducted by Indian Chemical Council, a customer review and ISO certification body. The Navin Fluorine manufacturing sites are certified for ISO 45000-1, ISO 14000-1 and ISO 9000-1 and awarded Responsible Care Logo.

Our environment conservation initiatives, FY 2022-23

Navin Fluorine prioritised environment initiatives through reduction, replacement and recycling.

Reduce: Navin Fluorine has access to Renewable Energy (RE) in one of its manufacturing sites and is in process to implement renewable energy in its other plants as well. Navin Fluorine's manufacturing unit recycled 508-million-liters treated wastewater from the sewage wastewater treatment plant, reducing fresh water consumption. Navin Fluorine installed Thermal Oxidizer to reduce the overall GWP for environment protection

Zero Liquid Discharge (ZLD): Navin Fluorine's Dewas unit's zero liquid discharge facility utilises treated wastewater for utility and onsite gardening.

Restore: The Dewas unit participated in Green Mahotsav by the Madhya Pradesh State Environment Ministry, for creating a green belt and executed a tree plantation drive.

Reduce: The Company is supplying some of its finished products in bulk containers, eliminating the generation of packaging waste.

2 Social

How we have deepened trust-based relationships

The social aspect of ESG, represented by the letter 'S', encompasses the relationships our Company enjoys with stakeholders like employees, customers, suppliers, investors, regulators and the communities in which we operate. This is manifested in positive industrial relations, employee diversity and inclusion.

At Navin Fluorine, we promote well-being through Corporate Social Responsibility (CSR) initiatives, addressing under-addressed areas that enhance social responsibility and environment sustainability.

Workforce: At Navin Fluorine, we are committed to outperform in the areas of quality (product and process) and resource efficiency, translating into competitive costs. The Company made strategic investments in its workforce, including recruitment, retention and training, to improve efficiency and effectiveness. The Company implemented training programmes, protocols, certifications and awareness-raising initiatives.

Customers and vendors: The Group strengthened engagements with vendors, in addition to customers. Due to the complex nature of resources being used, the Company focused its collaboration with prominent vendors.

Community: The Company sustained stable engagements with communities surrounding its manufacturing sites, promoting prosperity through interventions aligned with Sustainable Development Goals outlined by the United Nations.

Our social initiatives

- The Group performs chemical risk assessments of new chemicals to determine the potential to cause adverse effects to human health and the environment. Based on the assessments, the Company focuses on engineering control to eliminate worker health risks.
- Navin Fluorine provides adequate Personal Protective Equipment (PPEs) to workers handling toxic chemicals to protect them from chemical exposure.
- The Group conducts half-yearly medical surveillance programmes comprising general health, lung function, blood, urine and complete body check for employees of the manufacturing units.
- The Group conducts a programme during National Safety Week and Environment Day to enhance awareness among employees and contractors.

1,413
The number of full-time employees as on 31 March 2023

846
The number of active customers as on 31 March 2023

60
₹ lacs, investment in training and awareness programmes

6.15
₹ crs, CSR spend

3 Governance

How we reinforced our values and philosophy

The 'G' in ESG, which stands for governance, refers to the system of practices, regulations and protocols that our Company has put in place to govern its operations, make decisions, abide by laws and address the concerns of external stakeholders.

At Navin Fluorine, our governance practices are focused on increasing stakeholder trust, attracting those who share similar values. This is evident in the longevity of our employee, vendor and customer relationships, a significant number having been with us for years.

Board of Directors: The Group's strategic direction is influenced by the Board of Directors. The Company places a value on Board composition, comprising accomplished professionals and business leaders who bring a wealth of experience, values, expertise, cross-industry knowledge and strategic insight to the organisation.

Integrity: The Group conducts business responsibly and ethically treating employees with fairness and respect, promoting gender equality, zero tolerance for sexual harassment or unethical behavior, unbiased recruitment and appraisal processes and prioritising environment protection.

Long-term: The Group has chosen to focus on long-term stability and commitment, influencing investments in assets, technologies, brands, personnel, locations, products and partnerships. This approach has led to the highest technological excellence, ethical standards and capabilities.

Managed expansion: The Company believes that long-term sustainability is achieved through balanced approach between operation & environment. The company allocates incremental investments without stretching the Balance Sheet, ensuring sustainable growth.

Brand: The Company specialises in a forte that protects against economic downturns. It has chosen to position itself as a leader in fluorination, establishing strategic direction, opportunities, operational diversification, skilled talent engagement as well as stronger research in products / processes.

Trust-enhancing outcomes

- The roles of Chairman and Managing Director are separated and are made distinct within the organisational structure.
- The Company continues to have policies and processes to address investor complaints and concerns.
- The Company did not default with regard to repayments, creditors, dividends and statutory obligations.
- The Company did not receive adverse auditor comments or qualifications
- The Company did not revise previously issued financial statements.
- The Company did not receive accusations or complaints related to financial management.
- The Company's shareholders approved all proposals made by the Board of Directors.
- The Company practices a strict evaluation policy of Board members, who comprised distinguished members.
- 9 of 12 Directors are Independent; all committee chairmen, except for the Risk Management Committee, were Independent Directors.
- There are two women Directors on the Board.
- As on March 31, 2023, the Nomination and Remuneration Committee comprised three independent members and one non-executive-non-Independent member, the Audit Committee has three independent members and one non-executive-non-Independent member, the Stakeholders Relationship Committee has three independent members and the Corporate Social Responsibility Committee has two independent members and one executive member
- The Company conducted internal audits through an independent firm that reported directly to the Audit Committee.
- The Company implemented two Employees' Stock Option Schemes: Employees' Stock Option Scheme – 2007 and Employees' Stock Option Scheme – 2017.

Board of Directors profile

Mr. Vishad P. Mafatlal

Mr. Mafatlal, an experienced industrialist with over 26 years in the textiles and chemicals industry, is the Executive Chairman and designated Chairman of the Company. He holds a Bachelor of Science degree in Economics from the University of Pennsylvania's Wharton School.

Mr. Mohan M. Nambiar

Mr. Nambiar is an experienced professional with over 60 years of experience in various industries. He has held prestigious positions such as President, Chairman, and Member of institutions such as the Cement Manufacturers Association, National Council for Cement Industry, The Associated Chamber of Commerce and Industry of India, and Bombay Chamber of Commerce. He was also associated for more than 26 years with Associated Cement Company Limited, including 6 years as Managing Director. He holds a degree in Commerce and is a 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 in Mumbai, and has over 46 years of experience in the legal field. He serves on the Board of several other companies. He holds a B.A. and LLB degree and is qualified as an advocate and solicitor.

Mr. Sunil S. Lalbhai

Mr. Lalbhai is an experienced industrialist with over 33 years of experience in chemicals and general management. He holds a science degree, an M.S in chemistry from the USA, and an M.S in Economic Planning & Policy from Boston University in the USA.

Mr. Sudhir G. Mankad

Mr. Mankad is a retired IAS officer, who served as the Chief Secretary to the Government of Gujarat from 2005 to 2007. He also held important positions in the Central Government, including the Ministries of Finance, Agriculture, and Human Resource Development, as well as the Government of Gujarat. He holds a Master's degree in Arts (History) from the University of Delhi and a diploma in Development Studies from Cambridge University.

Mr. Harish H. Engineer

Mr. Engineer is an experienced professional with over 44 years in the banking sector. He retired as executive director of wholesale banking at HDFC Bank Ltd. He holds a Bachelor's degree in Science, and also a diploma in Business Management from Hazarimal Somani College, Mumbai.

Ms. Radhika V. Haribhakti

Ms. Haribhakti has over 30 years of experience in commercial and investment banking, having worked with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has a wealth of experience in advising large companies, leading their equity and debt offerings in both domestic and international capital markets. Currently, she offers advisory services through RH Financial, but primarily serves as an Independent Director on multiple boards. She holds a degree in Commerce and a postgraduate diploma in Management from IIM Ahmedabad.

Mr. Ashok U. Sinha

Mr. Sinha is an experienced leader with a wealth of experience, competencies, and expertise gained during his 33-year tenure at Bharat Petroleum Corporation Ltd. He served on the Board of BPCL for 15 years, first as Director of Finance for 10 years, starting in 1996, and then as Chairman and Managing Director for 5 years, starting in August 2005. His areas of expertise include finance and accounting, sales, marketing, commercial, manufacturing, quality, supply chain, mergers and acquisitions, and business development. He holds a BTech in Electrical Engineering from IIT Kanpur and a postgraduate diploma in management from IIM Bangalore, with specialisation in finance.

Mr. Sujal A. Shah

Mr. Shah has an extensive experience of over 30 years in the areas of valuation, due diligence, corporate restructuring, audit, and advisory. He holds a degree in Commerce and is a member of the Institute of Chartered Accountants of India.

Mr. Atul K. Srivastava

Mr. Srivastava is an experienced professional with over 46 years of experience in large corporates, with expertise in finance, accounting, taxation, and commerce. He holds a Science degree and is a Fellow Chartered Accountant B.Sc.(Hons), FCA.

Ms. Apurva S. Purohit

Ms. Purohit is an accomplished Indian business leader with over 30 years of experience in the media and entertainment industry. She has managed diverse portfolio of businesses in partnership with private equity players and promoters, from early-stage companies to mature ones. She has been recognised as one of the most powerful women in business by India Today Group and Fortune India multiple times. She holds a postgraduate diploma in management from IIM Bangalore.

Mr. Radhesh R. Welling

Mr. Welling is an experienced professional with 26 years of experience in various functions such as innovation, sales & marketing, corporate strategy, and manufacturing, across multiple geographies. He holds a degree in Mechanical Engineering from National Institute of Technology, India, and a Master's in International Business from IIFT, New Delhi. He also completed his MBA from IMD, Lausanne, Switzerland.

Our business verticals

Our Specialty Chemicals business

743

₹ crs, revenue FY 2022-23

31

% revenue growth over FY 2021-22

36

% of overall revenues, FY 202-23

Overview

Business model

The Group is investing to enhance its presence in external manufacturing partnerships with innovators in the Crop Science and Performance Material sectors. The Crop Science segment, a major contributor, is dominated by four of the largest global players, accounting for nearly 80% of the sector's global turnover. This indicates a large headroom for the nimble and competent. A majority of new investment will be directed at the development of products addressing this space.

The Group will continue to focus on Crop Science and creating a niche capability in external manufacturing partnerships with innovators in the Performance Material sector. It will position itself as a reliable partner to downstream businesses. It is likely to address the growing incidence of customers seeking reliable manufacturing partners and allocate a larger part of their liberate bandwidth on research. The result is that the specialty chemicals market in India is likely to grow annually at a compounded 15-20%.

The Group is attractively placed to emerge as a preferred partner on account of its seamless execution capability in tech transfer, IP management and successful commercialisation. The products being manufactured address the need of Crop Science and Performance Material partners.

The Company will seek to emerge as a preferred partner for innovators in Crop Science and Performance Material sectors.

Strengths

• The Group demonstrated an operational discipline that helped commission the second plant in less than a year. The management approached the Board for expansion approval with the basic engineering design already completed, helping save precious commissioning time. The design warranted the use of standardised equipment, which moderated procurement time. All site civic work was prioritised ahead of monsoonal onset. The Group engaged a contractor with a proven track record in and around Dahej in the areas of worker mobilisation, competencies and amenities. Besides, the company serviced contractor needs with periodic payments, ensuring timely and adequate deployment. The result of this discipline was evident with the disciplined commissioning of the second plant (on time and within cost).

• Over the years, the Group has strengthened its competence through a consistent focus on manufacturing services.

• The Group has demonstrated a capability in the competent absorption of research and replication with speed.

• The Group's robust technology and design teams have demonstrated the competence to graduate lab scale orders to the commercial scale.

• The Group made timely capital expenditure in a pilot plant and research facility in graduating the business towards complex technologies.

• The Group strengthened safety processes in the management of hazardous processes, enhancing dependability.

• The Group strengthened project management capabilities resulting in the timely commissioning of plants, various challenges notwithstanding

• The company validated the coming together of diverse competencies (electrical, mechanical, civil, procurement and instrumentation)

Performance, FY 2022-23

• The Group was challenged by the need to commission two plants at the greenfield Dahej site during the year.

• Both plants were commissioned smoothly and ramped efficiently, achieving optimal operations.

• The first plant (addressing a range of products) was commissioned in 18 months on account of pandemic-induced disruptions in the supply of capital equipment; the second plant (addressing a single product) was commissioned in just 11 months; the third plant (under commissioning) underwent detailed engineering for a complex technology and could emerge as a niche technology, the first such commercial plant in India, to support partners in the Crop Science sector, with a ₹540 crs outlay.

Outlook

The Indian market for Crop Science Contract Manufacturing is optimistic; the market size is expected to double to US$ 3 bn in four years. The Group expects to outperform market growth by proactively building sizable manufacturing capacities that enhance customer confidence in entering or scaling relationships.

The Company intends to commission its third specialty chemicals plant during the current financial year. The output of these plants (one, two and three) are expected to offer product support to our innovator partners, through robust and completely back-integrated supply chain, starting from basic feedstock like petroleum, chloralkalis and chloromethane, which is expected to moderate costs and enhance quality, strengthening the company's supply chain security. The Group expects that the complement of scale, product mix and customer orientation could deepen customer engagement, reflected in a larger wallet share. The complement of these initiatives is expected to double the Company's specialty business in three years.

Our business verticals

Our CDMO business

448

₹ crs, revenue FY 2022-23

29

% revenue growth over FY 2021-22

21

% of overall revenues, FY 23

Overview

The CDMO (Contract Development and Manufacturing Organisation) business is among the fastest growing segments in the Group. This growth is being derived from a growing willingness of global pharma majors to outsource products from reliable Indian companies. Besides, the traction in the business is building from a gradual rationalisation in the excessive supply chain dependance of global companies in China, with India emerging as a preferred outsourcing alternative.

Business model

The CDMO business has grown rapidly in the last few years, the business now being perched at the cusp of sustainable growth. The CDMO business services clinical and commercial applications. During the last few years, this business has evolved from the earlier clinical phase to the later phase; the on time and in full (OTIF) record has translated into enhanced deliveries; the Company has not only added more customers but also repeat engagements, accounting for a larger wallet share.

During the last few years, the business has evolved its revenue profile. From a predominant dependence on clinical projects, marked by erratic and one-off revenues, the business is focusing on increasing revenues from commercial projects. In the latter, the qualification material generates a few years of consistent revenues. In view of this, the business intends to enhance the proportion of commercial revenues from 30% to 50%, leveraging relationships with existing customers to generate predictable revenue visibility and near-annuity incomes during the engagement tenure.

The business is focused on enrolling new customers who are seeking to broadbase their global supply chain by moderating an excessive dependence on China. It intends to grow its presence within each customer through validated delivery standards. In turn, the business intends to proactively enhance production capacity, strengthening the confidence of customers in increasing their business with the Group.

The Company will prudently focus on complex intermediates as opposed to most CDMO companies focusing on the later part of the value chain like APIs and formulations. Besides, the CDMO business will focus on seeking customer audit approvals, enhancing relationship confidence and making it possible to scale the business with speed thereafter.

Strengths

The Group has established itself as a complex chemistry solution provider in the CDMO business. It has invested in a holistic range of competencies – research to plant scale - to make its growth stable, credible and sustainable. It is engaged in timely infrastructure expansion that provides customers with the confidence of growing supply. The Group will continue to enhance its capability to address large tonnage engagements with marquee global customers. The business has established globally benchmarked safety and quality standards. The complement of these capabilities has established the business as a value-added – as opposed to generic – partner in the global CDMO segment.

Performance, FY 2022-23

The CDMO business reported a strong positive growth of 29% in comparison to FY 2021-22. This was led by growth from key accounts and a strong pipeline of projects.

In FY 2022-23 we completed our expansion of manufacturing capacity and added 40 KL additional capacity.

During the year, the CDMO business added three large pharmaceutical customers and worked on several new early phase clinical projects.

Our manufacturing site at Dewas delivered projects and services on time and in full and actively engaged with key customers to meet their growing needs.

Optimism

There is a growing incidence of large global pharmaceutical companies selecting to focus on research, marketing and brand management while outsourcing their manufacturing requirements to credible long-term partners like the Company. The outsourcing model has been validated around a win-win proposition, generating new converts. There is a growing room for specialisation in the CDMO business, which widens opportunities for companies investing holistically in the business (capacity, quality, controls, knowledge, among others). In view of this, there is a growing premium on customers turning to credible long-term partners like the Company.

Outlook

The business intends to focus on key large accounts – existing and prospective - marked by robust confidence-validated relationships and a large growth headroom. Correspondingly, the Group intends to enhance its capacities to support expansion in revenue underpinned by enhanced and deeper customer contracts.

4 growth engines

- Late phase of development
- Focus on commercial development
- Focus on large marquee global customers
- Focus on complex intermediates

FY 2022-23

30

Per cent of revenues derived from commercial applications

FY 2025-26

50

Per cent of revenues derived from commercial applications (projected)

Our business verticals

Our High Performance Products business

886

₹ crs, revenue, FY 2022-2023

64

per cent revenue growth over FY 2021-2022

43

per cent of the Company's revenue, FY 2022-23

Overview

The Company commenced the commercial production of Hydrofluoroolefins (HFO) during the year at Dahej. Navin Fluorine started its refrigerants business in 1967, one of the first Indian companies to enter this space. Over the decades, the Group invested in building its portfolio and capacities. The Group is now one of the largest Indian manufacturers of anhydrous hydrofluoric acid and diluted hydrofluoric acid, which caters to the requirements of pharma, solar, electronic, steel, glass and oil & gas industries. Its reputed global brand (Mafron) caters to mobile and stationary air-conditioning demands in India and overseas. It is present in the pharma and agrochemical value chains. The inorganic chemicals business caters to pharma, crop sciences, glass manufacturing and emerging sectors.

Strengths

- The Group today is the first and only producer of HFO in India.
- Navin Fluorine enjoys the advantage of a first mover; it was the first Indian company to produce the R22 gas as well.
- The refrigerant product portfolio is now getting stronger through the introduction of HFC 32 in FY 2023-24
- The Group is one of the largest producers of inorganic fluorides, namely ammonium bi-fluoride, potassium fluoride, sodium fluoride, etc in India with significant market shares in each of these products.
- The Company is a leading hydrofluoric acid supplier in India; its commitment to service excellence has made it a trusted partner for large and premium clients.
- The Group's adherence to customer commitments is testified by its long-term stakeholder relationships, enhancing reliability and revenue visibility.
- This dependability is marked by its time-tested ability to procure materials, deliver finished products on time and in full.

Challenges and responses

- The business addressed increased raw material costs in the refrigerant vertical through timely import and warehousing as well as expanded vendor base.
- The logistical challenges related to import and export due to shipping availability and freight costs were progressively addressed by improving the planning process.
- A strong US dollar helped exports while costs for the domestic market had an adverse pressure on margins.
- The business experienced a cost push on some projects on account of higher steel, cement and metal prices.

Highlights, FY 2022-23

- Supported by strong tailwinds and the introduction of HFOs during the year, the vertical returned strong revenue and margin growth.
- The business reported a high capacity utilisation during the year.
- The Company enjoyed superior realisations and robust demand, strengthening viability.
- The HFO facility was commissioned, enhancing availability volumes leading to higher revenues.

Optimism

- Navin Fluorine is a major manufacturer of R22 gases; while emissive applications are expected to go down, the possibility of higher feedstock applications look brighter.
- The refrigerants segment addresses a consistent multi-year growth in the offtake of air-conditioners, which is now emerging as a necessity across nations rather than a luxury.

Outlook

Navin Fluorine expects its refrigerants business to sustain growth, diversifying its presence across geographies while maximising cash flows. In the inorganic fluorides segment, the Group approved investment in a new Hydrofluoric acid plant (40,000 tons per annum), to meet the growing demands from agri and pharma intermediaries as also from the emerging renewables sector e.g. solar, lithium batteries etc. The expansion is expected to protect the Company's market presence and its position as a leading Indian producer of inorganic fluorides.

Business driver

Strengthening community engagement at Navin Fluorine

Overview

Navin Fluorine, driven by its belief in giving back to society, has deepened relationships with communities in which it operates. Its diverse initiatives span health, education, sports, sustainable livelihood, animal care and other social causes, demonstrating its dedication to a positive impact.

Through its Corporate Social Responsibility (CSR) efforts, the Group consistently acts as a responsible corporate citizen, aiming to create a lasting positive influence on communities. In the past year, it actively engaged in projects related to health, education, sports, animal care and various other important social causes.

By adhering to socially responsible practices, the Group not only validates stakeholder trust but also strengthens faith in humanity. In FY 2022-23, the Company allocated ₹6.15 crs towards CSR, ensuring timely contributions to organisations such as Shri Sadguru Seva Sangh Trust, Charutar Arogya Mandal Hospital, Foundation for Promotion of Sports, Blind People's Association, The Society for the Rehabilitation of Crippled Children, JJ Hospital, Consumer Education & Research Centre and Prayas.

Despite not being a statutory requirement, the Group conducted impact assessments of its projects implemented through Blind People's Association during FY 2021-22, exemplifying the Company's commitment to transparent and accountable practices. The assessment was carried out by MMJC Consultancy LLP and executive summary on the same forms part of this Annual Report.

A beneficiary at Cornea Department of Shri Sadguru Seva Sangh Trust, Chitrakoot

CSR highlights, FY 2022-23

Shri Sadguru Seva Sangh Trust (SSSST): SSSST, a registered Public Charitable Trust founded in the 1950s, is dedicated to the underprivileged. Its charitable activities span the nation, alleviating suffering of the poor. The Trust operates state-of-the-art eye hospitals in Chitrakoot and Anandpur, providing crucial eye care services. Through outreach camps and vision centers, they extend their reach to under-served areas. The Company supported SSSST by contributing ₹2 crs for upgrading the cornea department at Chitrakoot Hospital.

Charutar Arogya Mandal (CAM): Established in 1972, CAM has dedicated itself to address the healthcare needs of rural communities. Over the past five decades, it has become a leading and affordable rural healthcare institution in Anand, Gujarat. CAM provides healthcare services of comparable quality to those offered by urban institutions. The Company has contributed a total of ₹1.08 crs to CAM. These funds have been utilised for the purchase of essential medical equipments, including a Colour Doppler Unit, USG machine with advanced O&G and neonate applications, Neonatal Incubator, Tissue Processor, Video Pleuroscope and Flexible Uretroscope benefitting 1,289 people.

Blind People's Association (BPA): BPA, one of India's largest NGOs, is dedicated to serving individuals with disabilities across various categories. With 15 campuses in Gujarat, 1 in Rajasthan, 13 Vision Centres and 10 Day Care Centres for Persons with Multiple Disabilities, BPA provides comprehensive services. The Company has contributed ₹0.95 crs to BPA, supporting 5 impactful projects in mental health, assistive devices, early childhood services, empowering blind women, and livelihood enhancement for persons with disabilities. These initiatives have directly benefited approximately 7,707 people, indirectly benefited 6,000 individuals.

Olympic Gold Quest (OGQ): OGQ, a program of the foundation for promotion of sports and games, is a not-for-profit section 8 Company. Its mission is to identify and support Indian athletes with the potential to win Olympic Gold medals. OGQ scouts for talent, identifies areas of support and collaborates with stakeholders to nurture deserving athletes. The Company has contributed ₹0.90 crs to OGQ during FY 2022-23. OGQ supports 166 Junior Athletes and 4 Junior Para Athletes.

JJ Hospital: Grant Government Medical College and Sir JJ Group of Hospital's Neurosurgery Department in Mumbai serves patients from western India, performing 5 to 7 surgeries daily for various neurological conditions. Annually, it conducts around 1,500 surgeries, including cranial and spinal procedures. The Company contributed ₹0.35 crs to JJ Hospital for acquiring a Neurosurgical Electrical Drill machine, benefiting approximately 1,350 patients, particularly from underprivileged backgrounds. This machine has enhanced the hospital's capabilities in treating complex brain and spine diseases, reducing risks and increasing referrals from private hospitals.

PM Cares: The Company made a contribution of ₹0.30 crs to PM Cares Fund.

Colour Doppler unit in use at Charutar Arogya Mandal's Shree Krishna Hospital, Karamsad

Society for Rehabilitation of Crippled Children (SRCC): Since 1948, SRCC has been dedicated to providing healthcare for children, ensuring that no child is deprived of treatment due to financial constraints. The Company donated ₹0.14 crs to SRCC, supporting 13 economically challenged families with life-threatening disorders and 30+ caregivers. The funds were also utilised to purchase an Electronic Muscle Dynamometer with console and Respiratory Pressure Meter, which will benefit numerous children.

Consumer Education and Research Centre (CERC): Established in 1978, CERC is a non-political, non-profit organisation focused on consumer education, empowerment and the promotion of consumer interests. The Company donated ₹0.10 crs to CERC, supporting their weekly digital magazine on consumer education and grievance redressal through Grahak Suvidha Kendra. This contribution aids in their mission to effectively utilise education, research, media and law for consumer protection.

Prayas: Prayas is dedicated to promote the conservation of nature and protection of environment through education and direct action. The Company donated ₹0.05 crs to support Prayas' initiatives in animal welfare, bird rescue and rehabilitation, benefiting approximately 2,000 injured or abandoned animals and birds. This contribution strengthens their efforts in preserving wildlife and addressing the needs of vulnerable creatures.

Projects directly implemented by the Company

Mobile health vans: The Company operates mobile health vans that provide regular healthcare services to villages. In Surat and Dewas regions, the vans treated around 62,940 patients, addressing various health concerns including respiratory, gastro-intestinal, fever, ENT, eye, dental, skin and chronic diseases. The Company allocated ₹0.24 crs towards the operation of these mobile health vans.

Shala Pravesotsav: The Company allocated ₹0.03 crs to provide stationery items to schools in villages surrounding Surat, including Vanj, Vaktana, Bonand, Bhatia, Bhanodra and Eklera. This contribution aimed to support the educational needs of around 700 students in these communities and enhance their learning opportunities.

Repairs and maintenance of RO water systems: The Company invested ₹0.01 crs in the repair and maintenance of 6 RO water systems installed in schools located around Dewas. This initiative ensures access to clean and safe drinking water for around 2,700 students and contributes to their overall well-being.

Beneficiaries of the Early Childhood Education Program for Children with Disabilities, undertaken through Blind People's Association, learning daily living skills

Badminton player Tanvi Patri with OGQ Team Leader for Sports Science

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting ('AGM') of the Members of the Company will be held on Monday, July 31, 2023 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, 2023 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 of ₹5/- on equity shares of the Company for the financial year 2022-2023 and to declare final dividend of ₹7/- on equity shares for the financial year 2022-2023

3. To re-appoint Mr. Vishad P. Mafatlal (DIN: 00011350) who retires by rotation and being eligible, offers himself for re-appointment as Director

SPECIAL BUSINESS:

4. To re-appoint Mr. Radhesh R. Welling (DIN: 07279004) as Managing 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, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder ('the Act'), Schedule V of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, as amended from time to time, consent of the Members be and is hereby accorded to the re-appointment of Mr. Radhesh R. Welling (DIN: 07279004) as the Managing Director of the Company for a period of 5 (five) consecutive years commencing from December 11, 2023 to December 10, 2028, liable to retire by rotation, on the terms and conditions including remuneration as set out in the Letter of Appointment dated May 13, 2023 issued to him, which is laid before this Meeting.

   RESOLVED FURTHER THAT the Board of Directors ('the Board', which shall deem to include, unless the context otherwise requires, Nomination and Remuneration Committee of the Board authorized by the Board to exercise the powers conferred on the Board under this Resolution) be and is hereby authorised to increase, alter and vary the salary, commission and perquisites and other terms and conditions in such manner as the Board, in its absolute discretion, deems fit and is acceptable to Mr. Welling.

   RESOLVED FURTHER THAT the said remuneration be paid to Mr. Welling notwithstanding that the same may be in excess of the limit of 5% specified in Section 197 of the Act, but shall not exceed 7% of the net profit of the Company in any financial year, computed in the manner laid down in Section 198 of the Act.

   RESOLVED FURTHER THAT the said remuneration be paid to him as minimum remuneration even in the event of absence or inadequacy of profit, if any, during the period of first three financial years from the date of his re-appointment.

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

5. To approve increase in the Maximum Limit of Managerial Remuneration 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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder ('the Act'), Schedule V of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Articles of Association of the Company, as amended from time to time, subject to such other approvals as may be necessary, consent of the Members of the Company be and is hereby accorded to increase in the overall maximum managerial remuneration beyond the limit specified in Section 197 of the Act in respect of any financial years on or after December 11, 2023 so that the limit of (a) aggregate remuneration payable to all the Managing Directors, Whole Time Directors and Managers is increased from 10% to 12%; and (b) the aggregate remuneration payable to all the Directors is increased from 11% to 13%, of the net profits of the Company computed in the manner laid down in Section 198 of the Act, such that the limits of remuneration for individual Executive Directors other than Mr. Radhesh R. Welling and the aggregate remuneration of all the Non-Executive Directors (excluding the fees for attending meetings of the Independent Directors and the Board of Directors or Committees thereof) shall not exceed 5% and 1% respectively of the net profits of the Company.

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

6. To re-appoint Mr. Atul K. Srivastava (DIN: 00046776) 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, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder ('the Act'), Schedule IV of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Articles of Association of the Company, as amended from time to time, Mr. Atul K. Srivastava (DIN: 00046776), who was appointed as an Independent Director of the Company by the Members of the Company at their Meeting held on June 21, 2019, whose term of office expires on June 20, 2024, 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 his candidature as a Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing from June 21, 2024 and ending on June 20, 2029.

   RESOLVED FURTHER THAT pursuant to the provisions of SEBI Listing Regulations and applicable provisions, if any, of the Act, approval of the Members be and is hereby accorded for the continuance of Mr. Srivastava as an Independent Director of the Company for the above stated term, notwithstanding that he shall cross the age of 75 years during such term.

   RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and are hereby severally 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 Resolution passed at the 24th Annual General Meeting of the Company held on July 27, 2022 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 its absolute discretion deem beneficial and in the interest of the Company, however that the aggregate of the loans and investments so far made and the amount for which guarantees given 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 ₹1000,00,00,000/- (INR One Thousand Crores only) in excess of the limits prescribed in the Act, at any point of time.

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

8. To ratify remuneration of B. Desai & Co. (Firm Registration No. 005431), Cost Auditors of the Company for Financial Year 2023-2024 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, 2023 to March 31, 2024, be and is hereby approved and ratified."

9. To approve raising of funds 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 23, 42, 62(1)(c), 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 ('Companies Act'), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations framed thereunder (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ('ICDR Regulations') and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), to the extent applicable, the listing agreement(s) entered into by the Company with the stock exchanges on which the equity shares having face value of ₹2 each of the Company ('Equity Shares') are listed, the provisions of the Foreign Exchange Management Act, 1999, (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), ('FEMA'), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), and Foreign Exchange Management (Debt Instruments) Regulations, 2019, (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), the current Consolidated FDI Policy (effective from October 15, 2020), (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ('GOI'), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares through (Depository Receipt Mechanism) Scheme, 1993, (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) ('FCCB Scheme') and the Depository Receipts Scheme, 2014 ('GDR Scheme') and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) from time to time, issued by GOI, Ministry of Corporate Affairs ('MCA'), the Reserve Bank of India ('RBI'), BSE Limited and National Stock Exchange of India Limited ('Stock Exchanges'), the Securities and Exchange Board of India ('SEBI'), the Registrar of Companies, Maharashtra at Mumbai and/ or any other regulatory/ statutory authorities, in India or abroad from time to time, (hereinafter singly or collectively referred to as the 'Appropriate Authorities') to the extent applicable and subject to such approvals, permits, consents and sanctions, if any, of any Appropriate Authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall include any committee thereof which the Board may have duly constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the members be and is hereby accorded to create, offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, for such part of issue and for such categories of persons as may be permitted by applicable law) with or without green shoe option, such number of Equity Shares, Global Depository Receipts ('GDRs'), American Depository Receipts ('ADRs'), Foreign Currency Convertible Bonds ('FCCBs') and / or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or convertible preference shares or any security convertible into Equity Shares (hereinafter referred to as 'Securities'), or any combination thereof, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of domestic and / or international offering(s) in one or more foreign markets, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the book running lead manager(s) and/or other advisor(s) or otherwise, for an aggregate amount not exceeding ₹750 crore (Rupees Seven Hundred and Fifty Crore only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of public issue, preferential allotment, private placement, including one or more qualified institutional placement of Equity Shares ('QIP') in accordance with the provisions of Chapter VI of the ICDR Regulations, or through any other permissible mode and/or combination thereof as may be considered appropriate under applicable law, to such investors that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers ('QIBs') (as defined in the ICDR Regulations), foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether or not such investors are members of the Company, to all or any of them, jointly or severally through an offer/placement document and/ or other letter or circular ('Offering Circular') as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at such price, whether at prevailing market price(s) or at a premium or discount to market price as may be permitted under applicable law and/or as may be permitted by Appropriate Authorities with authority to retain oversubscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms as may be deemed appropriate by the Board at its absolute discretion (the 'Issue') at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the book running lead manager(s) and/ or underwriter(s) and/ or other advisor(s) to be appointed by the Company for such issue and without requiring any further approval or consent from the shareholders.

RESOLVED FURTHER THAT:

(a) the Securities proposed to be issued, offered and allotted shall be fully paid up and in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and other applicable laws;

(b) the Equity Shares that may be issued by the Company shall rank *pari passu* with the existing Equity Shares of the Company in all respects including entitlement to dividend and voting rights, if any, from the date of allotment thereof and the same be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(c) the number and/or price of the Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalization of profits or reserves or any such capital or corporate re-organisation or restructuring;

RESOLVED FURTHER THAT in the event the proposed issuance of Securities is undertaken by way of a QIP in terms of Chapter VI of the ICDR Regulations :

(a) the allotment of Securities shall only be made to qualified institutional buyers as defined in the SEBI ICDR Regulations ('QIBs');

(b) the allotment of the Equity Shares, or any combination of Securities, as may be decided by the Board, shall be completed within 365 days from the date of passing of this special resolution or such other time as may be allowed under the ICDR Regulations, Companies Act, and/or applicable laws;

(c) the Securities shall not be eligible to be sold by the allottee for a period of 365 days from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the ICDR Regulations;

(d) in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued along with non-convertible debentures to QIBs under Chapter VI of the ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board or a duly authorized committee thereof decides to open the issue of such convertible securities and/or warrants or any other date in accordance with applicable law, and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations;

(e) the relevant date for the purpose of pricing of the Securities shall be the date of the meeting in which the Board decides to open the QIP or any other date in accordance with applicable law, and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations;

(f) the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations;

(g) no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall not be less than two (in case the issue size is less than or equal to ₹250 crores) or five (in case the issue size is more than ₹250 crores), as applicable, or in a manner as may be prescribed from time to time under the ICDR Regulations;

(h) no partly paid-up Equity Shares or other Securities shall be issued/allotted;

(i) no allotment shall be made, either directly or indirectly, to any person who is a promoter or any person related to promoters in terms of the ICDR Regulations; and

(j) the Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed in the ICDR Regulations, from the date of prior QIP made pursuant to one or more special resolutions.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, or ADRs/GDRs, the relevant date for the purpose of pricing the Securities shall be determined in accordance with the FCCB Scheme and the GDR Scheme, as the case may be (including any amendments thereto or re-enactment thereof, for the time being in force) or in accordance with any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities or Equity Shares on conversion of Securities, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities or Equity Shares as the case may be, on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by SEBI/Stock Exchanges where the shares of the Company are listed or such other appropriate authorities at the time of according/granting their approvals to issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of Appropriate Authorities including any conditions as may be prescribed in granting such approval or permissions by such Appropriate Authorities, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per applicable law and prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed in accordance with applicable law.

RESOLVED FURTHER THAT for the purpose of giving effect to the Issue, the Board be and is hereby authorized, on behalf of the Company, inter alia, to approve the draft as well as final offer document(s), and any addenda or corrigenda thereto, as applicable, and file/submit the same with any applicable regulatory authorities or agencies (as may be required), to determine the form and manner of the Issue and take such steps and to do all such acts, deeds, matters and things as it may be considered necessary, desirable or expedient including to resolve and settle any questions and difficulties that may arise in connection with the proposed creation, offer, issue and allotment of the Securities (including in relation to the issue of such Securities in one or more tranches from time to time), to identify the class of the investors to whom the Securities are to be offered and to approve the utilization of the issue proceeds, in accordance with applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint /engage book running lead manager(s), underwriters, intermediaries, depositories, custodians, registrars, bankers, lawyers, advisors, escrow agents, credit rating agencies, debenture trustees, guarantors, stabilizing agents, and all such persons/ agencies as are or may be required to be appointed, involved or concerned in such Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the book running lead managers, underwriters, advisors and/or other persons as appointed by the Company, be and is hereby authorized to determine the form and terms of the Issue, including the class of investors to whom the Eligible Securities are to be allotted, number of Eligible Securities to be allotted in each tranche, issue price (including premium, if any), face value, premium amount on issue, number of Eligible Securities, the price, premium or discount on issue, fixing of record date or book closure and related or incidental matters, listing on one or more stock exchanges in India and/or abroad, as the Board in its absolute discretion deems fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to constitute and delegate (to the extent permitted by law) all or any of the powers herein conferred by this resolution to any committee of Directors or any Director(s) or any Key Managerial Personnel of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may consider necessary, desirable or expedient and deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in regard to the Issue."

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

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

Date: June 30, 2023
Place: Mumbai

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 December 28, 2022, allowed companies to convene Annual General Meeting ('AGM') through VC / OAVM till September 30, 2023 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. 4 to 9 mentioned in the above Notice is annexed hereto.

7. Brief profile of the Directors seeking 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 ₹7/- per equity share as recommended by the Board of Directors for the Financial Year 2022-2023, if declared by the Members of the Company at this AGM, will be paid on or after August 4, 2023.

9. Friday, July 7, 2023 is fixed as the Record Date for determining the eligibility of Members entitled for the payment of final dividend for the Financial Year 2022-2023, if declared.

10. Pursuant to the Income-tax Act, 1961, as amended by the 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. 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 ('DPs').

    b. Members holding shares in physical form are requested to submit a covering letter, duly signed relevant ISR forms 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, India.

    Members holding shares in physical form may note that if their bank account and other requisite details are not updated with KFinTech by September 30, 2023, their folios shall be frozen and dealt with in accordance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 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 7 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 2015-2016 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. As per SEBI Circular dated January 25, 2022, Letter of Confirmation (LOC) has to be issued to Members for various Investors Service Requests in case of physical holdings. The LOC will be valid for 120 days from the date of its issue, within which the Member shall make a request to his/her DPs for dematerializing the underlying securities. In case the Member fails to submit the LOC within the aforesaid period, the shares shall be transferred to the Suspense Escrow Demat Account of the Company. The methodology for claiming these shares back from the Suspense Escrow Demat Account shall be in accordance with SEBI guidelines dated December 30, 2022.

15. Members seeking to inspect the Registers required to be maintained under the Act and all documents referred to in the Notice and Explanatory Statement can send an email to investor.relations@nfil.in.

16. Members who have not registered their e-mail addresses so far, are requested to register the same with KFinTech in case of physical holding and with the Depository through their DPs in respect of electronic holding.

17. Attention of the Members holding shares in physical form is drawn to SEBI circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 which mandates furnishing self-attested copy of Permanent Account Number (PAN), postal 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 Circular is 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 October 1, 2023, shall be frozen by the RTA (i.e. KFinTech) and dealt with in the manner specified in the Circular.

18. Members holding shares in physical form are requested to consider dematerializing their holding as share transfers cannot be effected in physical form with effect from April 1, 2019 pursuant to SEBI norms. 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

19. All 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 DPs 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.

20. 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.

21. 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.

22. In compliance with MCA Circulars and SEBI Circular dated January 5, 2023, the Notice of the AGM along with the Annual Report for FY 2022-2023 is being sent by electronic mode only to those Members whose e-mail addresses are registered with KFinTech/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.

23. **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 all business to be transacted at the AGM. Members of the Company holding shares either in physical form or in dematerialised form as on Monday, July 24, 2023 ('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 27, 2023 (9:00 a.m. IST) and ends on July 30, 2023 (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. 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.

    vi. 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.

vii. 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 + 91 22 48867000 or send a request to Mr. Sanjeev Yadav at evoting@nsdl.co.in.

viii. 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 DPs. Shareholders are advised to update their mobile number and E-mail ID in their demat accounts in order to access e-voting facility.

ix. 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:

Individual Shareholders holding securities in demat mode with NSDL	Login Method
Individual Shareholders holding securities in demat mode with NSDL	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' 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 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 fourteen 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.

Individual Shareholders holding securities in demat mode with NSDL	Login Method
	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 CDSL 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 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 CDSL Easi / Easiest facility, follow the below steps:** 1. Option to register is available at https://web.cdslindia.com/myeasinew/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	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 + 91 22 48867000
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 Toll Free No. : 1800 22 55 33

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 Folio Number registered with the Company EVEN is 124484 and if folio number is 001*** then user ID is 124484001***

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) Click on '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 124484' 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 Demat account number (In case Depository is (i) NSDL - DP ID commences with 'IN' followed by 6 digits and Client ID comprises of 8 digits; (ii) CDSL - DP ID and Client ID comprise of 8 digits each) 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: evoting@nsdl.co.in; Tel. No.: + 91 22 48867000 / 22 24997000

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 the same 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 1,000 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. Members will be required to allow Camera, if any and use Internet with a good speed to avoid any disturbance during the meeting.

6. 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 24, 2023 to July 27, 2023. 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.

24. The scrutiniser will submit his report to the Chairman or to any other person 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. 4 to 9 of the accompanying Notice of AGM.

Item No. 4

Re-appointment of Mr. Radhesh R. Welling (DIN: 07279004) as Managing Director of the Company:

At the 21st Annual General Meeting held on June 21, 2019, the Members of the Company appointed Mr. Radhesh R. Welling as Director and Managing Director of the Company for a period of 5 years from December 11, 2018.

As the aforesaid term of Mr. Welling will end on December 10, 2023, the Board of Directors, at its Meeting held on May 13, 2023, re-appointed Mr. Welling as the Managing Director subject to approval of the Members of the Company for 5 consecutive years commencing from December 11, 2023 to December 10, 2028 considering the recommendation of the Nomination and Remuneration Committee, and based on the Consent Letter and other relevant disclosures received from him, on the terms and conditions as set out hereunder:

I. (a) Basic Salary: ₹1.93 Crores per annum.

(b) Perquisites and Allowances, the aggregate monetary value of which shall not exceed ₹2.62 Crores per annum. These Perquisites and Allowances would be in addition to the items mentioned below in clause 'c', 'd', 'e' and 'f' below:

(c) Perquisites:

(i) Fully furnished house or House Rent not exceeding ₹0.77 Crores per annum in lieu thereof.

(ii) Mediclaim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the Rules of the Company.

Perquisites shall be valued as per Income Tax Rules, wherever applicable and in absence of any such Rules, perquisites shall be valued at actual cost.

(d) Mr. Welling will be also entitled to the following:

(i) Contribution to provident fund, annuity fund or superannuation fund as per rules of the Company

(ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and

(iii) Encashment of leave at the end of the tenure as per rules of the Company.

(e) Apart from remuneration, Mr. Welling will be entitled to:

(i) Free use of the Company's car for the business of the Company with reimbursement of driver's salary.

(ii) Free telephone facility at residence and use of mobile phone facility.

(iii) Reimbursement of expenses actually and properly incurred by him for the business of the Company.

(f) Stock Options under the Employees' Stock Option Schemes of the Company

II Commission up to 1% of the net profit of the Company on the annual net profits of the Company as may be decided by the Board at the end of each financial year during his tenure, computed in the manner laid down in Section 198 of the Act.

iii. Mr. Welling shall not be entitled to receive sitting fees for attending the Meetings of the Board of Directors or any Committees thereof.

iv. In the event Mr. Welling is paid remuneration by the Company's subsidiary, Navin Fluorine Advanced Sciences Limited, where also he is appointed as the Managing Director, then and in that event, the total remuneration drawn from both the companies shall not exceed the higher maximum limit admissible from any one of these two Companies.

v. The Board may alter or vary the above referred terms of appointment, salary, perquisites and commission including minimum remuneration payable in such manner as the Board in its discretion deems fit and is acceptable to Mr. Welling provided that such alterations are within the overall limits of managerial remuneration approved by the Members by passing Special Resolution pursuant to Section 197 of the Act.

vi. In case of absence or inadequacy of profits in any financial year of the Company during the first three years of his re-appointment, Mr. Welling will be entitled to the said salary, perquisites and allowances as the minimum remuneration.

The brief profile of Mr. Welling and statement as per Section II of Part II of Schedule V to the Act along with other relevant details are given in the annexure which forms part of this Notice.

The Managing Director has been granted Employee Stock Options at Face Value of ₹2/- each, and perquisite value of these Employee Stock Options when exercised will form part of the remuneration of the Managing Director, which may increase his remuneration beyond 5% envisaged under Section 197 of the Act. Hence, based on the recommendation of Nomination and Remuneration Committee and Board, it is proposed to increase the said limit of 5% to not exceeding 7% by passing this Special Resolution as is permissible under Section 197 of the Act.

The Company has received notices in writing from Members under Section 160 of the Act proposing the candidature of Mr. Welling for the office of Director of the Company. Mr. Welling has consented for his re-appointment and confirmed that he is eligible and does not suffer from any disqualifications for his re-appointment as Director and Managing Director. He has not been debarred from holding the office of Director by virtue of any SEBI order or any other such Authority. As per Schedule V of the Act, the Company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditor.

Considering the qualifications, knowledge and experience of Mr. Welling in the field in which the Company operates, the re-appointment of Mr. Welling as the Managing Director will be in the interest of the Company.

A copy of the Letter of Re-appointment dated May 13, 2023 of Mr. Welling as referred to in the said Resolution, which is subject to approval of the Members of the Company, is available for inspection by the Members. Members seeking to inspect the same can send an email to investor.relations@nfil.in. Accordingly, the Board of Directors recommends passing of the Special Resolution at Item No. 4 of the Notice.

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

Item No. 5

Increase in the Maximum Limit of Managerial Remuneration:

As per the provisions of Section 197 of the Companies Act, 2013 read with the rules made thereunder ('the Act') and Schedule V of the Act, the total managerial remuneration payable by the Company to its Directors, including Managing Director, Whole-Time Director and Manager, if any, in respect of any financial year may exceed 11% of the net profits of the Company, provided the same is approved by the members of the Company. Further, with the approval of the Company in general meeting, by a Special Resolution, the remuneration payable to any one Managing Director; or Whole-Time Director or Manager may exceed 5% of the net profits of the company and if there is more than one such Director, remuneration may exceed 10% of the net profits to all such Directors and manager taken together if the same is approved by the members of the Company by passing a Special Resolution.

Over the years, the Company has been paying Managerial Remuneration within the limits of 10% as prescribed in Section 197 of the Act. The Managing Director has been granted Employee Stock Options at Face Value of ₹2/- each, and perquisite value of these Employee Stock Options when exercised will form part of the remuneration of the Managing Director, which may increase his remuneration beyond 5% envisaged under Section 197 of the Act, leading to consequential increase in overall percentage of the remuneration payable to all Executive Directors of the Company beyond 10% prescribed under Section 197 of the Act and consequently, the total managerial remuneration payable to all the Directors may exceed 11% prescribed under Section 197 of the Act. Hence, based on the recommendation of Nomination and Remuneration Committee and Board, it is proposed to increase the said limits by passing this Special Resolution as is permissible under Section 197 of the Act.

Accordingly, it is proposed to pass the Special Resolution to: (i) increase the overall percentage of the remuneration payable to all Executive Directors of the Company, over and above the maximum limit as specified under the Act, from existing 10% to 12% of the net profits of the Company, with effect from December 11, 2023 and (ii) increase the overall maximum managerial remuneration payable to all Directors (including Managing Director and Whole-time Director and Manager) beyond specified limits as prescribed under the Act, from 11% to 13% of the net profits of the Company, with effect from December 11, 2023.

This is an enabling resolution and does not purport to increase the present limit of 1% prescribed in Section 197(1) for the remuneration payable to the Non-Executive Directors and 5% prescribed in Section 197(1) for the remuneration payable to Mr. Vishad P. Mafatlal, Executive Chairman.

The passing of this Special Resolution is necessary as total managerial remuneration may exceed the limits prescribed in the Act depending on the remuneration of the Managing Director including due to grant of stock options under the Company's Employee Stock Option Scheme. Accordingly, the Board of Directors recommends passing of the Special Resolution at Item No. 5 of the Notice.

All the Directors and their relatives may be deemed to be interested in this Special Resolution to the extent it concerns their respective remuneration. None of the other Key Managerial Personnel and/or their relatives are in any way concerned or interested in this Special Resolution.

Item No. 6

Re-appointment of Mr. Atul K. Srivastava (DIN: 00046776) as an Independent Director of the Company:

The Members of the Company, at their 21st Annual General Meeting, held on June 21, 2019 appointed Mr. Atul K. Srivastava as an Independent Director for 5 consecutive years from June 21, 2019. Accordingly, the first term of Mr. Srivastava as an Independent Director will end on June 20, 2024. He is eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution.

Mr. Srivastava has consented for his re-appointment and confirmed that he is eligible and does not suffer from any disqualifications for his re-appointment as a Director and Independent Director. He has not been debarred from holding the office of Director by virtue of any SEBI order or any other such Authority.

Further, as per 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. Mr. Atul K. Srivastava shall attain the age of 75 years during his proposed second term and continuance of his proposed re-appointment as Independent Director requires consent of the Members by way of a Special Resolution. Mr. Srivastava is active and keeps good health.

The performance evaluation of Mr. Srivastava was conducted by the entire Board of Directors (excluding Mr. Srivastava) on the basis of structured parameters. Based on the performance evaluation, the Nomination and Remuneration Committee and the Board of Directors of the Company has recommended the re-appointment of Mr. Srivastava as Independent Director for a second term of five consecutive years. During his term of re-appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declarations from Mr. Srivastava confirming that he meets the criteria of independence as prescribed under Section 149 of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfils the conditions for re-appointment as Independent Director and he is independent of the Management. The brief profile of Mr. Srivastava and other relevant details are given in the annexure which forms part of this Notice.

The Company has received notices from Members under Section 160 of the Companies Act, 2013 proposing his re-appointment as Independent Director. A copy of the Letter of Re-appointment of Mr. Srivastava dated May 13, 2023 is available for inspection by the Members, which is subject to approval of Members. Members seeking to inspect the same can send an email to investor.relations@nfil.in.

Considering the qualifications, knowledge and experience of Mr. Srivastava, his continuance on the Board of the Company will be in the interest of the Company. Accordingly, the Board of Directors recommends passing of the Special Resolution at Item No. 6 of the Notice.

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

Item No. 7

Giving loans, guarantees, providing securities or making investments in excess of limits prescribed under Section 186 of the Companies Act, 2013:

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 made, 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 investments 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 24th Annual General Meeting held on July 27, 2022 passed Special Resolution approving giving of loans, guarantees, providing securities and making investments upto 100 Cr. in excess of the limit prescribed under Section 186 of the Companies Act, 2013.

As on March 31, 2023, the Company's paid-up share capital was ₹9.91 crores; free reserves were ₹1,953 crores; and Securities premium account was ₹27 crores.

Considering the above figures, the limit available to the Company under Section 186 of the Act is aggregate of the Company's free reserves and securities premium account, which is ₹1,980 Cr. Further, at the 24th Annual General Meeting of the Company held on July 27, 2022, a limit of ₹100 Cr. over and above the limits under Section 186 of the Act had been approved. Hence, the Company has an aggregate limit of ₹2,080 Cr. available.

The aggregate of the Company's investments in the securities of other bodies corporate, loans and guarantees provided and proposed to be provided to any other persons or other bodies corporates, including in/to its wholly owned subsidiary companies, is ₹2,690 Cr. which includes investments in, loans to and guarantees on behalf of Navin Fluorine Advanced Sciences Limited ('NFASL'), WOS of ₹2,578 Cr. Accordingly, the Company will not have sufficient limits for making investments, giving loans and guarantees and providing securities for any entity other than its WOS.

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 ₹1,000,00,00,000/- (INR One Thousand 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 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 the Special Resolution at Item No. 7 of the Notice.

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

Item No. 8

Ratification of remuneration of B. Desai & Co., Cost Auditor (Firm Registration No. 005431) of the Company for FY 2023-2024:

As per 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, 2023 to March 31, 2024 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 such remuneration by the Members of the Company.

Pursuant to 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. 8 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. 9

Approval for fund raising:

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic expansion and achieving inorganic growth. Towards this, the Company continues to require capital for achieving such growth and expansion. Accordingly, the Company intends to undertake a capital raise by way of public or private offerings including one or more qualified institutional placement to eligible investors through an issuance of equity shares or other eligible securities and use the proceeds from the Issue, towards inter alia, capital expenditure, the pre-payment and / or repayment of debts of the Company or its subsidiaries(s), working capital requirements of the Company or its subsidiaries(s), investment in the subsidiaries(s) and general corporate purposes.

Accordingly, as approved by the Board of directors of the Company ('Board') at their meeting held on June 30, 2023 and in order to fulfill the aforesaid objects, it is hereby proposed to have an enabling approval for raising funds by way of issuance of equity shares of face value ₹2 ('Equity Shares'), Global Depository Receipts ('GDRs'), American Depository Receipts ('ADRs'), Foreign Currency Convertible Bonds ('FCCBs') and / or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or convertible preference shares or any security convertible into Equity Shares (all of which are hereinafter collectively referred to as 'Securities') or any combination thereof, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of domestic and / or international offering(s) in one or more foreign markets, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the book running lead manager(s) and/or other advisor(s) or otherwise, for an aggregate amount not exceeding ₹750 crore (Rupees Seven Hundred and Fifty Crore Only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of public issue, preferential allotment, private placement, including one or more qualified institutional placement of Equity Shares ('QIP') in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ('ICDR Regulations'). The issue of Securities may be at such price, whether at prevailing market price(s) or at a premium or discount to market price as may be permitted under applicable law and to such classes of investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any other relevant factors and wherever necessary, in consultation with book running lead manager(s) and other agencies that may be appointed by the Company, subject to the ICDR Regulations, Companies Act, 2013 and other applicable laws.

The Board (including any duly authorized committee thereof) may at their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Company. The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, the BSE Limited and National Stock Exchange of India Limited ('Stock Exchanges'), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies, Maharashtra at Mumbai, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time, as may be required in this regard domestically or internationally.

In case the Issue is made through a qualified institutions placement:

i. the allotment of Securities shall only be made to qualified institutional buyers ('QIBs') as defined under ICDR Regulations;

ii. the Special Resolution enables the Board to issue Securities for an aggregate consideration not exceeding ₹750 crore (Rupees Seven Hundred and Fifty Crore Only) or its equivalent in any foreign currency;

iii. the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution in accordance with the ICDR Regulations and applicable laws;

iv. a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;

v. the Company shall utilise at least 75% of the proceeds from the Issue (after adjustment of expenses related to the Issue, if any) ('Net Proceeds') towards, inter alia, capital expenditure, the pre-payment and / or repayment of debts of the Company or its subsidiaries(s), working capital requirements of the Company or its subsidiaries(s), investment in the subsidiaries(s), of the Company including applicable laws, regulations, rules and guidelines. The price at which Securities shall be allotted in the Issue shall not be less than the price determined in accordance with the ICDR Regulations;

vi. the price will be calculated as per the formula prescribed under the ICDR Regulations;

vii. the 'relevant date' for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP of equity shares as eligible securities; and in case eligible securities are eligible convertible securities, then either the date of the meeting in which the Board or a duly authorized committee of the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the equity shares as provided under the ICDR Regulations;

viii. the equity shares of the same class, which are proposed to be allotted through QIP or pursuant to conversion or exchange of eligible securities offered through QIP have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution;

ix. the Company shall be eligible to make a QIP if any of its promoters or directors is not a fugitive economic offender;

x. the Promoters, member of the Promoter group, Directors and Key Managerial Personnel of the Company will not subscribe to the QIP;

xi. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the ICDR Regulations. It is clarified that QIBs belonging to the same group or who are under same control shall be deemed to be a single allottee;

xii. the Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid up basis;

xiii. the Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time;

xiv. the schedule of the QIP will be as determined by the Board or its duly authorized committee; and

xv. the Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

Further, Section 62(1)(c) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further equity shares, to any persons other than the existing members of the company, such issuance shall be subject to a special resolution. Since the special resolution proposed may result in the issuance of Equity Shares of the Company to the existing members of the Company and to persons other than existing members of the Company, approval of the members of the Company is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of ICDR Regulations.

In terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013 only after receipt of prior approval of its members by way of a Special Resolution. Consent of the members would therefore be necessary pursuant to the aforementioned provisions of the Companies Act, 2013 read with applicable provisions of the ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for issuance of Securities. The Equity Shares allotted pursuant to the issue shall rank in all respects *pari passu* with the existing Equity Shares of the Company.

The Equity Shares to be allotted would be listed on the Stock Exchanges. The offer/issue/allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations, including Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/ or re-enactment(s) thereof ('FEMA'), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Debt Instruments) Regulations, 2019. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

None of the Directors, Key Managerial Personnel and/ or their relatives are in any way concerned or interested in the 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

Date: June 30, 2023
Place: Mumbai

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 NOTICE

Statement under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of re-appointment of Mr. Radhesh R. Welling as Managing Director of the Company

I. General Information:

1. **Nature of Industry:** Chemical Industry
2. **Date of commencement of Commercial Production**: The Company started its commercial production in the year 2002-03.
3. **In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus:** N. A.
4. **Financial Performance based on given indicators:**

(₹ in crores)

Particulars	FY 2021-2022	FY 2022-23
Turnover	1,403.61	1628.14
Profit after Tax	266.43	312.49

5. **Foreign Investments or Collaborations, if any:** NIL

II. Information about the appointee:

1. **Background details**: Mr. Welling has degree in Mechanical Engineering from National Institute of Technology, India. He also has Master's degree in International Business from IIFT, New Delhi, and Master's in Business Administration from IMD, Lausanne, Switzerland.
2. **Past remuneration:**

   Remuneration of Mr. Welling for FY 2022-23 is as under:

(₹ in crores)

Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4.69
Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.01
Stock options	5.00
Commission	4.45
Employer's contribution to Provident Fund	0.22
Employer's contribution to Superannuation Fund	0.00
Group Mediclaim and Accident Insurance	0.01
Total	**14.38**

3. **Recognition or awards:** NIL
4. **Job profile and his suitability:**

   Mr. Welling is the Managing Director and overall in-charge of the Company's Business. Considering growth by the Company during his tenure and his overall experience in diversified areas and responsibilities being handled by him, it is in the interest of the Company to avail his business expertise and hence he is suitable for the position.
5. **Remuneration proposed**: As mentioned in Explanatory Statement
6. **Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of his origin):**

Considering the size of the Company, the industry benchmarks, experience of and the responsibilities shouldered by Mr. Welling the proposed remuneration payable to Mr. Welling is commensurate with the remuneration paid to similar appointee in other companies.

7. **Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

   Except for the remuneration paid as disclosed and proposed remuneration for re-appointment, Mr. Welling does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company.

III. Other Information:

Reasons for inadequacy of profits	Currently N.A.
Steps taken or proposed to be taken for improvement	N.A.
Expected increase in productivity and profits in measurable terms	N.A.

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

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

Date: June 30, 2023
Place: Mumbai

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 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. Vishad P. Mafatlal	Mr. Radhesh R. Welling	Mr. Atul K. Srivastava
Age	49 years	50 years	71 years
Director's Identification Number	00011350	07279004	00046776
Date of first appointment	January 21, 2003	December 11, 2018	January 21, 2003
Brief Resume – Qualification	B.Sc (Economics), University of Pennsylvania, Wharton School, U.S.A	Mechanical Engineering from National Institute of Technology, India; Masters in International Business from IIFT, New Delhi; MBA from IMD, Lausanne, Switzerland	Science Graduate and Fellow Chartered Accountant (F.C.A).
Expertise in Specific Functional Areas	Mr. Mafatlal is the Executive Chairman designated as Chairman of the Company. He is an industrialist having varied experience of over 26 Years in the field of Textiles and Chemicals.	Mr. Welling has over 26 years of experience and has handled many functions ranging from Innovation to Sales & Marketing to Corporate Strategy to Manufacturing, across multiple geographies.	Mr. Srivastava has an experience of over 46 years in large corporates, in the areas of Finance, Accounting, Taxation and Commerce.
Terms and Conditions of Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. Mafatlal will draw remuneration by way of salary, perquisites, etc. and commission based on the profits of the Company as may be determined by the Board of Directors from time to time in accordance with the authority granted by Members of the Company. The remuneration paid to Mr. Mafatlal during the financial year ended March 31, 2023 is mentioned in the Corporate Governance Report.	Terms and conditions of re-appointment along with details of remuneration sought to be paid to Mr. Welling are specified in the Explanatory Statement. He will draw remuneration by way of salary, perquisites, etc. and commission based on the profits of the Company as may be determined by the Board of Directors from time to time in accordance with the authority granted by Members at this Meeting. The remuneration paid to Mr. Welling during the financial year ended March 31, 2023 is mentioned in the Corporate Governance Report.	Mr. Srivastava will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a Member/Chairman and for attending the meetings of Independent Directors and commission which may be approved by the Board of Directors. The remuneration paid to him during the financial year ended March 31, 2023 is shown under 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	Not Applicable	His qualification, skills and expertise in the field of finance, sales, marketing, commercial and general management, corporate governance, etc. will benefit the Company.
Other Directorships	- Navin Fluorine Advanced Sciences Limited - Tropical Clothing Company Private Limited - Mafatlal Services Limited - Cebon Apparel Private Limited - Mafatlal Impex Private Limited - Manchester Organics Limited, UK - Heyday Investments Holdings Limited	- Navin Fluorine Advanced Sciences Limited - Manchester Organics Limited - NFIL (UK) Limited - Swarnim Gujarat Fluorspar Private Limited - Navin Fluorine (Shanghai) Co. Limited	- Navin Fluorine Advanced Sciences Limited - Mafatlal Industries Limited
Listed entities from which he/she has resigned in the past three years	Nil	Nil	Nil

Name	Mr. Vishad P. Mafatlal	Mr. Radhesh R. Welling	Mr. Atul K. Srivastava
Membership/Chairmanship of Committees	**Navin Fluorine International Limited** **Chairman**: Risk Management Committee Fund Raising Committee **Member**: Corporate Social Responsibility Committee **Navin Fluorine Advanced Sciences Limited** **Chairman**: Corporate Social Responsibility Committee	**Navin Fluorine International Limited** **Member:** Risk Management Committee Fund Raising Committee	**Navin Fluorine International Limited** **Members:** Stakeholders' Relationship Committee Risk Management Committee **Mafatlal Industries Limited** **Chairman:** Stakeholders' Relationship Committee **Member**: Corporate Social Responsibility Committee Share Transfer Committee **Navin Fluorine Advanced Sciences Limited** **Member**: Corporate Social Responsibility Committee
Disclosure of relationship with other Directors and Key Managerial Personnel	Mr. Mafatlal is not related to any of the Director or Key Managerial Personnel of the Company	Mr. Welling is not related to any of the Director or Key Managerial Personnel of the Company	Mr. Srivastava is not related to any of the Director or Key Managerial Personnel of the Company
Shareholding in the Company held by him/her including shareholding as a beneficial owner (as on March 31, 2023)	7,14,349 Equity Shares of ₹2/- each	14,315 Equity Shares of ₹2/- each	16,000 Equity Shares of ₹2/- each
Number of Board Meetings attended in the Financial Year 2022-2023	Attended all 8 Meetings held	Attended all 8 Meetings held	Attended all 8 Meetings held

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

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

Date: June 30, 2023
Place: Mumbai

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

SUMMARISED FINANCIAL DATA

₹ in crores

	Particulars	IGAAP			Ind AS						
		2013 - 14	2014 - 15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	STATEMENT OF PROFIT & LOSS										
1	Total income	479	573	661	792	977	990	1054	1208	1441	1669
2	Profit before depreciation, interest, exceptional items and tax	90	90	141	206	301	253	292	385	393	463
3	Exceptional items	-	-	-	-	-	-	-	66	-	-
4	Finance costs	(5)	(3)	(3)	(0)	(1)	(0)	(2)	(1)	(2)	(2)
5	Depreciation, amortisation and impairment	(21)	(19)	(21)	(28)	(38)	(26)	(34)	(41)	(44)	(43)
6	Profit before tax	64	68	117	177	262	227	257	410	347	418
7	Profit after tax	51	49	86	133	179	148	400	299	266	312
8	Dividend (₹ per share) #	3.20	3.20	4.20	6.30 **	10.00 ***	7.80	11.00	11.00	11.00	12.00
9	Earning per share (EPS) ₹ #	10.38	10.11	17.69	27.10	36.34	30.05	80.83	60.46	53.79	63.05
	BALANCE SHEET										
10	Equity share capital	9.76	9.77	9.79	9.79	9.87	9.89	9.90	9.90	9.91	9.91
11	Net fixed assets	231	270	282	473	340	363	452	440	454	622
12	Investments	263	234	266	316	522	527	296	450	619	736
13	Current assets (net)	138	143	151	56	132	199	622	777	809	814
14	Capital employed	632	648	699	844	994	1089	1370	1667	1882	2141
15	Borrowings	57	45	30	0	0	0	0	0	0	0
16	Net worth	542	571	634	824	970	1059	1389	1650	1864	2141
17	Book value of share of ₹ 2.00 each (₹) #	111.02	116.92	129.46	168.21	196.55	214.17	280.68	333.33	376.21	431.90
18	Debt / equity ratio (15 / 16)	0.11	0.08	0.05	-	-	-	-	-	-	-
19	EBITDA (%) (2 / 1)	19%	16%	21%	26%	31%	26%	28%	32%	27%	28%
20	Profit after tax (%) (7 / 1)	11%	9%	13%	17%	18%	15%	38%	25%	18%	19%
21	Return on net worth (%) (PAT / Avg of opening & closing net worth)	10%	9%	14%	18%	20%	15%	33%	20%	15%	16%
22	Return on Capital Employed (%) ((PBT + finance costs) / Avg opening & closing capital employed)	11%	11%	18%	22%	29%	22%	21%	23%	20%	21%
	OPERATING RATIOS										
23	Operating EBITDA (%) (EBITDA - Other Income) / Revenue from Operations	14%	12%	18%	20%	24%	23%	26%	27%	25%	26%
24	Operating PBT (%) (PBT - Other Income) / Revenue from Operations	8%	8%	14%	16%	19%	20%	22%	24%	22%	23%
25	Return on Capital Employed (%) - Operating ((EBIT - Other Income) / Operating Capital Employed) @	12%	10%	23%	22%	34%	32%	30%	30%	30%	28%

Figures from 2016-17 to 2022-23 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 29th, 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 20th, 2017. The figures for the period 2013-14 to 2015-16 have been calculated based on the face value of ₹2/- per equity share, to make the numbers comparable.

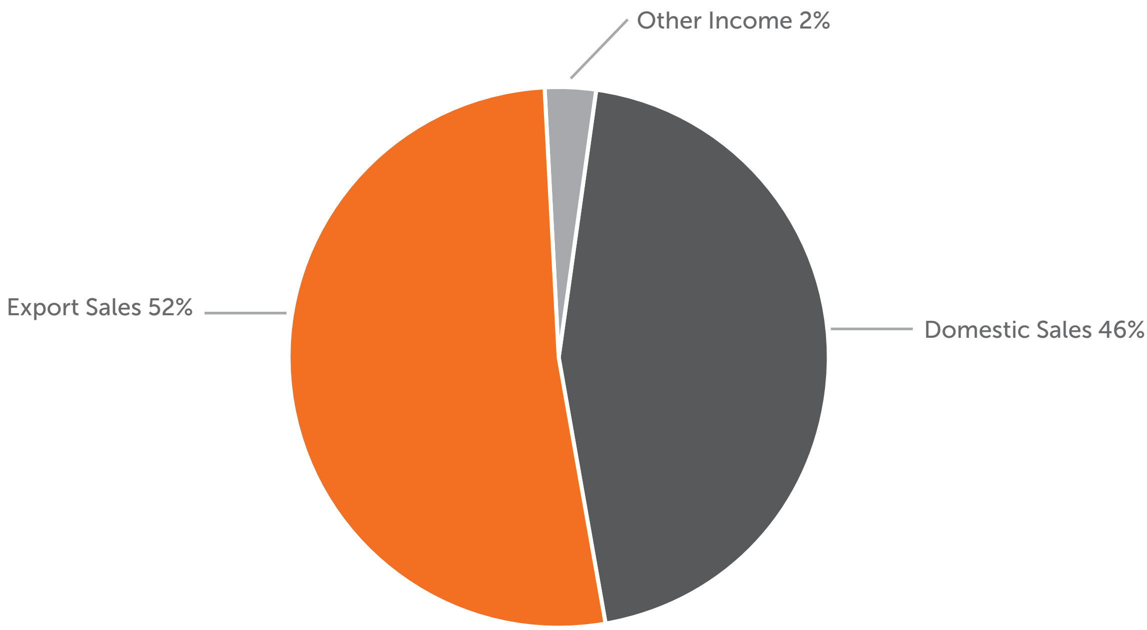
* including special dividend of ₹12/-

** including special dividend of ₹1.50

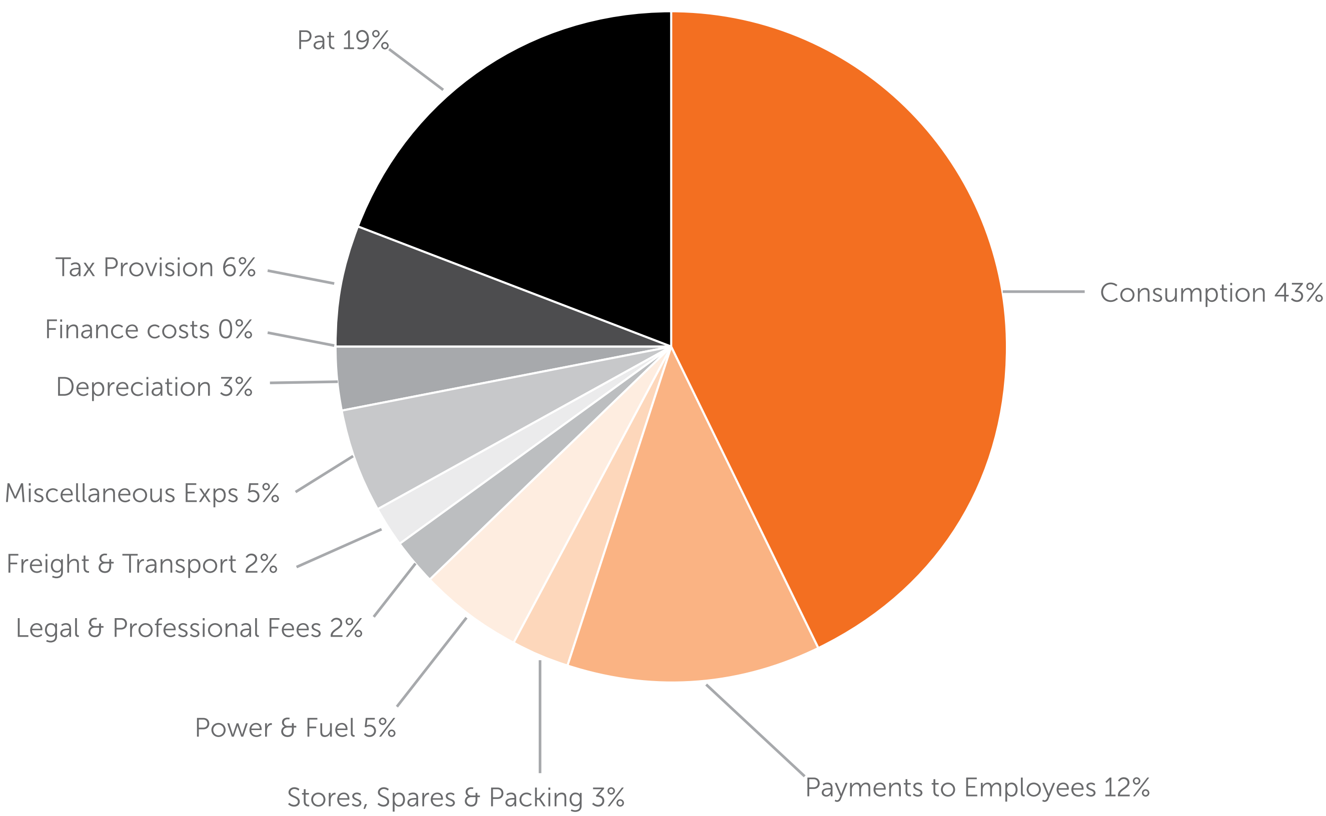
*** including special dividend of ₹3/-

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

Rupee Earned (%)



Rupee Spent (%)



Directors' Report

Dear Members

Your Directors are pleased to present the 25th Annual Report and the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2023 along with the notes forming part thereof.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS

Amount ₹ in crores unless otherwise stated

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	2,077.40	1,453.36	1,628.14	1,403.61
Other income	35.73	39.22	41.00	37.47
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	586.04	394.03	462.89	392.89
Less: Depreciation and amortization expenses	62.64	47.90	42.60	44.25
Less: Finance Costs	27.52	1.90	2.05	1.66
Profit before Taxation	495.88	344.23	418.24	346.98
Less: Tax Expense	120.69	81.15	105.75	80.55
Less: Share of (loss) from joint ventures (net)	0.01	0.01	-	-
Profit after Taxation	375.18	263.07	312.49	266.43
Add: Surplus brought forward from the previous year	1,579.62	1,371.39	1,603.16	1,391.51
Amount available for appropriation	1,954.80	1,634.46	1,915.65	1,657.94
Appropriation:				
Other Comprehensive Income/(Loss)*	0.77	(0.83)	0.78	(0.78)
Payment of dividends	(54.52)	(54.48)	(54.52)	(54.48)
Reversal of excess provision of Dividend Distribution Tax	-	0.48	-	0.48
Surplus carried to Balance Sheet	1,901.05	1,579.62	1,861.91	1,603.16

*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/- per equity share (i.e. 250% of the face value) during the Financial Year 2022-2023, which was paid in November 2022. The Board of Directors is pleased to recommend a Final Dividend of ₹7/- per equity share (i.e. 350% of the face value) for the Financial Year 2022-2023 which shall be paid on or after Friday, August 4, 2023 if declared by the Members of the Company at the forthcoming 25th Annual General Meeting ('AGM').

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://www.nfil.in/investor/policies/ddp.pdf.

3. YEAR IN RETROSPECT

Your Company has had yet another successful year – consolidated revenues crossed ₹2,000 crore demonstrating success of the Company's strategy supported by disciplined delivery of capital projects and excellence in execution. For the year ended March 31, 2023, your Company achieved a consolidated revenue from operations of ₹2,077.40 cr., a growth of 43% as compared to ₹1,453.36 cr. during the previous year. Consolidated earnings before interest, tax, depreciation and amortization (EBITDA), before exceptional items, increased from ₹394.03 cr. in the previous year to ₹586.04 cr. during the year ended March 31, 2023. Consolidated Profit before Tax (PBT), before exceptional items, was ₹495.88 cr in the current year as compared to ₹344.23 cr. in the previous year.

The Consolidated Operating EBITDA, before Other Income and Exceptional items, touched ₹550.31 cr., up from ₹354.81 cr during the previous year, a growth of 55%. Operating EBITDA Margin for the year was at 26% against 24% in the previous year. The Company's strong financial performance reflects the successful execution of its business strategy and continued focus on high-growth segments. The Company continues to invest in manufacturing capabilities and expanding its product portfolio to deliver innovative and value-added solutions to customers.

All business verticals secured strong growth underpinned by the Company's strategic and innovative initiatives. Strong growth momentum was seen across businesses. Specialty Chemicals and CDMO (Contract Development and Manufacturing Organisation), businesses saw 31% & 29% growth respectively over previous year. HPP (High Performance Products) business witnessed a growth of 64%, mainly, on account of better price realization and sales of HFOs to Honeywell International Inc.

CDMO business remains a key growth driver, witnessing a revenue growth of 29% to reach ₹448 crores. The growth was driven by a continued demand for custom manufacturing services, as well as an increase in business from new and existing clients. 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 business's increasing presence in commercial stage molecules secures sustainability of this business. The Company aims to further strengthen its position in the CDMO space by expanding its capacities and capabilities.

Specialty Chemicals business recorded a turnover of ₹743 cr. vis-à-vis ₹566 cr. in the previous year, showing a robust growth of 31%. It contributed around 36% of the overall turnover. The growth was 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 the Company's facility. The Business aims to further its product portfolio by introducing newer and differentiated products.

During the year, HPP Business recorded sales of ₹886 cr. compared to ₹540 cr. in the previous year, contributing around 43% of the overall turnover. Refrigerant gases business achieved robust growth due to better price realization (both in domestic and export markets) coupled with growth in non-emissive segment. HPP Business remains focussed on developing eco-friendly refrigerants, which are gaining popularity in the market. The Business aims to continue investing in this ecofriendly refrigerants space, ramping up capabilities further. Low growth in Inorganic Fluorides reflects conscious management decision to optimize available HF capacities towards high margin and value added products. With new capacity envisioned following the execution of the recently announced HF Capex, the business aims to leverage it's position and expand by introducing newer high margin products and harnessing new opportunities. During the year, HPP business commenced operations of its plant at Dahej that supplies HFOs to Honeywell which also contributed significantly to it's growth.

Key raw material costs moved in a mixed trend through the year with prices of Fluorspar declining over a period of time while Boric Acid went up significantly. Prices of almost all other critical raw materials increased significantly, more particularly, sulphur, caustic soda & chloroform were higher by 11%, 31% and 10% respectively Y-o-Y. On the energy cost front, average power cost was higher than previous year. Average natural gas price was higher by about 35% in the current fiscal compared to that of the previous year. The Company's strategy on building a resilient supply chain continues in action with increasingly diverse sources for key imported raw materials and securing of majority of other raw materials within close proximity to its sites.

During the year, the Specialty Chemicals business also commenced operations at Dahej of plants to supply fluorine based agri intermediates. These investments lay the foundation for the next phase of growth of Specialty Chemical business. It will help enhance product offerings and strengthen customer relationships along with providing building blocks for future growth. Timely capex execution and delivery of quality product has further strengthened the Company's reputation and trust with the customers. Further, during the year the Company announced a capital expenditure of ₹450/- cr., to manufacture and supply HF. When commissioned, the plant will secure backward integration at Dahej and also cater to the growing market for HF driven by demand growth for fluorochemicals in pharmaceutical, agro-chemical and emerging renewables sector. In Bhestan, during the year, the Board approved capital expenditure of ₹80/- cr. for manufacturing R32 gas. Further, the Company invested significantly for debottlenecking of cGMP3 at Dewas and for development of the Company's R&D capability at Bhestan. The investments will help access new business opportunities while enhancing operational safety and reliability, and securing cost efficiencies.

During the year, Indian rupee depreciated against all major global currencies. Rupee depreciation supported higher realizations as the contribution of exports within the overall sales increased from 52% to 66%. The exchange gain of ₹3.10 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 invest in strengthening capability across strategic functions like Technology and Development, Research and Development and Business Development. Improvement in operational efficiencies, new product development, working on novel chemistries and developing long-term partnerships continued to remain a core ingredient of the Company's strategy. Through the year, cross functional teams continued to work on successful scaleup, improving productivity, quality and costs of various products to enable businesses gain competitive advantage in the market.

On a standalone basis, for the year ended March 31, 2023, the Company achieved total revenue from operations of ₹1,628.14 cr., Earnings before interest, tax, depreciation and amortization (EBITDA), before exceptional items of ₹462.89 cr. and Profit before Tax (PBT), before exceptional items, of ₹418.24 cr.

The Company maintained 'CARE AA' rating, 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, remains at 'CARE A1+', indicating very strong degree of safety with respect to timely servicing of short-term financial obligations and lowest credit risk.

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

The Company remains committed to driving strong financial performance, investing in R&D pursuing innovation-driven growth, and building long-term value for all stakeholders. 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, ₹5.80 Cr. has been repaid by SSL and its current outstanding to the Company is ₹1.69 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 £4478K and net loss of £279K.

(iii) NFIL (UK) Limited is a 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 CDMO 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 the Company's specialty and CDMO business. This presence helps us in taking informed decisions on procurement in terms of timeliness, availability, quality and cost. These decisions help in optimizing costs, proper planning and improving margins. The Company's presence in China is also helping to create strategic partnerships with key vendors.

(vi) Navin Fluorine Advanced Sciences Limited (NFASL) was incorporated in February 2020. NFASL is a material subsidiary. NFASL commenced commercial operations during the financial year ended 31st March 2023, achieving total revenue from operations of ₹513.86 cr., Earnings before interest, tax, depreciation and amortization (EBITDA), before exceptional items of ₹129.26 cr. and Profit before Tax (PBT), before exceptional items, of ₹81.51 cr.

During the year assets capitalised in NFASL amounting to ₹1085 crore which included capitalisation for plant that supplies HFOs to Honeywell and our specialty chemical plants to supply fluorine based agri intermediates. Further, in FY24 we will incur capital expenditure on HF manufacturing plant and commission additional specialty chemical plant to supply fluorine based agri intermediates.

Capex undertaken in NFASL is funded through mix of debt and equity contribution. As on March 31, 2023, debt outstanding stood at ₹ 844.08 cr. The said loans are secured by way of first charge on NFASL's fixed assets, second charge on its current assets and corporate guarantees given by the Company.

(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 JV 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 JV have been considered in the Annual Audited Consolidated Financial Results of the Company.

NFASL is a material subsidiary of the Company. Policy for determining material subsidiary is available at: https://www.nfil.in/investor/policies/mspf_01042019.pdf. The Annual 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 in this regard.

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

5. CAPITAL STRUCTURE OF THE COMPANY

During the year, the Company has allotted an aggregate of 18,020 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 ₹9,90,91,745 /- (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) to ₹9,91,33,420 /- (4,95,62,250 equity shares of face value of ₹2/- each fully paid and 8,920 equity shares of ₹2/- each, ₹1/- paid up) as on March 31, 2023.

Out of 14,555 partly paid equity shares, 5,635 equity shares have been converted into fully paid equity shares and listed on the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, and the Company is in process of obtaining corporate action approval from Depositories for 860 partly paid shares.

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

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

7. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company firmly believes in giving back to the society and maintaining healthy and collaborative relationships with the communities in which it operates. The Company will continue to consistently act as a good corporate citizen and it sincerely believes in creating a positive impact on communities through contributions via CSR.

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/investor/policies/NFIL_CSR_Policy_1.pdf

During the year under review, the Company endeavored to touch the lives of communities in which it operates through projects in the areas of health, education, sports and animal care, among other equally important social causes. Pursuant to the provisions of Section 135 of the Act, the Company was statutorily required to spend ₹6.14 crores towards CSR during financial year 2022-2023. The Company has spent ₹6.15 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.

9. 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, 2023 was 1,053.

10. INSURANCE

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

11. 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, 1,55,000 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 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 25th 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.

12. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Basant Kumar Bansal, Chief Financial Officer and Key Managerial Personnel of the Company, resigned with effect from close of business hours of August 10, 2022 and consequently, Mr. Partha Roychowdhury was appointed as an Interim Chief Financial Officer and Key Managerial Personnel of the Company with effect from August 11, 2022. Further, pursuant to the appointment of Mr. Anish P. Ganatra as Chief Financial Officer and Key Managerial Personnel with effect from February 9, 2023, Mr. Roychowdhury resigned as Interim Chief Financial Officer and Key Managerial Personnel with effect from close of business hours of February 8, 2023 and he continues as CEO of HPP Business of the Company.

At the 24th Annual General Meeting of the Company held on July 27, 2022, the following Directors were appointed/ re-appointed by the Members of the Company:

- Mr. Mohan M. Nambiar was re-appointed as a Non-Executive Non-Independent Director of the Company as he had retired by rotation and offered himself for re-appointment.
- Ms. Apurva S. Purohit was appointed as an Independent Director for a term of five (5) consecutive years commencing from October 19, 2021 and ending on October 18, 2026.

The Board recommends to the Members of the Company the re-appointment of Mr. Vishad P. Mafatlal, Director of the Company, who retires by rotation at the forthcoming AGM. and being eligible, has offered himself for re-appointment as a Director.

The current term of Mr. Radhesh R. Welling, Managing Director, will end on December 10, 2023. Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on May 13, 2023, re-appointed Mr. Welling as the Managing Director of the Company for five (5) consecutive years commencing from December 11, 2023 to December 10, 2028 subject to approval of the Members of the Company. As required under Section 160 of the Act, notices have been received from Members of the Company proposing the candidature of Mr. Welling as a Director.

The first term of Mr. Atul K. Srivastava as an Independent Director will end on June 20, 2024 and based on the recommendation of the Nomination and Remuneration Committee, it is recommended to re-appoint Mr. Srivastava for another five (5) consecutive years from June 21, 2024 and ending on June 20, 2029. As required under Section 160 of the Act, notices have been received from Members of the Company proposing the candidature of Mr. Srivastava as a Director.

Brief profiles of Mr. Mafatlal, Mr. Welling and Mr. Srivastava are provided in the Notice convening the 25th Annual General Meeting.

13. 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.

14. VIGIL MECHANISM

In accordance with the requirements of the Act and SEBI 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 the web-link https://www.nfil.in/investor/policies/Whistle%20Blower%20Policy.pdf. The Company confirms that no personnel have been denied access to the Audit Committee pursuant to the whistle blower mechanism.

15. ANNUAL RETURN

The Annual Return of the Company for the financial year 2022-2023 is available on the website of the Company at https://www.nfil.in/investor/annu_reports.html.

16. 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.

17. 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.

18. 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 SEBI 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.

19. 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 SEBI 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 policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees is available at the web-link https://www.nfil.in/investor/policies/Policyardkmpe.pdf.pdf.

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

The details of loans and guarantees given, securities provided and the investments made by the Company as on March 31, 2023 are provided in the Annual Audited Financial Statements and its notes.

21. 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 any 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 SEBI Listing Regulations. The Company has nothing to report in Form AOC-2, hence, the same is not annexed.

The Company's Policy on materiality of related party transactions and on dealing with related party transactions is available on the Company's website at: https://www.nfil.in/investor/policies/pmrptrpt.pdf.

22. 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.

23. 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.

24. 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.

25. ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and SEBI 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 SEBI 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 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. The Board was also of the unanimous view that each Independent Director was a reputed professional and brought his/her rich experience to the deliberations of the Board.

(b) Non-Independent Directors: The performance of each of the Non-Independent Directors (including the Executive Chairman) 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.

26. 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.

27. 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.

28. 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 Members and issues public notice in respect of shares to be transferred to IEPF in the newspaper, on timely basis.

29. 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 a 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.

30. STATUTORY AUDITORS

At the 24th AGM held on July 27, 2022, the Members of the Company approved the re-appointment of Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) 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 based on the recommendation of the Audit Committee and the Board.

31. 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, 2023.

32. SECRETARIAL AUDIT REPORT

Pursuant to Section 204(1) of the Act and Regulation 24A of SEBI Listing Regulations, the Secretarial Audit Report of the Company for the financial year ended March 31, 2023 issued by Makarand M. Joshi & Co., Practicing Company Secretaries, is annexed as '**Annexure 8**' to this Report. Further, the Secretarial Audit Report of Navin Fluorine Advanced

Sciences Limited, a Material Wholly Owned Subsidiary, for the financial year ended March 31, 2023 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 or disclaimer.

33. 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.

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 2023-2024 on agreed remuneration of ₹5,00,000/-.

As required under the Act, necessary resolution seeking Members' ratification for the remuneration payable to B. Desai & Co. will be placed at the forthcoming Annual General Meeting. The Cost Audit Report in respect of the financial year 2022-2023 will be filed within the statutory timeline.

34. 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.

35. 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.

36. 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

Date: May 13, 2023
Place: Mumbai

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 1

Management Discussion and Analysis Report

Global economic overview

The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices decreased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended 2022 concerned that the following year would be slower.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to USD 55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to USD 36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3,495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

United States: Reported GDP growth of 2.1% compared to 5.9% in 2021

China: GDP growth was 3% in 2022 compared to 8.1% in 2021

United Kingdom: GDP grew by 4.1% in 2022 compared to 7.6% in 2021

Japan: GDP grew 1.7% in 2022 compared to 1.6% in 2021

Germany: GDP grew 1.8% compared to 2.6% in 2021
[Source: PWC report, EY report, IMF data, OECD data]

Outlook: The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK, and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession, and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth *(Source: IMF)*.

Indian economic overview

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth is at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation *(Source: IMF, World Bank)*

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth(%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth(%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 million metric tons (MMT) in 2022-23 from 107 MMT in the preceding year. Rice production at 132 MMT was almost at par with the previous year. Pulses acreage grew to 31 million hectares from 28 million hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 lakh hectares in 2021-22 to 109.84 lakh hectares in 2022-23.

India's auto industry grew 21% in FY23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 million units in FY23, crossing 3.2 million units in FY19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3FY23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to USD 714 billion as against USD 613 billion in FY22. India's merchandise exports were up 6% to USD 447 billion in FY23. India's total exports (merchandise and services) in FY23 grew 14 percent to a record of USD 775 billion in FY23 and is expected to touch USD 900 billion in FY24. Till Q3 FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to USD 18.2 billion, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ ₹17.55 lakh crore and 6.4% of GDP for the year ending March 31, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from USD 74.01 billion in 2021 to a record USD 84.8 billion in 2021-22, a 14% Y-o-Y increase, till Q3FY23. India recorded a robust USD 36.75 billion of FDI. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹50,000 crore against a target of ₹65,000 crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately USD 70 billion in 2022, primarily influenced by rising inflation and interest rates. Starting from USD 606.47 billion on April 1, 2022, reserves decreased to USD 578.44 billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the Consumer Price Index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index (WPI) (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4 % in 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8 percent.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 % Y-o-Y in RE 2022-23.

The total gross collection for FY23 was ₹18.10 lakh crore, an average of ₹1.51 lakh crore a month and up 22% from FY22, India's monthly Goods and Services Tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 lakh crore. For 2022–23, the government collected ₹16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6 % more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was USD 2,320 (March 2023), close to the magic figure of USD 2,500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3 % in 2022-23.

Outlook: There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5 % in April 2023. India is expected to grow around 6-6.5 % (as per various sources) in FY2024, catalysed in no small measure by the government's 35% capital expenditure growth. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year *(Source: IMF)*.

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. Accordingly manufacturing, services and infrastructure sector firms are optimistic about their business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 lakh crores, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gatishakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹5.94 lakh crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹20,000 crores was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services.

Global fluorochemical industry overview

Fluorochemicals are hydrocarbons containing fluorine, the most reactive chemical element - non-flammable, viscose, electro-negative and forming stable compounds. High resistance to organic solvents, acids and bases offered by fluorochemicals is anticipated to drive product demand in automotive, electronics and construction applications. The global fluorochemicals market is expected to grow to USD 29.61 Billion by 2027, growing at a CAGR of 5.06%.

Fluorocarbon is a leading product with the highest share of the fluorochemicals in 2022. There is a growth of Hydrofluorocarbon and Hydrochlorofluorocarbons due to their large use as refrigerants and in the manufacture of polyurethane foam (used in the construction sector). The consumption of fluorocarbons is increasing on account of its use in the electronics and automotive industries warranting enhanced tensile strength and electrical insulation.

The global fluorochemicals market has been segmented across North America, Europe, Asia Pacific, Latin America, Middle East and Africa. Asia-Pacific accounts for the highest share of the fluorochemicals segment due to growing consumers and applications (from the automotive, oil and gas, pharmaceutical and transportation sectors).

Fluorinated gases are used as refrigerants for air conditioning and refrigeration systems. Moreover, a number of distinct synthetic chemicals containing fluorine in their chemical architecture are used for this purpose. The market for these gases has been growing due to an increasing demand for consumer appliances and the growing pharmaceutical industry; the choice of one refrigerant over another has been driven mainly by regulatory pressures. In the global specialty chemicals segment, HFCs (refrigerant gases) enjoy a large role.

Fluorine is also used in the pharmaceutical industry; it can increase the drug selectivity, making it possible to dissolve fats, and decrease the speed at which the drug is metabolized, allowing it more time to become effective. More than 20% of pharmaceutical drugs contain fluorine. *(Source: marketsandmarkets.com, Fortune Business Insights, globenewswire.com)*

Opportunities in the chemical industry

- Low penetration of fluoropolymers across the globe generates opportunities for fluorochemical players. With the growing production of aluminum, semiconductors, batteries and other electronic components there could be a growing demand for high-value fluorochemicals.
- Growing adoption of clean air systems in residential, commercial and industrial installations and increasing installation of HVAC systems in automobiles, creating a huge demand for fluorochemicals.
- Increased commercial and residential construction resulting in the increased demand for HVAC systems in warehouses, stores, malls, households and other applications, there has been a significant increase in the demand for frozen products and fresh food, which require temperature-controlled storage units.

Industry challenges

- Availability of fluorospar mineral, the manufacturing source for fluorochemicals.
- Government regulations and restrictions on the sector.
- Growing environmental concerns.

Growth drivers

Growing demand: The global refrigerants market is expected to reach USD 8.4 billion, by 2027 growing with a CAGR of 6.2% from 2022 to 2027. The growth drivers include a growing demand for consumer appliances (refrigeration and air conditioning equipment) and a growing pharmaceutical industry. China is expected to grow to an estimated market of USD 5.2 billion by 2027, growing at a CAGR of 6.8% from 2020 to 2027. China is the leading producer and consumer of refrigerant gases.

Automotive industry: The automotive industry is the largest market for fluorochemicals due to increased production of light commercial vehicles and its use in the production of aluminum, semiconductors and electric components.

Construction industry: Fluor technology products are used in the construction and building sector to provide anti-corrosion, high durability and UV resistance to materials like architectural membranes and coatings, caulks and wire and cable. Due to urbanization and population growth, the global construction industry is estimated to reach USD 14.4 trillion in 2030. The fluoropolymers segment is expected to reach USD 10.31 billion in 2028. The APAC region is the leading contributor to this value on account of affordable housing and infrastructure projects leading to a surge in demand for fluoropolymer roofs.

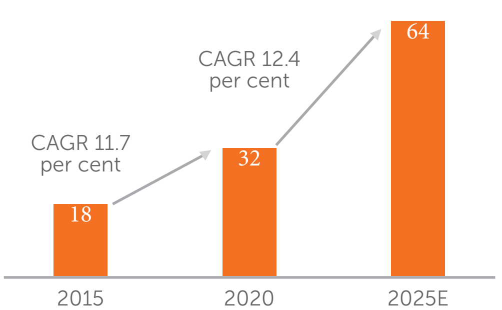
(Source: Reportlinker.com, Moody's Outlook, Businesswire, Statista, Automotiveworld, Bloomberglaw, Reports and Data, Globalnewswire, Market Research Fututre, Frost and Sullivan)

Indian specialty chemicals sector overview

The Indian specialty chemicals industry has grown attractively in recent years. It represents 22 per cent of India's overall chemicals and petrochemicals market and is valued at USD 32 billion. The industry is anticipated to reach USD 64 billion by 2025 at a CAGR of 12.4%.

The specialty chemicals segment remains one of the fastest growing segments in the Indian manufacturing sector. This expansion can be attributed to increased demand from many end-user sectors, favorable government policies, a growing domestic customer base, and changes in consumer lifestyle among other factors.

Indian specialty chemicals industry size (US$ billion)



In terms of global market share, India's specialty chemicals comprise approximately 4%, while China accounts for 26%. India's specialty chemicals industry is predicted to grow rapidly, outpacing China, Japan and the rest of the world in percentage terms. However, its market share is predicted to increase from 4 % to 6 % by 2026, on the back of strong revenue growth of 15-20 % during FY2023. (Source: KPMG)

Opportunities in the specialty chemical sector

- Rising disposable income, median age of population, urbanisation and growing penetration and demand from rural markets.
- Shift in consumer preferences towards a healthier lifestyle and environment-friendly products.
- Opportunity to produce USD 111 Bn worth of chemical products by 2023 for domestic requirements.
- Production Linked Incentives scheme for manufacturing of Advance Cell Chemistry Battery under Atmanirbhar Bharat Abhiyaan (Source: Invest India).

Growth drivers

Rising consumption: India's consumer electronics and appliances market is expected to reach USD 160.03 billion by 2027, growing at a CAGR of 12.78% during 2023-2027. During the same period, the production of air conditioners and refrigerators are expected to double.

Research and Development (R&D): The production value chain of specialty chemical companies is widening due to additional R&D investments. These companies have also offered their R&D capabilities as a part of contract research and manufacturing services, which could enhance margins.

Domestic availability: Various petrochemical intermediates are imported to India due to a growing demand for petrochemical intermediates by domestic specialty chemical companies that manufacture petrochemical intermediates through the diversion of ethylene and propylene.

Cost effective expertise: The Indian chemicals sector provides efficient and scalable manufacturing facilities at a low cost, skilled manpower, R&D expertise and an established EHS compliance framework.

Alternate strategy: India could appear as a feasible specialty chemical manufacturing destination. The cost differential between China and India has moderated due to China's enhanced pollution control regulations that has increased costs. As a result of the 'China plus one' supply chain strategy, global manufacturers are sourcing from low-cost countries like India. *(Source: Invest India)*

Favourable government initiatives

PCPIR policy: With the aspiration to attract investments of USD 142 billion by 2025, USD 213 billion by 2030 and USD 284 billion by 2035, the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR policy) was redrafted.

Production-Linked Incentive (PLI) scheme: To improve domestic production and exports, the PLI scheme for chemicals is at a development stage, addressing 10-20 per cent output incentives. The Government of India has recently launched PLI schemes with an incentive outlay of ₹1.97 lakh crore, with the aim of promoting several key end-use sectors in the country. These sectors include pharmaceuticals, telecommunications and networking equipment, automobiles, electronics, mobile devices, medical devices and textiles. The PLI schemes are expected to boost the demand for chemicals and petrochemicals in India, as these sectors are major consumers of these products.

Indian fluorochemicals industry

Fluorochemicals are the vital ingredients in a number of industries such as ACs, automobiles, cold storages, refrigerated transport, pharma, etc. Nearly 55% of the market demand in India is for HCFC, while 45% is for HFCs. Demand growth in any of these industries could strengthen fluorochemicals demand. By 2031, almost three-fourths of India's national income could come from cities, strengthening the demand for better infrastructure and electronic appliances, which could strengthen fluorochemicals demand. (Source: urbanet.info)

Growth drivers

Agrochemicals industry: The agriculture sector is a national backbone, supporting more than 60% of the population and contributing about 18 % to India's GDP, a large fluorochemical market.

Pharmaceutical industry: India is the third largest pharmaceutical market by volume. The Indian pharmaceutical industry is expected to grow at a CAGR of 12% to reach USD 130 billion by 2030.

Automobile industry: India is expected to become the world's third largest automobile market by volume by 2026, driven by population and aspirations growth.

Electronics industry: India's electronics sector contributes around 3.4% of the country's GDP; its market size is expected to reach US$ 540 billion by 2025, following a wider acceptance of electronics and digitalisation.

Company overview

Established in 1967, Navin Fluorine is one of the biggest and the most respected Indian manufacturers of specialty fluorochemicals. Being a flagship of the Padmanabh Mafatlal Group, NFIL operates as one of the largest integrated fluorochemicals complexes in India with manufacturing locations at Surat and Dahej in Western India and Dewas in Central India. The Company's long-term contracts with supply intermediate in the pharma and agrochemical industry validate its capabilities. The Company's research and development centre, named as Navin Research Innovation Centre (NRIC) is located in Surat, Gujarat. Specialization in fluorination, along with an expertise in synthesis, will empower the Company to capitalize on opportunities arising from pharma and agro chemical industries.

In FY23, Company's 100% subsidiary Navin Fluorine Advanced Sciences Limited (NFASL) commenced operations. NFASL operates one of the most advanced fluorochemicals complexes in India with manufacturing location at Dahej, Western India. NFASL has long-term contracts to supply intermediates to global players Its vision is to become a leading player in the field of advanced fluorine-based chemistry and in just first year of commercial operations, NFASL has made significant strides towards this goal.

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 Consolidated Profit and Loss Statement

Revenues: Consolidated revenues from operations reported a 43% growth from ₹ 1453 cr in 2021-22 to ₹ 2077 cr in 2022-23. Other income of the Company was lower by 9% and accounted for 2% share of the Company's Total Income, reflecting the Company's dependence on its core business operations.

Expenses: Total consolidated expenses of the Company increased by 41% from ₹ 1148 cr. in 2021-22 to ₹ 1617 cr. in 2022-23. Raw material costs, accounting for a 43% share of the Company's revenues, increased by 35% from ₹ 666 cr in 2021-22 to ₹ 896 cr in 2022-23 owing to increase in the operational scale of the Company. Employee expenses, accounting for a 12% share of the Company's revenues, increased 37% from ₹ 182 cr in 2021-22 to ₹ 249 cr in 2022-23.

Analysis of the Consolidated Balance Sheet

Sources of funds

The consolidated capital employed by the Company increased by 56% from ₹ 1949 cr as on March 31, 2022 to ₹ 3034 cr as on March 31, 2023 owing to an strong performance by the Company. Consolidated return on capital employed, a measurement of returns derived from every rupee invested in the business was at 21%. The consolidated net worth of the Company increased by 18% from ₹ 1844 cr as on March 31, 2022 to ₹ 2185 cr as on March 31, 2023.

Applications of funds

Consolidated fixed assets (gross) of the Company increased by 210% from ₹ 547 cr as on March 31, 2022 to ₹ 1695 cr as on March 31, 2023, on account of capitalization of various projects at Dahej, Surat and Dewas sites.

Investments

Consolidated total investments (non-current and current) other than investments in subsidiaries and joint venture of the Company decreased from ₹ 117 cr as on March 31, 2022 to ₹ 43 cr as on March 31, 2023. Consolidated cash and bank balances of the Company decreased from ₹ 96 cr as on March 31, 2022 to ₹ 35 cr as on March 31, 2023 due to significant capex incurred by the Company and reflects the infusion of working capital following commencement of commercial operations at Dahej.

Working capital management

Consolidated inventories, including raw materials, work-in-progress and finished goods, among others, increased by 82% from ₹ 258 cr as on March 31, 2022 to ₹ 468 cr as on March 31, 2023. The inventory cycle was at 82 days of turnover equivalent in 2022-23 compared to 65 days in 2021-22. Growing business volumes resulted in an increase of 57% in trade receivables from ₹ 358 cr as on March 31, 2022 to ₹ 562 cr as on March 31, 2023. The debtor turnover cycle was at 99 days of turnover equivalent in 2022-23 compared to 90 days in 2021-22. The receivables and inventories management continue to be actively managed and are in line with the scope and scale of operations, particularly considering the commencement of commercial operations at Dahej during the later part of the year and the levels were well within acceptable industry norms.

Margins

Consolidated revenue increased by 43% in FY22-23. The EBITDA margin (before exceptional items) of the Company increased by 200 (bps) from 26% in FY 2021-22 to 28% in FY 2022-23 while PBT (before exceptional items) increased by 40bps.

Analysis of the Standalone Profit and Loss Statement of NFIL

Revenues: Revenues from operations reported a 16% growth from ₹ 1404 cr in 2021-22 to ₹ 1628 cr in 2022-23. Other income of the Company was higher by 9% and accounted for 2% share of the Company's Total Income.

Expenses: Total expenses of the Company increased by 14% from ₹ 1094 cr in 2021-22 to ₹ 1251 cr. in 2022-23. Raw material costs, accounting for a 44% share of the Company's revenues, increased by 12% from ₹ 638 cr in 2021-22 to ₹ 715 cr in 2022-23. owing to increase in the operational scale of the Company. Employee expenses, accounting for a 12% share of the Company's revenues, increased 32% from ₹ 153 cr in 2021-22 to ₹ 203 cr in 2022-23.

The EBITDA margin (before exceptional items) of the Company increased by 100 basis points from 27% in FY 2021-22 to 28% in FY 2022-23 while PBT (before exceptional items) increased by 97 basis points.

Key ratios

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
EBITDA/Turnover (%) (before exceptional items)	28	26	28	27
Return on networth (%)	17	14	16	15
Book value/share (₹)	441	372	432	376
Earnings per share (₹)	75.70	53.12	63.05	53.79
Debtors turnover (days)	99	90	88	92
Inventory turnover (days)	82	65	73	60
Current Ratio	2.81	2.65	4.91	5.39
Operating profit margin (%)	22	21	23	22
Net profit margin (%)	18	18	19	19

Return on net worth (Standalone and Consolidated) has increased on account of increase in PAT.

The Company's wholly owned subsidiary, Navin Fluorine Advanced Sciences Limited, has begun its commercial production during the current year. Accordingly, variation has been noted in the above ratios as compared to the previous year.

How we manage risks in our business

In the post pandemic scenario, risk management has become an essential part of our business management. The Board undergoes diligent processes for risk management, supported by internal controls, to make sure that the Company meets strategic objectives and the organisation is protected from adverse events.

At Navin Fluorine, we strive to emerge as a sustainable business company by recognizing potential risks and developing policies of risk management. Risk Management is a core component of how we execute and deliver our strategy. At Navin Fluorine, the efficacy of risk management is determined by its well-defined processes and frameworks and is underpinned by robust governance, appropriate delegation of authority and supporting management information.

The thoroughness of the process has improved corporate sustainability. Hence, risk management plays an important part of our corporate philosophy and how we execute our strategy.

Risk management organization, roles and responsibilities

At Navin Fluorine, our governance principles, including overall risk tolerance, are directed by the Board of Directors. 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 report their findings to the Board of Directors. As a governance initiative, we ensure that members within our risk management structure are well versed with our risk strategy and processes, ensuring complete transparency as well as improved ability to manage everyday risks.

Strategic implementation of the risk management cycle

The Company has nine functional Risk Management Committees throughout the organization for successful 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: With the help of relevant systems and indicators (quantitative component), risks are identified by your Company. Furthermore, internal reporting protocol allows executives to report risks as and when they identify it.

Risk measurement: The Company frequently strengthens risk management tools in accordance with the business function. Risk is measured at the organisational and departmental level based on the insight of the risk of the department.

Analysis and assessment: A key objective of our risk management strategy is to refine financial performance. The financial performance of our Company replicates the productivity of our risk management strategy.

Risk reporting: The Company creates awareness by regularly evaluating and reporting the efficacy of our risk management strategy to the Risk Management and other Committees, which allows the Company to invent and execute 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. 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 effectiveness by the statutory as well as the internal auditors. An independent firm 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 business, locations and functions. The internal auditors review the adequacy, integrity and reliability of control systems and suggest improvements in its effectiveness. The effectiveness of the controls is 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 initiatives 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, including its subsidiaries, employed 1,413 personnel as of March 31, 2023.

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Date: May 13, 2023
Place: Mumbai

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 2

Corporate Governance Report

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

The Company's philosophy of Corporate Governance is built on the foundation of trust in dealing with all stakeholders – which the Company has been able to earn through ethical business practices, transparency of disclosures, community development initiatives and active stakeholders' engagement.

The Company not only adheres to the prescribed Corporate Governance practices as per the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') but also endeavors to inculcate undeterred commitment to Corporate Governance principles and practices in its day-to-day functioning.

This report is prepared in accordance with the relevant provisions of the SEBI Listing Regulations and contains the details of Corporate Governance compliances by the Company, as well as the spirit of these practices.

2. COMPOSITION OF THE BOARD OF DIRECTORS ('the Board')

Each Director on the Board of the Company is a reputed professional and brings rich experience to the deliberations of the Board. Brief profile of Directors of the Company is available at the weblink https://www.nfil.in/investor/bod.html.

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 Act and SEBI Listing Regulations, as amended from time to time.

Name of the Directors	Director's Identification No.	Category	No. of Board Meetings attended	Whether attended last AGM held on July 27, 2022	No. of equity shares held of ₹2/- each as on March 31, 2023
Mr. Vishad P. Mafatlal	00011350	Promoter Executive (Chairman)	8	Yes	7,14,349
Mr. Mohan M. Nambiar	00046857	Non-Executive Non-Independent	8	Yes	5,027
Mr. Pradip N. Kapadia	00078673	Non-Executive Independent	8	Yes	7,335
Mr. Sunil S. Lalbhai	00045590	Non-Executive Independent	8	Yes	5,275
Mr. Sudhir G. Mankad	00086077	Non-Executive Independent	8	Yes	NIL
Mr. Harish H. Engineer	01843009	Non-Executive Independent	4^	Yes	NIL
Ms. Radhika V. Haribhakti	02409519	Non-Executive Independent	8	No	NIL
Mr. Atul K. Srivastava	00046776	Non-Executive Independent	8	Yes	16,000
Mr. Ashok U. Sinha	00070477	Non-Executive Independent	8	Yes	NIL
Mr. Sujal A. Shah	00058019	Non-Executive Independent	8	Yes	NIL
Ms. Apurva S. Purohit	00190097	Non-Executive Independent	7^	Yes	891
Mr. Radhesh R. Welling	07279004	Professional Executive (Managing Director)	8	Yes	14,315

^Mr. Harish H. Engineer could not attend 4 (Four) Board Meetings due to ill health, and Ms. Apurva S. Purohit could not attend 1 (One) Board Meeting due to pre-occupation.

During the financial year 2022-23, eight meetings of the Board of Directors were held on May 7, 2022, July 23, 2022, July 30, 2022, September 23, 2022, October 19, 2022, December 15, 2022, February 7, 2023 and March 17, 2023. The Company has thus complied with the provisions of the Act and SEBI Listing Regulations allowing not more than one hundred and twenty days gap between two Board Meetings. 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.

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

The details of Directorships along with Memberships / Chairpersonships of various committees held in other companies by Directors of the Company are as below:

Name of the Directors	Directorships held #	No. of Membership/ Chairpersonship $		Names of other listed companies where he/she is a Director	
		Member@	Chairperson	Name of the company	Category of Directorship
Mr. Vishad P. Mafatlal	8	-	-	-	-
Mr. Mohan M. Nambiar	4	2	1	ION Exchange (India) Limited	Non-Executive-Independent
Mr. Pradip N. Kapadia	11	9	4	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	Non-Executive-Independent
Mr. Sudhir G. Mankad	3	-	-	-	-
Mr. Harish H. Engineer	4	2	1	Aditya Birla Sun Life AMC Limited	Non-Executive-Independent
Ms. Radhika V. Haribhakti	8	9	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
				Bajaj Finance Limited	Non-Executive-Independent
				Bajaj Finserv Limited	Non-Executive-Independent
Mr. Atul K. Srivastava	3	2	1	Mafatlal Industries Limited	Non-Executive-Independent
Mr. Ashok U. Sinha	7	5	3	J.K. Cement Limited	Non-Executive-Independent
				The Tata Power Co. Limited	Non-Executive-Independent
				Cipla Limited	Non-Executive-Independent
				Tata Communications Limited	Non-Executive-Independent
Mr. Sujal A. Shah	12	8	2	Mafatlal Industries Limited	Non-Executive-Independent
				Amal 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	5	3	1	L&T Technology Services Limited	Non-Executive-Independent
				LTI Mindtree Limited	Non-Executive-Independent
				Marico Limited	Non-Executive-Independent
Mr. Radhesh R. Welling	6	-	-	-	-

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

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

@ Total no. of membership includes the Committees in which Director is a Chairperson.

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 weblink https://nfil.in/investor/bod/IDs_Familiarization_Programme_Yearwise.pdf

SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD

The Company believes that a diverse skill set is required for effective contribution to the meetings of the Board and its Committees and for arriving at balanced decisions. 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 read with Part C(A) of Schedule II of the SEBI Listing Regulations, the Company has an Audit Committee comprising of

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

The Company Secretary of the Company, Mr. Niraj B. Mankad, acts as the Secretary of the Audit Committee.

During the financial year 2022-23, seven meetings of the Committee were held on May 7, 2022, July 23, 2022, July 30, 2022, September 23, 2022, October 19, 2022, February 7, 2023 and March 17, 2023 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 SEBI Listing Regulations which include:

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 issue or rights issue or preferential issue or qualified institutions placement, 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 thereon;

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, if any, 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 SEBI Listing Regulations, the Company has a Nomination and Remuneration Committee comprising of:

Sr. No.	Name	Designation
1.	Mr. Sunil. S. Lalbhai	Chairman
2.	Mr. Mohan M. Nambiar	Member
3.	Mr. Harish H. Engineer	Member
4.	Ms. Apurva S. Purohit	Member

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, formulating criteria for 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, granting of stock options to the eligible employees of the Company, evaluating the balance of skills, knowledge and experience on the Board for the appointment of Independent Directors and recommending remuneration payable to senior management.

During the financial year 2022-2023, four meetings of the Committee were held on May 7, 2022, July 30, 2022, October 19, 2022 and February 7, 2023 with the attendance by all members of the Committee except Mr. Harish H. Engineer, who was granted leave of absence for attending the meeting held on February 7, 2023 due to his ill health.

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, all Independent Directors fulfill the conditions of independence as specified in Regulation 16 of the SEBI Listing Regulations along with Section 149(6) of the Act read with the rules made thereunder; 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 https://www.nfil.in/investor/policies/Policyardkmpe.pdf.pdf.

DETAILS OF REMUNERATION TO DIRECTORS

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

(₹ in crores)

Sr. No.	Name of the Directors	Salary and Perquisites	Commission*	Sitting Fees
1.	Mr. Vishad P. Mafatlal	4.00	6.67	-
2.	Mr. Mohan M. Nambiar	-	0.28	0.07
3.	Mr. Pradip N. Kapadia	-	0.28	0.06
4.	Mr. Sunil S. Lalbhai	-	0.28	0.07
5.	Mr. Sudhir G. Mankad	-	0.28	0.04
6.	Mr. Harish H. Engineer	-	0.28	0.03
7.	Mr. Atul K. Srivastava	-	0.28	0.05
8.	Ms. Radhika V. Haribhakti	-	0.28	0.06
9.	Mr. Ashok U. Sinha	-	0.28	0.03
10.	Mr. Sujal A. Shah	-	0.28	0.03
11.	Ms. Apurva S. Purohit	-	0.28	0.04
12.	Mr. Radhesh R. Welling	9.93	4.45	-

*Payable in financial year 2023-2024

Mr. Radhesh R. Welling was allotted 14,315 equity shares on January 7, 2023 pursuant to exercise of stock options granted to him on January 7, 2019 at ₹698.45 per option. Further, Mr. Welling was granted 90,000 stock options on October 19, 2022 at an exercise price of ₹2/- per option. These options shall vest in 4 equal tranches on October 31, 2023, April 1, 2024, April 1, 2025 and April 1, 2026. 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.

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 weblink https://www.nfil.in/investor/policies/Policyardkmpe.pdf.pdf.

The tenure of the Managing Director and Whole Time Director is 5 (Five) years from the respective dates of their appointment and Notice Period as per appointment letters – (a) Mr. Vishad P. Mafatlal – 6 months and (b) Mr. Radhesh R. Welling – 3 months. Other service contracts, notice period and severance fees, among others – None.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As per Section 178(5) of the Act and Regulation 20 read with Part D(B) of Schedule II of the SEBI Listing Regulations, the Company has a Stakeholders' Relationship Committee comprising of:

Sr. No.	Name	Designation
1.	Mr. Pradip N. Kapadia	Chairman
2.	Mr. Atul K. Srivastava	Member
3.	Ms. Radhika V. Haribhakti	Member

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, include (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 2022-2023, two meetings of the Stakeholders' Relationship Committee were held on May 4, 2022 and October 18, 2022 with the attendance by all members of the Committee.

Details of investor complaints received and resolved during the financial year 2022-2023 are as under:

a)	No. of complaints pending as on April 1, 2022	Nil
b)	No. of complaints received from April 1, 2022 to March 31, 2023	65
c)	No. of complaints resolved	64
d)	No. of complaints remaining unresolved as on March 31, 2023	1*

* Resolved after the year end.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135(1) of the Act, the Company has a Corporate Social Responsibility Committee comprising of:

Sr. No.	Name	Designation
1.	Mr. Sudhir G. Mankad	Chairman
2.	Mr. Vishad P. Mafatlal	Member
3.	Mr. Harish H. Engineer	Member
4.	Mr. Ashok U. Sinha	Member (w.e.f. May 13, 2023)

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 2022-2023, two meetings of the Corporate Social Responsibility Committee were held on May 5, 2022 and October 18, 2022 with the attendance by all members of the Committee.

8. RISK MANAGEMENT COMMITTEE

In accordance with Regulation 21 read with Part D(C) of Schedule II of the SEBI Listing Regulations, the Company has a Risk Management Committee comprising of:

Sr. No.	Name	Designation
1.	Mr. Vishad P. Mafatlal	Chairman
2.	Mr. Radhesh R. Welling	Member
3.	Mr. Atul K. Srivastava	Member
4.	Mr. Anish P. Ganatra - Chief Financial Officer	Member
5.	Mr. Lalit Soni - Vice President, Corporate Finance and Treasury	Member

The Company Secretary of the Company, Mr. Niraj B. Mankad, acts as the Secretary of the Risk Management Committee.

Mr. Basant Kumar Bansal resigned as Chief Financial Officer with effect from close of working hours of August 10, 2022. Consequently, he also ceased to be a Member of the Committee. Mr. Partha Roychowdhury was appointed as an Interim Chief Financial Officer and member of the Risk Management Committee with effect from August 11, 2022. Pursuant to the appointment of Mr. Anish P. Ganatra as Chief Financial Officer with effect from February 9, 2023, Mr. Roychowdhury resigned as Interim Chief Financial Officer with effect from close of working hours of February 8, 2023. Consequently, Mr. Ganatra was appointed as a member of the Risk Management Committee with effect from February 9, 2023 in place of Mr. Roychowdhury.

During the financial year, two meetings of the Risk Management Committee were held on August 16, 2022 and February 7, 2023 with the presence of all the 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

Regulation 25 of the SEBI Listing Regulations and Schedule IV to the Act, inter alia, prescribe 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. A meeting of Independent Directors was held on March 17, 2023 which was attended by all Independent Directors except Mr. Harish H. Engineer, who was granted leave of absence due to his illness. 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. The Independent Directors also interacted with the representatives of the statutory auditors and internal auditors at this meeting.

10. GENERAL BODY MEETING

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

<table>
<tr><th>AGM</th><th>Year</th><th>Venue</th><th>Date</th><th>Time</th><th>Special resolutions passed</th></tr>
<tr><td>24th</td><td>2021-2022</td><td rowspan="3">Via Video Conferencing / Other Audio Visual Means (The deemed venue of the AGM was the Registered Office of the Company)</td><td>July 27, 2022</td><td rowspan="3">3.00 PM (IST)</td><td>1. Re-appointment of Mr. Mohan M. Nambiar (DIN: 00046857), Non-Executive Non-Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.
2. Appointment of Ms. Apurva S. Purohit (DIN: 00190097) as an Independent Director of the Company for a term of 5 consecutive years commencing from October 19, 2021.
3. Adoption of new Articles of Association in place of existing Articles of Association of the Company.
4. Approval for giving loans, guarantees, providing securities or making investments in excess of limits prescribed under Section 186 of the Companies Act, 2013.
5. Approval for selling, disposing and leasing the assets of Navin Fluorine Advanced Sciences Limited, the Material Subsidiary of the Company.
6. Approval for payment of commission to Non-Executive Directors of the Company.</td></tr>
<tr><td>23rd</td><td>2020-2021</td><td>July 26, 2021</td><td>Re-appointment of Mr. Vishad P. Mafatlal (DIN: 00011350) as Executive Chairman, designated as Chairman of the Company for a tenure of 5 years w.e.f. August 20, 2021.</td></tr>
<tr><td>22nd</td><td>2019-2020</td><td>August 21, 2020</td><td>Re-appointment of Mr. Mohan M. Nambiar (DIN: 00046857), who retires by rotation and being eligible, offers himself for re-appointment.</td></tr>
</table>

During the year under review, no resolution was passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot.

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 SEBI 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

The presentations on performance of the Company are placed on the Company's website and submitted to Stock Exchanges for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges. The Company also conducts calls/meetings with investors immediately after declaration of quarterly financial results to brief them on the performance of the Company and audio recording and transcript of such calls/meetings are uploaded on the Company's website and Stock Exchanges.

Material developments related to the Company that are potentially price-sensitive in nature or that could impact continuity of publicly available information regarding the Company are disclosed to stock exchanges as per the Company's Policy for Determination of Materiality of events or Information.

The Company has a designated email id i.e. investor.relations@nfil.in exclusively for investor servicing, and the same is prominently displayed on the Company's website.

Reminders are, sent to shareholders for registering their KYC details, claiming their unpaid/unclaimed dividend and preventing transfer of their shares to Investor Education and Protection Fund.

12. GENERAL SHAREHOLDERS' INFORMATION

A. 25th Annual General Meeting	
Date and Time :	July 31, 2023 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, 2023 to March 31, 2024

A. 25th Annual General Meeting	
Financial calendar (tentative):	Board Meeting for considering unaudited quarterly financial results is generally held within 30 days from the end of the quarter and for considering annual audited financial results is generally held within 45 days of the financial year.
C. Record Date for Final Dividend :	July 7, 2023
D. Dividend payment date :	On or after August 4, 2023
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 2023-2024 have been paid to both the Stock Exchanges.
F. Stock Code :	BSE Scrip Code: 532504 NSE Symbol: NAVINFLUOR EQ
G. International Securities Identification No. (ISIN):	INE048G01026

H. Monthly high and low during each month of the financial year 2022-2023

BSE

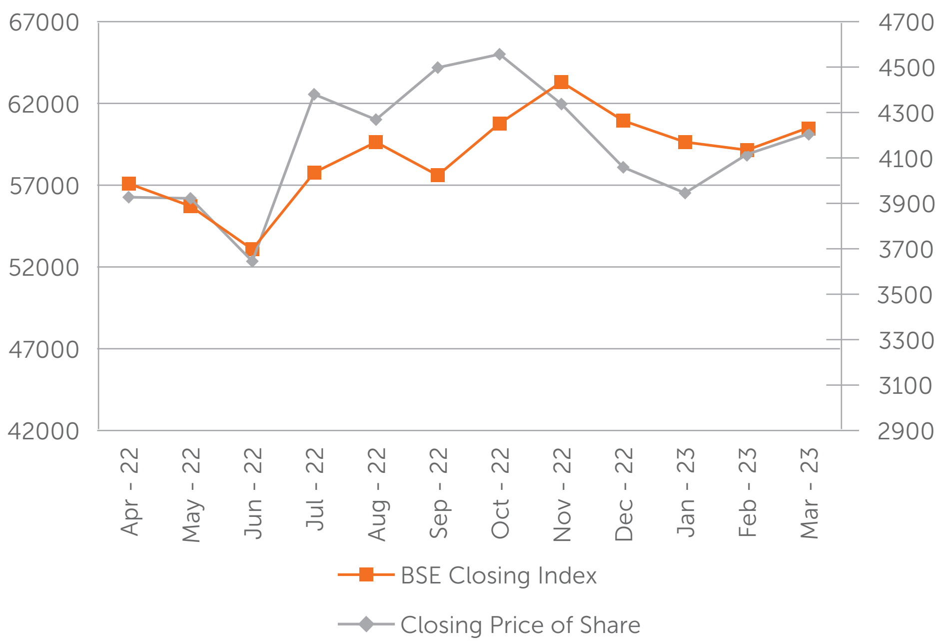
Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	No. of shares traded
Apr-22	4,191.70	3,817.05	60,845.10	56,009.07	2,94,336
May-22	4,037.00	3,444.45	57,184.21	52,632.48	1,36,620
Jun-22	3,957.60	3,438.65	56,432.65	50,921.22	91,111
Jul-22	4,430.00	3,559.55	57,619.27	52,094.25	2,48,884
Aug-22	4,553.75	4,033.15	60,411.20	57,367.47	1,39,469
Sep-22	4,847.35	4,213.20	60,676.12	56,147.23	2,77,960
Oct-22	4,738.00	4,178.00	60,786.70	56,683.40	3,02,086
Nov-22	4,638.25	4,242.10	63,303.01	60,425.47	1,17,179
Dec-22	4,535.40	4,018.45	63,583.07	59,754.10	1,27,268
Jan-23	4,151.65	3,766.45	61,343.96	58,699.20	98,883
Feb-23	4,395.00	3,866.05	61,682.25	58,795.97	1,52,079
Mar-23	4,373.20	4,050.00	60,498.48	57,084.91	90,795

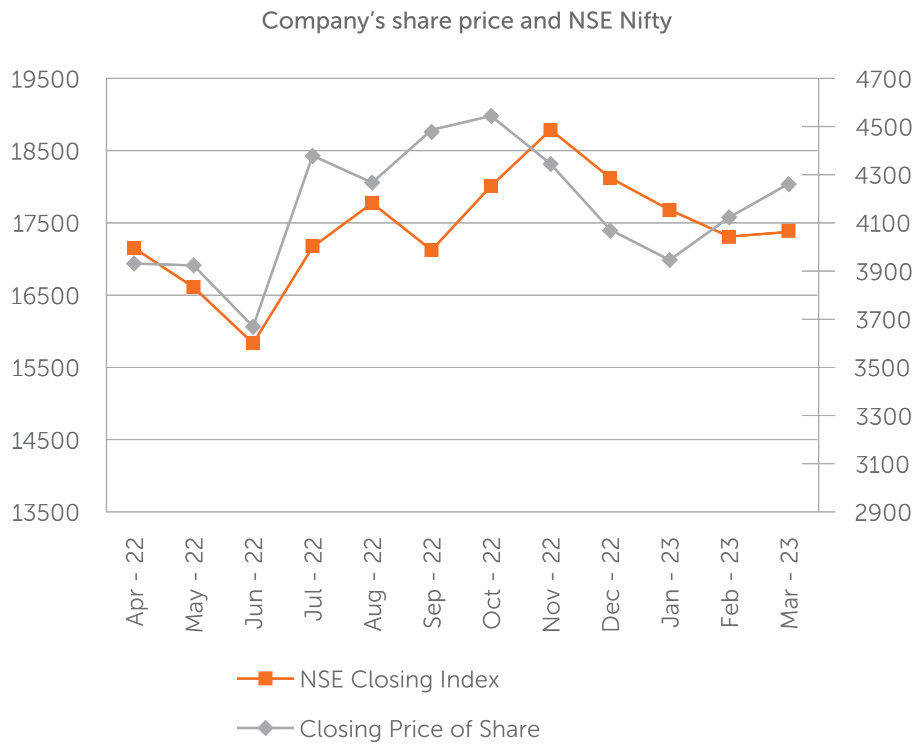
NSE

Month	Highest	Lowest	NSE Nifty Highest	NSE Nifty Lowest	No. of shares traded
Apr-22	4,190.40	3,815.15	18,114.65	16,824.70	24,22,835
May-22	4,039.00	3,432.85	17,132.85	15,735.75	40,88,819
Jun-22	3,956.85	3,433.15	16,793.85	15,183.40	22,52,470
Jul-22	4,431.65	3,557.95	17,172.80	15,511.05	69,83,195
Aug-22	4,553.70	4,127.55	17,992.20	17,154.80	31,13,118
Sep-22	4,848.35	4,212.00	18,096.15	16,747.70	49,07,476
Oct-22	4,740.00	4,151.25	18,022.80	16,855.55	39,42,685
Nov-22	4,639.65	4,239.00	18,816.05	17,959.20	26,02,983
Dec-22	4,543.90	4,018.00	18,887.60	17,774.25	26,33,993
Jan-23	4,154.00	3,764.80	18,251.95	17,405.55	27,74,534
Feb-23	4,394.00	3,921.00	18,134.75	17,255.20	39,71,270
Mar-23	4,374.95	4,058.70	17,799.95	16,828.35	21,92,907

I. Performance in comparison to broad based indices

Company's share price and BSE Sensex





J. Registrar and Share Transfer Agent

KFin Technologies 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
WhatsApp No. +91 91000 94099
Fax No.: + 91 40 2342 0814
KPRISM (Mobile Application): https://kprism.kfintech.com/
Investor Support Centre: https://ris.kfintech.com/clientservices/isc
E-mail ID: einward.ris@kfintech.com
Website: https://www.kfintech.com

Mumbai Office:

6/8 Ground Floor, Crossely House
Near BSE,
Next to Union Bank, Fort,
Mumbai 400001
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

In terms of Regulation 40(1) of the SEBI Listing Regulations as amended, Securities can be transferred only in dematerialized form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Pursuant to SEBI Circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. All the share related activities including redressal of shareholders'/investors' grievances are being handled by the Company's RTA. The Company has obtained certificate from Makarand M. Joshi and Co., Practising Company Secretaries, for the financial year ended March 31, 2023 certifying the compliances as required under Regulation 40(9) of the SEBI Listing Regulations and has filed the said certificate with the Stock Exchanges.

L. Distribution of Shareholding as on March 31, 2023

Slab	No. of shareholders	% of shareholders	No. of shares	% of total share capital
1 - 500	1,47,372	97.86	49,44,950	9.97
501 - 1,000	1,450	0.96	10,67,148	2.15
1,001 - 2,000	889	0.59	13,01,875	2.63
2,001 - 3,000	268	0.18	6,68,407	1.35
3,001 - 4,000	119	0.08	4,10,172	0.83
4,001 - 5,000	103	0.07	4,74,620	0.96
5,001 - 10,000	153	0.10	11,13,111	2.25
10,001 and above	242	0.16	3,95,90,887	79.86
TOTAL	**1,50,596**	**100.00**	**4,95,71,170**	**100.00**

M. Shareholding Pattern as on March 31, 2023

Sr. No.	Category	No. of shares held	% of holding
1.	Promoters	1,42,79724	28.81
2.	Resident Individuals	1,05,42,153	21.27
3.	Mutual Funds / AIFs	1,03,93,643	20.96
4.	FPIs	97,06,957	19.58
5.	Qualified Institutional Buyers	19,13,260	3.86
6.	Bodies corporate	11,67,421	2.36
7.	NRIs	6,35,834	1.28
8.	IEPF	5,40,090	1.09
9.	HUF	3,26,685	0.66
10.	Clearing Members	57,205	0.12
11.	Banks / Financial Institutions	4,554	0.01
12.	NBFCs	2,050	0.00
13.	Trusts	1,594	0.00
Total		**4,95,71,170**	**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, 2023, 1,33,293 shareholders were holding 4,87,76,372 equity shares in demat form which constitutes 98.40% of the total number of issued shares of the Company.

The shareholders holding shares in physical form are requested to dematerialise their shares for safeguarding their holdings and managing the same hassle free. Shareholders holding physical shares are requested to complete their KYC by September 30, 2023 as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. More details including the said SEBI Circular dated March 16, 2023 are available on https://www.nfil.in/investor/downloads.html. Shareholders are accordingly requested to contact any of the Depository participants registered with SEBI to open a demat account.

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. Plant Locations

1. Navin Fluorine, Bhestan, Surat 395023 (Gujarat)
2. Navin Fluorine, Dewas 455002 (Madhya Pradesh)
3. Navin Fluorine, Dahej, Bharuch 392130 (Gujarat) (Plant of 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, India
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 long-term borrowings. The rating for short-term facilities 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.

13. OTHER DISCLOSURES

i) None of the transactions with any of the related parties were in conflict with the interest of the Company. The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report.

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 during the financial year 2020-2021 under Regulation 13(1) of SEBI 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 years 2020-2021 and 2021-2022.

iii) In accordance with the requirements of the Act and SEBI 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/investor/policies/Whistle%20Blower%20Policy.pdf 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 SEBI Listing Regulations, in respect of corporate governance. The following non-mandatory requirements as specified in Part E of Schedule II of SEBI 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: https://www.nfil.in/investor/policies/mspf_01042019.pdf and https://www.nfil.in/investor/policies/pmrptrpt.pdf respectively.

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 SEBI 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 SEBI 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 2022-2023, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to Price Waterhouse Chartered Accountants LLP, the Statutory Auditors, and all entities in the network firm/network entity of Price Waterhouse Chartered Accountants LLP 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 and 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) There is nothing to disclose with respect to loans and advances in the nature of loans to firms/companies in which Directors are interested. As on March 31, 2023, the Company has given inter corporate deposits to Navin Fluorine Advanced Sciences Limited ('NFASL'), a wholly owned subsidiary, to the extent of ₹176 crores.

xiii) The Company has one material subsidiary, NFASL. NFASL was incorporated on February 6, 2020 in Mumbai. NFASL's plant is located at Dahej in Bharuch district of Gujarat.

   At the 1st AGM of NFASL on June 3, 2021, Price Waterhouse Chartered Accountants LLP was appointed as Statutory Auditors for a term of five consecutive years commencing from the conclusion of 1st Annual General Meeting till the conclusion of 6th Annual General Meeting.

   Further details of NFASL are mentioned under the head 'Subsidiaries, Associates and Joint Ventures' in the Directors' Report.

xiv) 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 SEBI Listing Regulations, during the year under review.

   The Compliance Certificate from Parikh Parekh & Associates, Practising Company Secretaries, 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 SEBI Listing Regulations. The same is also being made available on the Company's website at https://www.nfil.in/investor/inv_corp.html

xv) 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 at the link https://www.nfil.in/investor/code_conduct.html. 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 SEBI Listing Regulations.

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Date: May 13, 2023
Place: Mumbai

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, 2023 except to the extent of inadvertent trades by three 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

Date: May 13, 2023
Place: Mumbai

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
NAVIN FLUORINE INTERNATIONAL LIMITED

We have examined the compliance of the conditions of Corporate Governance by Navin Fluorine International Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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 representations and explanations given to us, the disclosures made by the management in the Corporate Governance Report and to the stock exchanges and considering the relaxations granted by the Ministry of Corporate Affairs and, Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

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

For **Parikh Parekh & Associates**
Practising Company Secretaries

MITESH DHABLIWALA
FCS: 8331 CP: 9511
UDIN: F008331E000300733
PR No.: 723/2020

Mumbai
Date: May 13, 2023

Annexure 3

Business Responsibility and Sustainability Report

Section A: General Disclosures

Details of the listed entity

1.	Corporate Identity Number (CIN) of the company	L24110MH1998PLC115499
2.	Name of the Listed Entity	Navin Fluorine International Limited ('NFIL' or 'the Company')
3.	Year of incorporation	1998
4.	Registered office address	Office No. 602, 6th floor, Natraj by Rustomjee, Near Western Express Highway, 194, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069
5.	Corporate address	Office No. 602, 6th floor, Natraj by Rustomjee, Near Western Express Highway, 194, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069
6.	E-mail	info@nfil.in
7.	Telephone	02266509999
8.	Website	www.nfil.in
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE limited 2. National Stock Exchange of India Ltd
11.	Paid-up Capital	Fully Paid-Up Capital INR 9,91,24,500 Partly Paid-Up Capital INR 8,920
12.	Name and Contact Details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Deepak Naik Designation: Senior Vice President - HSE & Head - Sustainability Telephone No.: +91 22 6650 9999 E-mail ID: deepak.naik@nfil.in
13.	Reporting boundary	NFASL (Dahej, Gujarat), NFIL (Surat, Gujarat and Dewas, MP) and offices (Mumbai, Chennai, Hyderabad, New Delhi and Surat)

Products/Services

14. **Details of business activities**: (accounting for 90% of the turnover)

Sr. no.	Description of the main activity	Description of business activity	% of turnover of the entity
1.	NFIL is one of the largest and the most respected Indian manufacturers of specialty fluorochemicals	High Performance Products, Specialty Fluorochemicals, Contract Development Manufacturing Organisation	98%

15. **Products/ Services sold by the entity:** (accounting for 90% of the entity's Turnover)

Sr. no.	Product/Service	NIC Code	% of total turnover contributed
1.	Synthetic cryolite, fluorocarbon gases	2411	35%
2.	Hydrofluoric acid and other fluorine chemicals	2411	44%
3.	Other Chemicals	2411	21%

Operations –

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	6	9
International	0	3	3

17. Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States)	6
International (No. of Countries)	3

b. What is the contribution of exports as a percentage of the total turnover of the entity?

53.75%

c. A brief on types of customers

At Navin Fluorine, the Company services the growing needs of marquee clients across the world. 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.

Employees -

18. Details as at the March 31, 2023:

a Employees and workers (including differently abled):

Sr. no.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
		Employee				
1	Permanent (D)	1246	1188	95%	58	5%
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	1246	1188	95%	58	5%
		Workers				
4	Permanent (F)	167	167	100%	0	0
5	Other than Permanent (G)	1770	1757	99%	13	1%
6	Total Workers (F + G)	1937	1924	99%	13	1%

b. Differently abled Employees and workers:

Sr. no.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
		Differently Abled Employees				
1	Permanent (D)	1	1	100%	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	1	1	100%	0	0
		Differently Abled Workers				
4	Permanent (F)	5	5	100%	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total Workers (F + G)	5	5	100%	0	0

19. Participation/Inclusion/Representation of women:

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	12	2	17%
Key Management Personnel (KMP)	4	0	0

20. **Turnover rate for permanent employees and workers** (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.36	8.62	18.86	13.29	14.63	13.36	6.38	0.00	6.12
Permanent Workers	7.78	0.00	7.78	6.94	0.00	6.94	6.86	0.00	6.86

Holding, Subsidiary and Associate Companies (including joint ventures) -

21. Names of holding / subsidiary / associate companies / joint ventures

Sr. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sulakshana Securities Limited	Wholly Owned Subsidiary	100%	No
2	Navin Fluorine Advanced Sciences Limited	Wholly Owned Subsidiary	100%	Yes
3	Manchester Organics Limited	Wholly Owned Subsidiary	100%	No
4	NFIL (UK) Limited	Wholly Owned Subsidiary	100%	No
5	NFIL USA, INC.	Wholly Owned Subsidiary	100%	No
6	Navin Fluorine (Shanghai) Co, Limited	Wholly Owned Subsidiary	100%	No
7	Swarnim Gujarat Fluorspar Private Limited	Joint Venture	49.48%	No

CSR Details

22 (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

(ii) **Turnover (in ₹):** 1628.14 Cr (standalone)

(iii) **Net worth (in ₹)**: 2141.00 Cr

Transparency and Disclosures Compliances -

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY (2022-23)			FY (2021-22)		
	(If yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, NFIL addresses the concerns of the communities (inclusive of vulnerable and marginalized groups) through continuous interactions with them. The Company also have in place a dedicated Corporate Social Responsibility policy in place which encompasses the Company's philosophy for describing its responsibility as a corporate citizen, and lays down the guiding principles for selection, implementation and monitoring of its CSR activities	0	0	-	0	0	-
Shareholders	The Company consistently works towards serving its investors and takes necessary steps from time to time for expeditious redressal of investor grievances. The Company has appointed KFin Technologies Limited (KFinTech) to discharge investor service functions on behalf of the Company. KFinTech is an ISO 9002 Certified Registrar and Transfer Agent with a vast number of Investor Service Centres across the country. It is entrusted with handling all share related matters including transmission, transposition, nomination, dividend, change of name / address / signature, demat / remat of shares, issue of duplicate certificates, etc	65	1	The complaints from shareholders pertain to service requests raised with the Company/ KFinTech. The pending complaint as at the end of the financial year has been resolved.	33	0	-
Investors (Other than shareholders)	-	-	-	-	-	-	-
Employee & Workers	Yes, NFIL encourages ethical and transparent business conduct for all its employees and workers. The company has incorporated Whistle Blower Policy which provides a vigil mechanism to report any instance of unethical behavior against the employees and workers of the Company.	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY (2022-23)			FY (2021-22)		
	(If yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	NFIL is a customer-oriented Company. It undertakes regular customer satisfaction survey which enables it to enhance its performance.	24	0	-	26	0	-
Value Chain Partners	The Organization has online platform for Customer Survey which has option to raise complaints as well for the partners.						
Others (Please specify)	NA	NA	NA	NA	NA	NA	NA

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. no.	Material issue Identified	Indicate Whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Occupational Health & Safety	Risk	If a Company neglects to safeguard the health, safety, and welfare of its employees, it can have a detrimental effect on productivity, which can subsequently impact our business operations, customer satisfaction, and profitability.	We have online portal to log incidents detail which get assigned to the authorized person to analyze as well as to put control mechanism in place. It has escalation mechanism as well to ensure the compliances. We are extending the same portal to our other plants.	Negative
2.	Business Ethics	Risk	Failure to comply with applicable laws and regulations can result in legal and financial consequences for a company, such as fines, penalties, and legal action.	We have code of conduct in place where Business ethics is a key element to ensure ethical conduct.	Negative
3.	Compliances	Risk	Failure to comply with applicable laws and regulations can result in legal and financial consequences for a company, such as fines, penalties, and legal action.	We have online mechanism in place where all compliances are mapped to the corresponding owners who get alert as per timeline mapped. Owners have to then update in the platform to close the loop. It has escalation mechanism as well to ensure the compliances.	Negative

Sr. no.	Material issue Identified	Indicate Whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Carbon Emissions	Risk	As a part of its commitment to becoming NET ZERO by 2070, the Indian Government has introduced various policies and initiatives aimed at reducing greenhouse gas emissions and promoting renewable energy. Companies that are not adequately prepared to comply with emerging energy and emissions-related laws and regulations in India may face significant financial, reputational, and operational risks.	Introducing of HFOs which is having zero ozone depleting potential in compare to ODS and following practices are in place to address the associated risk • Thermal oxidizers • Vent condensers on storage tanks to eliminate fugitive emissions Moreover, we have strategically planned to shift from ozone depleting products to non-ozone depleting products to address impact on environment. We have strategy in place for carbon emission, recycle of water, landfill and usage of renewable source of energy.	Negative
5.	Waste Management	Risk	Proper disposal of waste from operations is critical for environmental protection, public health, and safety. Improper disposal of chemical waste can result in the release of harmful substances into the air, soil, and water. This pollution can contaminate local ecosystems, harm wildlife, and even affect nearby human populations. Exposure to hazardous chemicals from poor waste management practices can lead to various health risks, including respiratory problems, cancer, and reproductive issues.	Each plant is managing waste through authorised / registered vendors.	Negative
6.	Water Management	Risk	Chemical production is a water intensive industry owing to its water usage in its day-to-day operations. Water scarcity is a significant risk for businesses that rely on water for their operations. Water scarcity can lead to disruptions in business operations, supply chains, and increased costs of raw materials, which can all have financial implications. Water scarcity can also pose a threat to the health and safety of employees and the local community, which could result in legal and reputational risks	Water is a crucial resource and we are committed to conserve it. One of our plants has zero liquid discharge and, in another plant, our discharged water gets treated in a sewage treatment plant and utilizing back the RO water in utility to reduce overall fresh water withdrawal.	Negative

Sr. no.	Material issue Identified	Indicate Whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Customer and value chain partners' education on safe product handling	Opportunity	Well-informed customers and partners can become advocates for the company, promoting its products and services to others. When chemicals are misused or handled incorrectly, it can endanger human health and the environment. By providing education and training on safe product handling, companies can also reduce the risk of product recalls, liability claims, and potential legal action.	We have mechanism in place to arrange awareness sessions on safe product handling	Positive
8.	Data Privacy	Risk	Cybersecurity risks are a significant concern for organizations, as they can have far-reaching impacts on business operations, reputation, and customer base. Cyberattacks can disrupt critical systems, compromise sensitive data, and cause reputational damage, leading to financial losses and loss of customer trust.	It covers handling and protection of Company's information, assets and targets that it is available all the time to respective stakeholders.	Negative
9.	Human Rights assessments for employees and value chain partners	Opportunity	Human rights assessment is an opportunity for companies to enhance their reputation, attract and retain customers and employees who value ethical business practices, and avoid legal and reputational risks associated with human rights abuses.	-	Positive
10.	Sustainable product design and innovation	Opportunity	Sustainable product design and innovation is an opportunity for companies to reduce their environmental impact, enhance their brand reputation, and attract more investors and customers.	ESG integration (Safety, compliance, ethics), ISO, OHSAS, collaboration and digitization.	Positive
11.	Sustainable sourcing & Supply chain strategy	Risk	Supply chain disruptions can cause delays in production, increase cost of raw materials and affect customer satisfaction. Therefore, it is essential to develop robust supply chain risk management strategies to mitigate the impact of supply chain disruptions and ensure business continuity	We have reviewed sustainable supply chain code and have implemented the revised version in FY23. We are planning to engage via online portal along with physical visit to strengthen sustainable sourcing.	Negative
12.	Energy Management	Risk	Poor energy management can be a risk for a company, as it can lead to increased energy consumption, higher costs, and negative environmental impacts.	The Organization is committed to Environment. Thus, using Natural Gas as fuel wherever possible as well as shifting to renewable source of energy in phase manner to address environmental impacts	Negative

Sr. no.	Material issue Identified	Indicate Whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13.	Learning and Development	Opportunity	Investing in employee learning and development can be an opportunity for a company to increase employee engagement and retention, improve job satisfaction and performance, and enhance organizational agility.	Internal and External training , seminars, conferences, workshops and specific learning module courses on case to case basis.	Positive
14.	Employee retention and satisfaction	Opportunity	Employee retention post-COVID is a critical issue for many organizations as they try to rebuild and recover from the pandemic. The COVID-19 pandemic has caused significant disruption to the job market, and many employees have been impacted by job losses, furloughs, and reduced working hours. Companies that prioritize employee retention and satisfaction can benefit from a more engaged and committed workforce.	Town hall briefing, goal setting, performance appraisal, exit interviews, emails, wellness programs etc.	Positive
15.	Responsible Marketing	Opportunity	By promoting products in a transparent, and ethical manner, a company can enhance its reputation & strengthen customer loyalty. Responsible marketing practices can also help companies comply with legal and regulatory requirements, avoid misleading or deceptive advertising, and prevent reputational damage or legal liabilities. Overall, responsible marketing can be an opportunity for companies to create long-term value for all stakeholders and achieve sustainable growth.	-	Positive
16.	Local Community	Opportunity	Local communities are critical stakeholders for companies, as they can directly or indirectly impact a company's operations, reputation, and social license to operate. Companies that engage with local communities and understand their needs and expectations can benefit from stronger relationships, improved trust and credibility, and enhanced access to resources and markets.	Community visit, projects engagements, partnership program, seminar and workshops	Positive

Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.nfil.in/investor/policies.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	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 NGRBCs issued by the Ministry of Corporate Affairs and are drafted after taking into consideration the best practices adopted across the industry.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NFIL has taken various initiatives with focused approach to reduce carbon emissions 10% and double the renewable energy consumption by FY2024 from the base year FY2023.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Business performances are reviewed on periodic basis by the respective committees led by the leadership team.								

Governance, leadership and oversight	
7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**	

Message from Director's desk:

Dear Stakeholders,

With the changing economic scenarios across geographies, we constantly strive to stay committed to our vision of providing world class innovative solutions to all our customers across sectors. For the current financial year, we have enhanced our profits while ensuring quality services/solutions to our valued customers. We not only focus on earning profits, but also endeavor to create a positive impact on all our stakeholders (employees, partners, investors, communities, among others). While ESG has always been an aspect of how we operate and manage our business, it is time for us to mainstream our ESG practices and be aware about our aspirations. We have embarked our journey of making ESG as one of key focus area of our strategy and have laid down progressive goals to mitigate the impacts on the environment and society at large. We believe that business growth and ESG can come together and create increasing and eternal value for our stakeholders. The Organization has established polices for Health, Safety & Environment (HSE), Prevention of Sexual Harassment (POSH), Sustainable Supply Chain Policy, Responsible Care Policy, Integrated Management System Policy and is committed to conducting ethical business practices to the labour, human capital and to the community. We aim to reduce our carbon emissions 10% and double the renewable energy consumption by FY2024 from the base year FY2023.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. Radhesh R. Welling Designation: Managing Director DIN: 07279004 E-mail ID: info@nfil.in
9. **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	The Organization has Risk management committee chaired by our chairman for identified key business risks where Sustainability related issues are also included

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Mr. Radhesh R. Welling, Managing Director, is responsible for implementation of Business Responsibility policies and monitoring the Business Responsibility performance. NFIL shall be reviewing performance against its policies with the senior management on quarterly basis.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Managing Director, Chief Financial Officer and Company Secretary certify on a monthly basis, compliance with applicable laws under their respective domains. Such certificates are placed before the Board of the Company on at least quarterly basis.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	Y	Y	Y	Y	Y	Y	Y	Y	Y

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: Principle wise performance disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators -

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%Age of persons in respective category covered by the awareness programmes
Board of Directors	4	During the year, the Board of Directors and Key Managerial Personnel of the Company (including its Committees) has invested time on various updates related to regulatory changes. Topics covered includes: 1) Corporate Governance 2) Companies Act 3) SEBI Listing Requirements 4) Environmental & Safety matters	100%
Key Managerial Personnel	4		100%
Employees other than BOD and KMPs	5	1. POSH (One session every Qtr.) 2. Orientation & Onboarding session (Values, Code of Conduct, Ethics & Policies) – Every employee as they Join the Organization.	100%
Workers	4	POSH (One session every Qtr.)	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year.

Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/ Judicial institution	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty/ Fine	0				
Settlement					
Compounding Fee					
Non-Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/ Judicial institution	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment	0				
Punishment					

Of the instances disclosed in above Question, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	N/A	

3. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, NFIL has covered the core elements of anti-corruption or anti-bribery as part of company's Code of Conduct. The same can be accessed at https://www.nfil.in/investor/code_conduct.html

Through NFIL's Code of Conduct, the Company advocates fair dealings. As per the Code, each employee, officer and director of the Company should endeavor to deal fairly with customers, suppliers, competitors, at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No payment in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. The Company and the employee, officer or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this code.

4. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

5. Details of complaints with regard to conflict of interest:

	FY 2022-23	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the directors.	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0

6. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
NA	NA	NA

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.**

Yes, as per the Code of Conduct, Board Members are required to avoid situations that present a potential or actual conflict between their interest and the interest of the Company. Besides this, Directors interested in any business item being discussed at Board Meeting or Committee Meetings, recuse from voting on such items.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	100 %	100 %	Product development, pilot study along with improvement in processes led to reduction in its fugitive emissions
Capex	11.27%	34.07%	NFIL upgraded its Zero liquid Discharge (ETP, RO, MEE/ATFD) facility and enhance water recovery to promote overall sustainability at the Company

2. **Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?**

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 solvents, catalysts and raw materials. We have ensured to procure our more than 30% of raw materials from the ISO 9001, ISO 14001 certified and socially responsible sources. Further, the Company utilizes sustainable packaging materials.

3. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The products manufactured by NFIL are intermediate products for its customers who in turn finally produce the finished products to sell off in the market. Due to the production of intermediate chemicals, the products and associated packaging materials become pre-consumer plastic waste to the customers. All customers of NFIL abide by the regulatory norms and ensure to recycle the packaging material through authorized recyclers. Hence, EPR will not be applicable for postconsumer plastic waste for the Organization. NFIL also ensures the recycle of pre-consumer plastic waste through authorized recyclers. Furthermore, the Company is in process for implementing importer's license for its products.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Currently NFIL has not conducted life cycle assessment for any of its products. The Company has forethought to design a framework to examine the lifecycle of its key products in a phased manner. The framework will enable NFIL to incorporate different interventions at each phase of its products' lifecycle.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the Product/Service	Description of the risk concern	Action taken
Mafron	While production of Mafron, high volumes of Global Warming Potential gas is generated	Operated Thermal Oxidation Unit (Under Clean development Technology) to reduce adverse impact of greenhouse gas emissions in the environment

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

As Navin Fluorine is a specialty Chemicals & niche pharma intermediate producer, where most of the input materials comes from the virgin sources, hence it is not applicable.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed

Owing to the nature of business, NFIL does not reclaim any of its products. The intermediate chemicals produced by the Company are utilized by its customers/companies for production of final products.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. Measures undertaken for Employee Well-being

a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1188	1188	100%	1188	100%	0	0	1188	100%	0	0
Female	58	58	100%	58	100%	58	100%	0	0	0	0
Total	1246	1246	100%	1246	100%	58	5%	1188	95%	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	167	167	100%	167	100%	0	0	167	100%	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	167	167	100%	167	100%	0	0	167	100%	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

2. Details of retirement benefits, for FY 2022-23 and FY 2021-22

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	39.15%	60.85%	Y	84.69%	15.31%	Y
Gratuity	8.86%	4.21%	Y	26.81%	12.99%	Y
ESI	0.19%	60.85%	Y	1.21%	0.09%	Y
Other	39.15%	0.00%	Y	84.69%	0.00%	Y

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees any workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Organization encourages differently abled employees and gives them preference to operate from offices. However, due to the nature of our operations and multiple floor buildings and the associated risk, jobs have been assigned to the offices which has provision for them.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

NFIL encourages equal opportunity for all of its employees irrespective of their caste, creed, gender, disability or religion. The Company ensures zero discrimination with respect to opportunities provided to all its employees across cadres and gender. Furthermore, the company has in place robust human rights policy to safeguard the rights of all employees including differently abled people.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	86%	100%	100%
Female	100%	100%	-	-
Total	**100%**	**86%**	**100%**	**100%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No
	(If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	To address the grievances, NFIL have a robust Grievance Cell, POSH Committee and Whistle Blower Policy in place. The policy has laid the guidelines to comply with human rights parameters. If any incident with respect to human rights occurs, the same can be raised through the grievance cell which is further addressed by the POSH committee. Additionally, head of Human Resources of each specific location addresses the concerns and grievances raised by the employees/workers.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Permanent Workers	167	167	100%	172	172	100%
Male	167	167	100%	172	172	100%
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health Safety		On Skill Upgradation		Total (D)	On Health Safety		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
						Employees				
Male	1,188	914	76.94	837	70.45	856	716	83.64	680	79.44
Female	58	28	48.28	26	44.83	41	38	92.68	36	87.80
Total	**1,246**	**942**	**75.60**	**863**	**69.26**	**897**	**754**	**84.06**	**716**	**79.82**
						Workers				
Male	167	167	100	167	100	172	172	100	172	100
Female	0	0	0	0	0	0	0	0	0	0
Total	**167**	**167**	**100**	**167**	**100**	**172**	**172**	**100**	**172**	**100**

9. Details of performance and career development reviews of employees and worker:

Benefits	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
			Employees			
Male	1,188	1,188	100	856	856	100
Female	58	58	100	41	41	100
Total*	**1,246**	**1,246**	**100**	**897**	**897**	**100**
			Workers			
Male	167	167	100	172	172	100
Female	0	0	0	0	0	0
Total*	**167**	**167**	**100**	**172**	**172**	**100**

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, a comprehensive occupational health and safety management system is implemented across the plants/premises of Navin Fluorine. The Company has implemented Integrated Management QHSE policy, Responsible Care Policy and Process Safety policy applicable to all its employees, workers and customers, in order to provide a safe, healthy and sustainable working environment for all.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Navin Fluorine have various tools to identify work related hazards such as Hazard Identification and Risk Assessment, Pre-startup safety review (PSSR), Job Safety Analysis, Work Permit System, Unsafe Act/Conditions reporting system, among others.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.19	0.30
Total recordable work-related injuries	Employees	0	0
	Workers	2	0
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Safety of employees and workers is at the core of NFIL operations. The company has implemented below mentioned initiatives to ensure safe work practices across its plants:

- √ Behavior-based safety program to enhance its engagement with the employees.
- √ Focus on plant design and systems to improve safety culture at site.
- √ Hazardous chemicals manual handling reduced by automations.
- √ Increased employee participation in various HSE platform by encouraging them through reward and recognitions.
- √ Workplace monitoring by a third party, audits of guards provided on rotatory parts, noise monitoring, and illumination monitoring.
- √ HAZOP study for all the new plants.
- √ Training and awareness programs conducted for Onsite emergency plan
- √ Distribution of safety booklet
- √ Regular meetings of Safety committee

13. **Number of Complaints on the following made by employees and workers:**

Benefits	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	6	0	-	8	0	-
Health & Safety	-	-	-	-	-	-

14. **Assessments for the year:**

	% Of your plants and offices that were assessed. (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

For all the incidents reported across plants, NFIL has integrated below mentioned practices to enhance safety of its employees and workers

- √ Breathing airline system provided in the hazardous chemical handling area.
- √ Dedicated emergency vehicle sending along with HF ISO /BF3 MEGCs for emergency handling.
- √ Concrete (Blast-proof) walls are provided in high pressure reaction area.
- √ Automation in manual operation in the KF plant by installation of PLC based SCADA system.
- √ Reduction of chemical drum handling work is in progress.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

As a responsible organization, NFIL provides Group Mediclaim & Group Personal Accident Policy and WC Policy to all its employees. Additionally, we contribute 1 day's basic salary from all permanent employees and employer which is further provided to immediate family member of the deceased employee.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

NFIL ensures to prepare the challans through payroll department and the local accounts department deposits the same as per the requirement.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	1	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, NFIL does not provide any transition assistance programs to its employees.

5. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	N/A
Working Conditions	N/A

6. Provide details of any corrective actions taken or underway to address significant risks concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Any individual or an entity, institution, group that impacts NFIL's activity is identified as a core stakeholder of the company. The Company has developed stakeholder-centric approach in all its business activities enabling socially relevant and future oriented approach to business. NFIL engages with a wide range of stakeholder categories viz. investors, customers, suppliers, employees, among others through scheduled events and various channels.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group. (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Email, Telephone, Virtual meetings, In-person meeting, Newspaper, website, public disclosures	Continuous	- Transparency in business practices - Strong ESG practices - dividends, profitability and financial stability, - climate change risks, - growth prospects
Customers	No	Email, Telephone, Virtual meetings, In-person meeting, website	Continuous	- Satisfaction in Product Quality - Product innovation by NFIL
Suppliers	No	Email, Telephone, Virtual meetings, In-person meeting, website	Continuous	- Robust grievance redressal mechanism - Effective delivery and payments
Regulators	No	Email, Telephone, Virtual meetings, In-person meeting, website / portals	Continuous	- Effective compliance management system - Robust health and safety system - Strong environmental performance
Community	Yes	In-person meeting, through implementing agencies	Continuous	- Education support - Quality Healthcare - Water & Sanitation access
Employee	No	Email, Telephone, Virtual meetings, In-person meeting, website, exit interviews, arbitration / union meetings, wellness initiatives, engagement survey, email, intranet, flat screens, poster campaigns, house magazines, confluence, circulars, quarterly publication, newsletters	Continuous	- Learning and Development initiatives - Employee health & well being

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

NFIL prioritizes to build strong and meaningful relationships with a diverse range of its stakeholders. The Company has integrated a comprehensive stakeholder engagement mechanism to understand business dynamics and identify key risk areas/ concerns, communicate strategies and performances, and enhance trust among all its stakeholders. Furthermore, the company conducts surveys for its internal and external stakeholders (employees and customers) and the result is communicated with all the board members to enact appropriate action plans and ESG strategies.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

NFIL's stakeholder engagement mechanism aims to foster inclusivity, accountability, and responsibility. The Company works with its stakeholders on a myriad of issues on a regular basis, allowing it to identify key business and ESG risk areas and develop mitigation actions for each of the identified risks. NFIL continuously strives to incorporate stakeholder requirements into its business activities and address its performance and progress on each material topic presented throughout the stakeholder engagement exercise.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

NFIL has taken multiple initiatives to address the concerns of vulnerable and marginalized stakeholders. It interacts with underprivileged sections of the society, differently abled group of communities and children from the weaker sections of the society. Concerns of each such stakeholders are addressed by the Company by taking initiatives for their development and growth.

Principle 5: Businesses should respect and promote human rights

Leadership Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees/ workers covered (B)	% (B / A)	Total (C)	No. employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1246	1246	100%	1064	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	**1246**	**1246**	**100%**	**1064**	**0**	**0**
Workers						
Permanent	167	167	100	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	**167**	**167**	**100**	**0**	**0**	**0**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wages		More than Minimum wages		Total (D)	Equal to Minimum Wages		More than Minimum wages	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E /D)	Number (F)	% (F / D)
Employees										
Permanent										
Male	1188	0	0	1188	100%	856	0	0	856	100%
Female	58	0	0	58	100%	41	0	0	41	100%
Other than permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	167	0	0	167	100%	172	0	0	172	100%
Female	0	0	0	0	100%	0	0	0	0	0
Other than permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in ₹)	Number	Median remuneration/ salary/ wages of respective category (in ₹)
Board of Directors (BOD)	10	33.42 lakhs	2	33.08 lakhs
Key Managerial Personnel (KMP)	4	148.14 lakhs	0	NA
Employees other than BOD and KMP	1184	6.77 lakhs	58	12.45 lakhs
Workers	167	4.37 lakhs	0	-

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

To address the issues specific to human rights, NFIL have a robust grievance cell, POSH committee and Whistle Blower Policy in place. The policy has laid the guidelines to comply with human rights parameters. If any incident with respect to human rights occurs, the same can be raised through the grievance cell which is further addressed by the site head and corporate office team. Additionally, head of Human Resources of each specific location addresses the concerns and grievances raised by the employees/workers.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

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 Resource Policy which extends to all its employees.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

NFIL ensures strict adherence of all its business activities in compliance with its Whistle Blower and Human Rights Policy. The Company respects human rights of each employee and strives to address all concerns raised by stakeholders. If any discrimination or misconduct is observed in connection with the complainant, the employee/workers can escalate their issues to Human Resource department or POSH committee set up by the Company.

8. **Do human rights requirements form part of your business agreements and contracts?**

The Organization has supplier code of conduct which we get it signed with our value chain partners. We have also reviewed it in FY23.

9. **Assessments for the year:**

	% Of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question above.**

Zero risks/concerns were accounted post the internal assessment of NFIL's plants for the human rights parameters.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

Not applicable, as zero complaints pertaining to human rights were received for FY 22-23

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

Internal assessment done for our plants and offices.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Due to the nature of our operations, confidentiality contract with customers and the associated risk, visitors are allowed to the office area which has the provision for them.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	N/A
Discrimination at workplace	N/A
Child Labour	N/A
Forced Labour/Involuntary Labour	N/A
Wages	We have not done quantification
Others	

5. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 4 above.

Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (GJ)	FY 2021-22 (GJ)
Total electricity consumption (A)	**209129.89**	169596.45
Total fuel consumption (B)	**1018897.24**	250687.02
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	**1228027.13**	420283.47
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	**$5.73x10^{-5}$**	$2.99x10^{-5}$
Energy intensity (optional) – the relevant metric may be selected by the entity.	-	-

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
	Water withdrawn by the source (KL)	
Surface Water	85328	61568
Ground Water	0	0
Third Party Water	1151860.46	522853.76
Seawater/ desalinated water	0	0
Other sources	0	0
Total Vol of Water Withdrawn	1237188.46	584421.76
Total Vol of Water Consumed (KL)	720064.5	230754.8
Water intensity per rupee of turnover.	$3.36x10^{-5}$	$1.64x10^{-5}$
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, our Dewas site wastewater treatment plant is Zero Liquid Discharge (ZLD) unit, comprises of Effluent Treatment Plant, Reverse Osmosis and Multi Effect Evaporator Plant. Treated effluent is being reused in utility (Cooling tower) and other applications. At Dahej location, we have installed wastewater treatment facility based on the characteristics with primary, biological and tertiary treatment. For concentrated streams we have installed Multi Effect Evaporator, finally the treated wastewater meeting the permissible limits is discharged to the industrial estate wastewater discharge point. At our Surat manufacturing site, treated wastewater is discharged to the community wastewater treatment plant after 3 stage treatment process and the treated water is recycled back at site for utility purposes.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT	22.12	1.07
SOx	MT	17.37	0.29
Particulate matter (PM)	MT	8.07	0.77
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2e	97659.95	26686.83
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2e	39960.37	35948.84
Total Scope 1 and Scope 2 emissions per rupee of turnover	TCO2e/₹	6.42×10^{-6}	4.46×10^{-6}
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	TCO2e/MT	-	-

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

NFIL continuously strives to reduce its GHG emissions across operations and mitigate its negative impacts on the environment and society at large. Some of the key initiatives implemented by NFIL include:

- √ Optimized waste generation through solvent recycling, waste conversion into by-products and novel technologies for energy conservation.
- √ Recycled treated wastewater, saving fresh-water consumption, made the recycled water available for irrigation purposes
- √ Continued the initiative of sustainable packaging practices; supplied products in ISO and IBC containers
- √ One of NFIL's manufacturing sites has zero liquid (wastewater) discharge facility. Treated wastewater is reused at site
- √ The mother plant of NFIL has opted a shift from fossil fuels to solar grid. The project will get commissioned from May 2023 onwards.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2.24	0
E-waste (B)	0	1.3
Bio-medical waste (C)	0.002	0
Construction and demolition waste (D)	0	0
Battery waste (E)		
Radioactive waste (F)	0	0.86
Other Hazardous waste. Please specify, if any. (G)	42147.116	5061.02
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1439.36	1065.24
Total (A+B + C + D + E + F + G + H)	**43588.71**	**6128.42**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	12270.91	3006.33
(ii) Re-used		
(iii) Other recovery operations	214.55	-
Total	**12485.46**	**3006.33**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of disposal Method		
(i) Incineration	1567.7	22.0
(ii) Landfilling	5956.19	2606.3
(iii) Other disposal operations	11113.98	522.2
Total	**18637.87**	**3150.5**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All waste management practices adhere to the Hazardous and Other Wastes (Management Transboundary Movement) Rules, 2016. GPS (AIS-140) mounted vehicles are used for hazardous waste transportation. We have partnered with authorized vendors only for waste disposal or recycle in line with the guidelines stipulated by the PCB. The Company also sends hazardous waste to the Cement industry for co-processing.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No assessment has been undertaken in current financial year.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances

Yes

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources (in GJ)		
Total electricity consumption (A)	6513.99	5778.94
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**6513.99**	**5778.94**
From non-renewable sources (in GJ)		
Total electricity consumption (D)	202615.95	163817.51
Total fuel consumption (E)	1018897.24	250687.02
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**1221513.19**	**414504.53**

Note: No external assurance was carried out on environmental parameters for FY 2022-23

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (KL)		
(i) To Surface Water		
- No treatment	-	-
- With treatment (please specify level of treatment)	469605	338054
(ii) To Groundwater		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
(v) Others		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
Total Water discharged (KL)	469605	338054

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

Not Applicable. NFIL's operation sites are not located in water stressed regions. Nieither water is withdrawn, consumed, nor discharged from any water stressed areas.

a. Name of the area

b. Nature of operations

c. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)*	Metric tonnes of CO2 equivalent	48875.76	25335.67
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	2.28×10^{-6}	1.81×10^{-6}
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent	-	-

*Scope 3 calculations are reported for 4 categories; (Upstream transportation and distribution, Waste generated in operations, Business travel and Employee travel)

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable. NFIL's operations are not located in or around any ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Economizer for RC1 in one of the plants	Energy saving by process-to-process heat transfer	Energy Saving 691200 GCal/Annum Power Saving 468792 GCal/Annum
Reduction of Batch cycle Time in Stage-2 of R4E28	Energy saving by reduction in BCT	Energy Saving 33512 KWH/Annum Steam Saving 294 KWH/Annum
Implementation of Zero Liquid Discharge system	We have installed full-fledged ETP/ Zero Liquid Discharge (ZLD) facility equipped with RO, MEE, ATFD for Primary, Secondary and Tertiary treatment of effluent. Entire effluent load inclusive of process and domestic streams are treated to finally yield good quality water which is recycled/reused back to cooling tower/utility purpose.	Resource conservation-Treated effluent is utilized in utility thus reduces fresh water consumption.
Co-processing / Pre-processing of Hazardous waste	We have explored the possibility of utilizing our hazardous waste in Cement industry as Co-processing/ Pre-processing measures and same is implemented also. This is a good example of resource conservation by utilizing our hazardous waste in Cement kiln as fuel instead of disposing at TSDF.	Resource conservation

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, NFIL has a comprehensive business continuity and disaster management plan which covers emergencies inclusive of natural and man-made. The disaster management plan focuses to reduce the risk and negative impact of business operations on human health; both within the permissible work boundary and beyond. It further prioritizes to minimize damage to property and protect the environment at large. Additionally, the plan enables effective communication between NFIL, Government Authorities, Public forums and Press and avoids any sort of public disorder

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

NFIL has conducted assessment for some of its key suppliers associated with its mother plant in Surat. The assessment enabled the Company to understand the best practices of its suppliers. NFIL is further taking initiatives to amplify the scope of the assessment to other suppliers across plants.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NFIL has not monitored data on percentage of value chain partners assessed during FY 2022-23..

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. Public Policy Advocacy

   a. Number of affiliations with trade and industry chambers/ associations.

   Yes, NFIL is a member of two associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. no.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Chemical Council	National
2	Indian Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Zero instances of anti-competitive conduct were reported at NFIL for the current financial year.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

The Company participates in various programmes of these associations and has represented and worked towards the benefit and inclusive development policies for the Chemical Industry as a whole.

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

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.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 *	FY 2021-22 *
Directly sourced from MSMEs/ small producers	29%	28%
Sourced directly from within the district and neighbouring districts	52%	46%

*It includes services also along with input materials

Leadership Indicators

1. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In INR)
Gujarat	Narmada	15,05,200

2. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

NFIL has in place Supplier Chain Management Policy wherein it ensures ethical and responsible engagement and procurement from all its suppliers. The company prioritizes to comply with environmental and social parameters to minimize negative impacts associated with its supply chain. NFIL prefers to procure majority of its raw materials from local and MSME suppliers.

(b) **From which marginalized /vulnerable groups do you procure?**

As of now the Organization is sourcing materials from MSME as well as from local districts but do not have marginalized / vulnerable groups

(c) **What percentage of total procurement (by value) does it constitute?**

Not applicable

3. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

NFIL does not acquire intellectual properties of its own. The Company collaborates with industries across sectors, for which it produces intermediate chemicals based on their technical know-how and as per the agreement with each of the industry/customer.

4. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

For the reporting year, no disputes were reported with respect to intellectual property.

5. **Details of beneficiaries of CSR Projects:**

CSR Projects*	No. of persons benefitted from CSR Projects		% of beneficiaries from vulnerable and marginalized groups
	Direct	Indirect	
Shri Sadguru Seva Sangh Trust - Purchase of equipment for cornea department	Not available as equipment was procured towards the end of the Year		100%
Charutar Arogya Mandal Hospital - Purchase of Colour Doppler Unit, USG machine with advanced O&G and neonate applications, Neonatal incubator, Tissue processor, Video Pleuroscope and Flexible Ureteroscope	1,289	-	100%
Blind People's Association – (i) Mental health; (ii) Assistive Devices; (iii) Early childhood services; (iv) Soft skills and empowerment of blind women; and (v) Livelihood enhancement and self-employment for persons with disabilities	7707	6,000	80%
Foundation for promotion of sports	OGQ supports 166 Junior Athletes and 4 Junior Para Athletes	-	-
Sir JJ Hospital - Purchasing Neurosurgical Electrical Drill Machine for Sir JJ Hospital	1,350	-	~100%
The Society for the rehabilitation of crippled children - Supporting economically challenged families of children with life threatening disorders and for buying Electronic Muscle Dynamometer with console and Respiratory Pressure Meter	13	30 +	100%

CSR Projects*	No. of persons benefitted from CSR Projects		% of beneficiaries from vulnerable and marginalized groups
	Direct	Indirect	
Consumer Education & Research Centre – The Company has made a contribution of ₹10 Lakhs to CERC. The details of beneficiaries are for CERC as a whole.	• 80,000 households via Grahak Sathi • Over 8,500 complainants via Grahak Suvidha Kendra	Undetermined. However, many receivers of Grahak Sathi have multiple readership. For example, Grahak Sathi is sent to hundreds of schools and colleges and some of these institutions forward the same to their students. Further, stories about successful complainants are shared through Graham Sathi and also through our YouTube Channel 'Jeeta Graham'. This serves the purpose of motivating other consumers to seek justice to their grievance.	At least 22.60%
Prayas (Green NGO) - Animal Welfare, bird rescue and rehabilitation	Approximately 2,000 injured / abandoned homeless animals/birds.	-	-
Mobile health services in villages around Surat and Dewas for medical care including routine checkup and medicines	62,940	-	100%
Supporting provision of stationery to schools in villages	700	-	100%
Repairs & Annual Maintenance Cost of 6 RO water systems	2,700	-	100%

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

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.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental product and social parameters relevant to the Product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remark	FY 2021-22		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	9	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	33	-	-	34	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for Recall
Voluntary Recall	0	0
Forced Recall	2	In-transit damage and leakage

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, NFIL has an IT/Cybersecurity policy which addresses incidents related to cyber security and data privacy. The policy sets forth basic requirements for keeping a workplace safe, where confidential and sensitive information about NFIL employees, customers, suppliers, and all stakeholders is secured.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable, as no such incidents were reported for current financial year.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

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 recognized 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.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

NFIL provides material safety data sheet and GHS labels on each of its consignment for creating awareness among its consumers regarding safe handling of the products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Yes, we do have mechanism to inform the consumers about any risk of disruption/discontinuation of our services via email / over concall and cell phone device messages.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

NFIL discloses product information as per the applicable laws and regulations. The company conducts regular customer satisfaction survey which indulges its external and internal customers. The external customers respond to the survey annually while the internal customers are surveyed four times a year. Based on the ratings or inputs received after the survey, the concerned departments take initiatives to enhance their efforts and meet the requirements of the customers of NFIL.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along with impact**

      No incidents of data breaches were reported for FY 22-23

   b. **Percentage of data breaches involving personally identifiable information of customers**

      No incidents of data breaches were reported for FY 22-23

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Date: May 13, 2023
Place: Mumbai

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
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CIN: L24110MH1998PLC115499

Annexure 4

Annual Report on Corporate Social Responsibility (CSR) initiatives

1. **Brief outline on CSR Policy of the Company**

   The Company is committed to adhere to the highest standards of ethical and responsible business conduct. The Company believes in giving back to the society and maintaining healthy and collaborative relationships with the communities in which it operates. The Company's initiatives extend across health, education, sports, sustainable livelihood, 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 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. **Composition of CSR Committee**

Sr. No.	Name 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	2	2
2	Mr. Harish H. Engineer (Member)	Non-Executive Independent Director	2	2
3	Mr. Vishad P. Mafatlal (Member)	Executive Chairman	2	2

3. **Provide the web-link(s) 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.html

   CSR Policy

   https://www.nfil.in/investor/policies/NFIL_CSR_Policy_1.pdf

   CSR Projects -

   https://www.nfil.in/csr/index.html

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable** - Though not statutorily applicable, the Company has done impact assessment of all its projects which were undertaken through Blind People's Association during FY 2021-22. The impact assessment was undertaken by MMJC Consultancy LLP. the executive summary of which is annexed to this Report as Annexure 4(a).

5. a) **Average net profit of the Company as per sub-section (5) of section 135** – ₹307.16 crores

   (b) **Two percent of average net profit of the Company as per sub-section (5) of section 135** – ₹6.14 crores

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

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

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]** – ₹6.14 crores

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** - ₹6.15 crores

(b) **Amount spent in Administrative Overheads** – NIL

(c) **Amount spent on Impact Assessment, if applicable** - Not Applicable

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]** - ₹6.15 crores

(e) **CSR amount spent or unspent for the Financial Year** –

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
6.15	Not applicable				

(f) **Excess amount for set off, if any**

Sr. no.	Particulars	Amount (₹ in crores)
1	Two percent of average net profit of the Company as per sub-section (5) of section 135	6.14
2	Total amount spent for the Financial Year	6.15
3	Excess amount spent for the Financial Year [(ii)-(i)]	0.01
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	N. A.
5	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	0.01

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Not Applicable

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

   If Yes, enter the number of Capital assets created / acquired – Not applicable

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

   No amount has been spent on creation or acquisition of capital assets.

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135**: Not Applicable

Radhesh R. Welling
Managing Director
DIN: 07279004

Sudhir G. Mankad
Chairman - CSR Committee
DIN: 00086077

Place: Mumbai / Gandhinagar
Date: May 11, 2023

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CIN: L24110MH1998PLC115499

Annexure 4(a)

Executive Summary

Navin Fluorine International Limited (Navin Fluorine/Company) in association with **Blind People's Association** (BPA), through its CSR intervention, has impacted lives of many. The Company has implemented a range of CSR activities in the area of poverty alleviation, healthcare, education, skill development and sustainable Livelihood. The projects are designed with the intention to benefit children and people facing any physical or mental disabilities.

The CSR intervention mainly included rehabilitation services in terms of early childhood education, skill-development training, appropriate vocational training, and livelihood program to the persons with disabilities. BPA offers a variety of therapies like occupational therapy and speech therapy to benefit children with special needs.

The Company has taken remarkable efforts to ensure that the marginalized communities i.e., the children or Persons With Disabilities (PWDs) do not have to face any sort of discrimination based on their disabilities and created equal opportunities for them as well. During the training sessions and while providing necessary aid and appliances, the needs and requirements of the PWDs were kept in mind so that they could derive maximum benefits.

Under its **Early Intervention** program, Company has focused upon early childhood education and other interventions such as vocational training, language, and creative skills in children. This enabled the beneficiary children overcome the challenges and develop basic comprehension, numeracy, social and cognitive skills. The program empowers a child to overcome his/her disability and face the normal world and access education and other facilities without any hurdles.

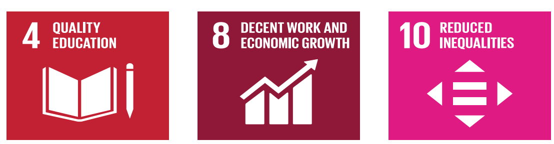
Under **Comprehensive Rehabilitation Services** program, BPA undertook survey of PWDs and persons with eye problems, amputation, hearing problems; Identification of self - employment trades and occupations; Distribution of launching grant, Follow – up of grant and eye camps for assessment of eye conditions. BPA has successfully imparted its services in line with its intention of equipping the people in such a manner that they can do their basic chores independently.

Under the **Skill Development** program, efforts have been made to provide and build basic industry wide skill sets required to earn a livelihood. This has resulted in an increase in the income of the PWDs further leading to earning respect and recognition in the society.

Under **Livelihood and Self-Employment for PWDs** program, BPA has taken steps with the intention to create self-employment opportunities for the PWDs and improve their existing livelihood conditions. BPA, through its regular sessions, identified the type of aid or opportunity required by PWDs and undertook steps to provide them with the necessary livelihood support based on their needs and requirements.

All the four programs undertaken by the Company were with the collaborative efforts of BPA, and the results of all the projects are noteworthy. Below is the gist of all the programs undertaken by the Company along with BPA in FY 2021-22 to curb the challenges faced by the PWDs and improve their living conditions:

Early Intervention



Reserch Methodology

Year of Implementaion
2021-22

Total Beneficiaries
80

Sample Size
20

Stakeholders Covered
Staff members, children with special needs, their parents and family members

Project Location
Ahmedabad, Deesa, Sayla, Gujrat

Findings of the study:

1. 90% of respondent parents provided a '**very good – excellent**' rating in respect of the following:
   - program's contribution in the **overall development** of the child.
   - Being **satisfied and happy** with child's improvement.
   - **Training sessions** conducted according to the needs and requirements of the children.
   - **Quality of services** and assistance provided in the program.
2. 95% of respondent parents provided a '**very good – excellent**' rating in respect of the following:
   - **Effective steps** undertaken to ensure **attendance** in the program.
   - **Electricity facility**, electric fan, telephone facility, clean and safe drinking water, toilet facilities, indoor and outdoor activity space **adequate and proper** space in the facility centre.
3. **Dependency** on the parents or any other family members of the PWDs has **decreased** due to the training and education provided at the facility centre.

Impact created:

1. **Provided skills and confidence** to ensure smooth transition into primary school.
2. Opportunities of **exploring their own interests** and growing capabilities while developing a sense of belongingness.
3. **Reduction in health problems** due to regular check-up camps, affirmed by 69% of respondents.
4. **Increased awareness** resulting from regular check-up camps, affirmed by 75% of respondents.
5. Parents are able to **identify the issues** pertaining to the health of their children at an early stage and provide timely treatment, as affirmed by 79% of respondent parents.

Comprehensive Rehabilitation Services

1 NO POVERTY | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

Reserch Methodology

Year of Implementaion	Total Beneficiaries	Sample Size	Stakeholders Covered	Project Location
2021-22	3,000	38	Staff members, person with disabilities, their parents and family members	Bhuj, Bharuch, Ahmedabad, Porbander

Findings of the study:

1. Regular check-up **camps to identify the disability** and provide aid and appliances accordingly.
2. **Aid and appliances** are provided to the PWDs as per their needs and requirements depending upon the identified disabilities in the check-up camps.
3. Aid and appliances in the form of **cataract surgeries, eye check-ups, corneal surgeries, self-employment opportunities, digital hearing aids, artificial limbs, tricycles, wheelchairs and orbit readers** provided to PWDs.

Impact created:

1. **Increased awareness** in respect of health and issues pertaining to it among beneficiaries.
2. Improved and empowered **quality of life of the beneficiaries**.
3. PWDs have become **self-dependent and self-sufficient** with the help of the aid and appliances.
4. **Education is accessible** to children with disabilities.
5. With the help of aids and appliances, PWDs' **livelihood has strengthened**.
6. Change in the existing lifestyle of the beneficiaries and training program has proved to be lifesaving, as affirmed by 95% of the respondents.
7. 100% of the respondents stated that the support provided by the Company through this CSR initiative was crucial and helped them live **a better and meaningful life**.
8. **Awareness sessions for PWDs** and their family members, affirmed by 74% of respondents, resulting in increased awareness and sensitization about disabilities.
9. Support proved to be crucial and **enabled better living conditions**, affirmed by 100% of respondents.
10. Availability of **easy and immediate treatment** to patients, affirmed by 100% of respondents.
11. Newly installed equipment enabled **effective treatment**, affirmed by 95% of respondents.

Skill Development

Reserch Methodology

Year of Implementaion	Total Beneficiaries	Sample Size	Stakeholders Covered	Project Location
2021-22	200	30	Staff members, person with disabilities, their parents and family members	Thasara, Deesa, Surendranagar

Findings of the study:

1. Provided **quality vocational training** with **employability.**
2. Provided required skillsets to enable the PWDs to have a **better and sustainable life**.
3. Creation and **increase in employability** of the PWDs pertaining to the skills acquired from the training program - 77% of the respondents provided an 'excellent' rating in this regard.
4. 100% of the respondents reported an **increase in income** pertaining to the acquired skills.
5. **Professional and qualified staff members** at the program, as affirmed by 86% of the respondents providing a rating ranging between 'very good – excellent'.
6. 97% of respondents provided a rating ranging between '**very good**' to '**excellent**' for effective and efficient treatment at the facilities.

Impact created:

1. **Enhanced quality of life** of PWDs and their family members.
2. **Increased personal confidence** and **growth** among the beneficiaries, affirmed by 62% of the respondents providing a rating ranging between 'very good – excellent'.
3. **Improved learning ability**, thereby promoting better decision making, personally and professionally.
4. **Feeling of empowerment and recognition** in the community due to the skill sets, affirmed by 63% of the respondents providing a rating ranging between 'very good – excellent'.
5. **Increase in the monthly income** of the PWDs leading to better living conditions.
6. PWDs are earning **more respect in the family** and the community due to their earning capabilities, affirmed by 60% of the respondents providing a rating ranging between 'very good – excellent'.
7. **Eagerness** among the beneficiaries to **learn more and acquire new skill sets** from the program, affirmed by 64% of the respondents providing a rating ranging between 'very good – excellent'.
8. **Motivating** other people in the villages to learn and develop skills.

Livelihood and Self-Employment for PWDs

4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Reserch Methodology

Year of Implementaion	Total Beneficiaries	Sample Size	Stakeholders Covered	Project Location
2021-22	200	37	Staff members, person with disabilities, their parents and family members	Vapi, Valsad, Tapi, Surat and other areas in south Gujrat.

Findings of the study:

1. **PWDs** have **overcome the discrimination** faced based on disabilities and are getting equal opportunities.
2. **Changed attitude and approach** of people as well the **PWDs** themselves towards their disabilities.
3. **Eagerness** among the beneficiaries to learn more and acquire new skills to grab more employment opportunities.

Impact created:

1. **Employment opportunities** for the **PWDs**, positively affirmed by the respondents who were unemployed before the self-employment program.
2. Enabled **PWDs** to **earn a living**.
3. **Increase in the income** of the **PWDs**.
4. **Confidence and financial independence** among the **PWDs**.
5. **Improved earning capacity** owing to the program and employment opportunities.
6. **PWDs** are becoming **earning members** of their family, agreed by 100% of the respondents.

7. Feeling of **empowerment and recognition** in their village due to the employment, agreed by 100% of the respondents.
8. **More respect and recognition** in society due to earning capacity.
9. **Increase in the earning capacities** of the beneficiaries, affirmed by 100% of the respondents.
10. **Enjoyment in work and encouragement towards the same**, affirmed by 100% of the respondents.
11. **Improvement in the spending habits** of the beneficiaries, 100% of the respondents affirmed that because of the increase in income they are able to spend as per their needs and requirements.
12. **Increased self-confidence and self-esteem** pertaining to the income, affirmed by 100% of the respondents.

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, 2023:

A. **Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 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 2022-23.

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, 2023 is ₹62.83 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	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	As may 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) **Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed**:

   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.

4) **Option movement during the year:**

Sr. No.	Particulars	ESOS – 2007	ESOS – 2017
(a)	Number of options outstanding at the beginning of year	10,245	29,710
(b)	Number of options granted during the year	-	1,55,000
(c)	Number of options forfeited / lapsed during the year	5,705	1,465
(d)	Number of options vested during the year	-	-
(e)	Number of options exercised during the year	1,125	16,895
(f)	Number of shares arising as a result of exercise of options	1,125	16,895
(g)	Money realized by exercise of options	3,09,050	1,20,10,712
(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	3,415	1,66,350
(j)	Number of options exercisable at the end of the year	3,415	11,350

5) **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 – ₹62.24

   b) Weighted average fair value (Black Scholes Model) – ₹3,760.34

6) **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 :

Name of Employee	Designation	Number of options granted during the year	Exercise Price
Mr. Radhesh R. Welling	Managing Director	90,000	₹2/-
Mr. Amrit Singh	CEO – Specialty Business	30,000	₹2/-
Mr. Partha Roychowdhury	CEO – HPP Business	20,000	₹2/-
Mr. Ravi Venkataramanan	CEO – CDMO Business	15,000	₹2/-

   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 – None except as disclosed at sr. no. 6(a) above

   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

7) **A description of the method and significant assumptions used during the year to estimate the fair values of options including the following information**:

Please refer to Notes to the Standalone Financial Statements – Note 44

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Date: May 13, 2023
Place: Mumbai

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 6

1. CONSERVATION OF ENERGY

A. Energy Conservation measures taken:

1. Reduction in natural gas consumption continued by replacement of gas burner in the natural gas fired boiler.
2. Kiln jacket design change leading to a reduction in gas consumption.
3. Improvement in natural gas consumption norms in the existing product by recycling the optimum quantity of the flue gases escaping from the stack back into the HAG system.
4. Improvement in natural gas consumption norms in another inorganic product by increasing the recycling flue gas, reducing the insulation losses by replacing of heating system with a highly efficient version and improving productivity.
5. Power saving by utilizing power efficient magnetic-driven pump in the CAP system of two plants resulted in the saving of energy and improved safety.
6. Asset utilization has improved during the period in most areas by reducing batch cycle time or bottleneck area.
7. Improvement in power consumption continued by shifting the cooling tower to an elevated height of around 20 meters from the ground floor in 2 plants.
8. Replacement of LCD lighting with LED lighting in a phased manner.
9. Replacement in the design of the cooling tower fan has improved power consumption by keeping the capacity the same in a phased manner.
10. Improvement in the power and steam consumption norms in another organic product by improving productivity through debottlenecking the capacity and reducing the heating cycle with a larger batch size.
11. Replacement of less energy-efficient brine circulation pumps with high energy-efficient pumps resulted in 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. Optimization in raw water consumption at the site by means of the below activities:
    i. Water balance performed over the site to identify possible sources to reduce/optimize process and utility water consumption.
    ii. Flow meter installed to monitor consumption.
    iii. Damaged pipelines replaced with new ones.
    iv. Auto cut-off valve installed to overhead water tanks.
15. 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 wastewater.
16. Implementation of the dry vacuum system to replace steam ejectors.
17. Replacement of in-house hot water generation system with a compact automated system.
18. Replacement of high-power consumption centrifugal cooling water pump with new technology energy efficient pump.
19. Process optimization leading to reduction of power and steam.

B. Additional investment and proposal, if any, being implemented for the reduction in consumption of energy:

1. Hybrid power through third-party PPA is approved and the PPA application is in progress. 50% of total power will be from renewable energy.
2. Replacement of indirect chilling (for process condensation) by direct chilling.
3. Condensate recovery and recycling system is under implementation to reduce fuel and water consumption.
4. Installation of back pressure turbine in steam generation area leading to in-house power generation.
5. Improvement in NG consumption norms by recovering heat from high-temperature flue gases escaping from the stack in the HAG system.
6. Process to process heat transfer opportunity identified for reducing steam and power requirements.
7. Replacement of water-cooled brine system compressors with air-cooled compressor to conserve water and power.
8. Replacement of cooling tower fans with highly efficient ones to reduce the power requirement.

9. Increase in contract demand of grid power from 6500 KVA to 8500 KVA. This will reduce the use of captive power plants and reduce the energy per unit power.
10. Capacity improvement in inorganic plants leading to fuel reduction by the generation of steam from waste heat.
11. DM water preheating from process heat leading to NG consumption reduction.

C. Impact of the measures at (A) and (B) above for the reduction of energy consumption and the consequent impact on the cost of production of goods:

1. Power consumption of key products has shown improvement with an increase in batch size and a reduction in process consumption norms.
2. Above points will lead to savings of about 3.9 million KWH of power per year at the present rate of production from this year onwards.
3. Above points will lead to savings of about 4.64 Lakhs SM3/Annum of natural gas at the present rate of production from this year onwards.
4. Water conservation led to an overall optimization of a further 20 KLD intake of raw water and effectively decreased treatment costs for 20 KLD reject water from the DM water plant.

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)

	FY 2022-23	FY 2021-22
Total Foreign exchange used	462.51	362.88
Total Foreign exchange earned	867.37	694.30

FORM A

Disclosure of Energy Consumption

	2022-23	2021-22
(A) POWER & FUEL CONSUMPTION		
(1) Electricity		
(a) Purchased		
Units (in kWh)	5,02,37,623	4,57,87,618
Total Cost (₹)	44,22,59,186	36,42,04,413
Rate/Unit (₹)	8.80	7.95
(b) Own Generation		
(i) Through Captive Power Plant		
Units (in kWh)	11,24,868	37,25,766
Unit per M3 of Natural Gas (kWh)	3.23	3.25
Cost/Unit (₹)	20.98	16.64
(ii) Through Diesel Generator		
Units (in kWh)	1,56,906	1,80,846
Unit per litre of diesel oil (Kwh)	2.47	2.24
Cost/Unit (₹)	45.94	41.47
(2) Others		
(a) High Speed Diesel (HSD)		
Quantity (K.Ltrs)	10	10
Total Cost (₹)	8,05,885	7,42,709
Rate/Unit (Per K.Ltr.)	80,355	73,997
(b) Natural Gas		
Quantity (Cub. Mtrs.)	63,48,402	71,10,152
Total Cost (₹)	38,78,78,283	32,18,43,279
Rate (₹ /Cub Mtrs.)	61.10	45.27
(c) Water		
Quantity (K. Ltrs.)	6,76,377	6,89,938
Total Cost (₹)	2,66,05,060	1,96,14,847
Rate (₹ /K.Ltrs)	39.33	28.43
(B) CONSUMPTION PER UNIT OF PRODUCTION:		
(1) Electricity (Kwh/Mt.)	1,327	1,212
(2) Natural Gas (Cub.Mtrs/Mt.)	163	173
(3) Others (K Ltrs/Mt.)	17	17
Production	MT	MT
Synthetic Cryolite,Aluminium Fluoride & Fluorocarbon Gases	9,691	8,580
Misc. Fluorides	29,146	32,420
TOTAL	38,836	**41,000**

Note: Details in Form A are on standalone basis.

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 Centers 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 centers at Dewas and the UK, focus on advanced fluoro & non fluoro regulated starting materials (RSMs) and intermediates and their applications in the synthesis of pharmaceuticals at various clinical and commercial stages utilizing a wide spectrum of complex and specialized 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.

   To meet above mentioned chemistry, the Company's R&D is well equipped with analytical tools like GC, HPLC, GC-MS, LC-MS, 1H NMR, Karl-Fisher reagent, ICPMS, IR, Iron Chromatography (IC) etc.

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

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 at 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. The Company's CDMO business 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 chemical intermediates. In summary across our various businesses, 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, 2023	For the year ended March 31, 2022
Capital Expenditure	5.65	8.67
Revenue Expenditure	30.74	26.22
Total	36.39	34.89

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

A. Efforts in brief made towards technology absorption, adaptation & innovation

To stay abreast with science and technology, the Company 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 result 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

Date: May 13, 2023
Place: Mumbai

Registered Office:
Office No. 602, 6th floor, Natraj by Rustomjee,
Near Western Express Highway,
194, Sir Mathuradas Vasanji Road,
Andheri (East), Mumbai 400069, India
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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, 2023 and % increase in remuneration of each Director in the financial year:

Name of the Directors	Remuneration (₹ in crores)	Ratio	% Increase
Mr. Vishad P. Mafatlal	10.67	146.79	17.59
Mr. Mohan M. Nambiar	0.35	4.76	12.50
Mr. Pradip N. Kapadia	0.34	4.72	12.64
Mr. Sunil S. Lalbhai	0.35	4.81	12.36
Mr. Sudhir G. Mankad	0.32	4.38	10.98
Mr. Harish H. Engineer	0.31	4.28	3.49
Ms. Radhika V. Haribhakti	0.34	4.72	12.64
Mr. Atul K. Srivastava	0.33	4.48	12.05
Mr. Ashok U. Sinha	0.31	4.28	12.66
Mr. Sujal A. Shah	0.31	4.28	12.66
Ms. Apurva S. Purohit (w.e.f. October 19, 2021)	0.32	4.38	127.50
Mr. Radhesh R. Welling	14.38	197.71	92.73

The % increase in remuneration of:

a) Mr. Niraj B. Mankad, President Legal and Company Secretary: 10% (excluding perquisite value of ESOPs);

b) Mr. Basant Kumar Bansal: Not applicable as he was appointed as Chief Financial Officer w.e.f. November 1, 2021 and resigned w.e.f. close of business hours of August 10, 2022;

c) Mr. Partha Roychowdury: Not applicable as he was appointed as Interim Chief Financial Officer w.e.f. August 11, 2022 and resigned from this role w.e.f. close of business hours of February 8, 2023;

d) Mr. Anish P. Ganatra: Not applicable as he was appointed as Chief Financial Officer w.e.f. February 9, 2023.

2. % increase in median remuneration of employees in the financial year: 7.27%

3. The number of permanent employees on the rolls of the Company as on March 31, 2023: 1,053

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 36% for a period of 3 years (12% p.a.); Non managerial employees also get increase in Dearness Allowance as per Consumer Price Index; Average increase in total remuneration is approx. 10.01% (including Key Managerial Personnel), while average increase for managerial personnel is approx. 11.49%. 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

Date: May 13, 2023
Place: Mumbai

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, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 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.

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, 2023 (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 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, 2023 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 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 and Sweat Equity) Regulations, 2021;

(e) 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, 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 Standards 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made there under from time to time ("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. There was no changes in the composition of the Board of Directors during the period under review except appointment/ re-appointment of Directors which were carried out in compliance with the provisions the Act and 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 one meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions, 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 18,020 equity shares of face value of ₹2/- each towards exercise of options vested under the Employees' Stock Option Scheme, 2007 and Employees' Stock Option Scheme, 2017 of the Company.

2. Adopted new set of Articles of Association in place of existing Articles of Association of the Company by passing special resolution at the 24th Annual General Meeting held on July 27, 2022.

3. Passed special resolution to give loans, guarantees, provide securities, or make investments in excess of

limits prescribed under Section 186 of the Act and 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 at the 24th Annual General Meeting held on July 27, 2022.

4. Granted authority for selling, disposing and leasing more than 20% of Navin Fluorine Advanced Sciences Limited ('NFASL') assets on an aggregate basis during any financial year in one or more tranches to secure borrowings by NFASL.

5. Converted 5,635 partly paid shares to fully paid shares of ₹2/- each and the same has listed on the Stock Exchanges (BSE and NSE).

For Makarand M. Joshi & Co.
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
PR No: 640/2019
UDIN: F006667E000301159

Date: May 13, 2023
Place: Mumbai

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. Wherever 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.
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
PR No: 640/2019
UDIN: F006667E000301159

Date: May 13, 2023
Place: Mumbai

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, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 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.

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 financial year ended on March 31, 2023 (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 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, 2023 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 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 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, 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. Issued and allotted 19,04,76,186 equity shares of face value of ₹10/- (INR Ten) per equity share on a right issue basis.
2. Granted authority to borrow money in excess of limits prescribed under Section 180(1)(c) of the Act, subject to maximum limit of upto ₹1,600 Crores (INR One Thousand Six Hundred Crores only) in excess of the paid-up capital, free reserves and securities premium of the Company.
3. Granted authority to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings of the Company.

For MMJB & Associates LLP
Company Secretaries

Omkar Dindorkar
Designated Partner
ACS: 43029
CP: 24580
PR No.: 2826/2022
UDIN: A043029E000296018

Date: May 12, 2023
Place: Mumbai

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. Wherever 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: 43029
CP: 24580
PR No.: 2826/2022
UDIN: A043029E000296018

Date: May 12, 2023
Place: Mumbai

Financial Statements

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, 2023, 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, 2023, 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 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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(l), 5A, 8, and 52 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, 2023 is ₹93.90 crores and ₹179.94 crores respectively, which in aggregate represents approximately 11.39% of the total assets of the Company.	▪ 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.

Key audit matter	How our audit addressed the key audit matter
The said investments and PP&E are carried at cost less depreciation and 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 52, 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.	▪ Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting. ▪ 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.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 FINANCIAL STATEMENTS

6. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the 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 FINANCIAL STATEMENTS

8. Our objectives are to obtain reasonable assurance about whether the 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.

9. 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

13. 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.

14. 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 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 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, 2023 for which there were no material foreseeable losses. The Company did not have any long-term contracts including derivative contracts as at March 31, 2023.

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 55 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 55 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.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. 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: 23048125BGWQTO4411

Mumbai
May 13, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(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, 2023

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, 2023 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 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, 2023, 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: 23048125BGWQTO4411

Mumbai
May 13, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 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, 2023

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 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 Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly 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 standalone 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. 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 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.

iii. (a) The Company has made investments in one company, granted unsecured loans to one company and two other parties 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 and guarantees to subsidiaries and to parties other than subsidiaries are as per the table given below:

(₹ in crores)

Particulars	Guarantees	Loans	Investments
Aggregate amount granted/ provided during the year			
- Subsidiaries	1,338.00	328.00	190.48
- Others	-	0.46	-
Balance outstanding as a balance sheet date in respect of the above case			
- Subsidiaries	1,338.00	176.00	190.48
- Others	-	0.45	-

Also refer Note 10 & 17 on Loans, Note 8 on Investments and Note 47 on Commitments to the standalone financial statements

(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 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 loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) The loans granted during the year, including 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 referred in 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 goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 47 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, service tax, duty of customs and cess 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, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statue	Nature of dues	Amount (₹ In crores) *	Period to which the amount relate	Forum where dispute is pending
Central Excise Act	Excise Duty	0.90	1993-94 to 2005-06	High Court
Central Excise Act	Excise Duty	0.00	2005-06 & 2006-07	Assistant Commissioner of Central Excise
Central Excise Act	Excise Duty	2.54	Aug 2015 to June 2017	Tribunal
Central Excise Act	Excise Duty	2.51	2013-16	Tribunal
Central Excise Act	Excise Duty	0.31	2013-14 to 2014-15	Tribunal#
MP Commercial Tax Act	Central Sales tax, Value Added Tax	0.12	1996-97 & 2006-07	Tribunal
MP Commercial Tax Act	Central Sales tax, Value Added Tax	0.01	1992-93 & 1993-94	Deputy Commissioner
The Gujarat Value Added Tax Act, 2003	Value Added Tax	0.04	2015-16	Joint Commissioner, Commercial Tax
UP VAT Act.	Value Added Tax	0.69	1998-99 and 2000-01	Commissioner Appeals
Goods and Service Tax Act, 2017	Goods and Service Tax	0.27	2019-20	Commissioner (Appeals)
Income-tax Act, 1961	Income tax	0.01	2017-18	Commissioner (Appeals)

* net of amount paid under protest

the Company is in the process of filing appeal to the Tribunal at year end

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been 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 did not have any loans or other borrowings from any lender during the year, 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, the Company has not raised funds on short term basis.

(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, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. 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 standalone 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 on compliance with the provisions of Section 192 of the Act 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 / 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 standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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. 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: 23048125BGWQTO4411

Mumbai
May 13, 2023

Standalone Balance Sheet as at March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	414.72	372.87
b. Right-of-use assets	5B	12.34	14.65
c. Capital work-in-progress	5C	153.60	25.88
d. Investment properties	6	39.82	40.67
e. Other intangible assets	7	1.10	0.41
f. Financial assets			
i. Investment in Subsidiaries and Joint Ventures	8	693.87	503.39
ii. Investments	9	10.89	13.16
iii. Loans	10	0.32	2.88
iv. Other financial assets	10A	18.01	16.24
g. Non-current tax assets (Net)	11	29.31	27.44
h. Other non-current assets	12	6.68	5.99
Total non-current assets		**1,380.66**	**1,023.58**
Current assets			
a. Inventories	13	327.11	229.46
b. Financial assets			
i. Investments	14	31.11	102.18
ii. Trade receivables	15	392.72	352.11
iii. Cash and cash equivalents	16A	9.09	73.51
iv. Bank balances other than (iii) above	16B	4.89	4.66
v. Loans	17	180.35	298.74
vi. Other financial assets	18	12.52	3.03
c. Other current assets	19	63.08	36.59
		1,020.87	**1,100.28**
d. Assets classified as held for sale	19A	1.72	-
Total current assets		**1,022.59**	**1,100.28**
Total assets		**2,403.25**	**2,123.86**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	9.91	9.91
b. Other equity			
i. Reserves and surplus	21A	1,980.04	1,703.26
ii. Other reserves	21B	151.05	151.05
Total equity		**2,141.00**	**1,864.22**
Liabilities			
Non-current liabilities			
a. Financial liabilities - Lease liabilities	22	9.37	12.14
b. Provisions	23	13.45	13.21
c. Deferred tax liabilities (Net)	24	17.51	16.69
d. Other non-current liabilities	25	13.47	13.49
Total non-current liabilities		**53.80**	**55.53**
Current liabilities			
a. Financial liabilities			
i. Lease Liabilities	26	4.62	3.92
ii. Trade payables	27A		
a. Total outstanding dues of micro enterprises and small enterprises		27.37	14.03
b. Total outstanding dues other than (ii)(a) above		89.12	127.54
iii. Other financial liabilities	27B	33.60	18.22
b. Contract liabilities		5.38	1.25
c. Provisions	28	6.36	4.83
d. Current tax liabilities (Net)	11	8.22	9.24
e. Other current liabilities	29	33.78	25.08
Total current liabilities		**208.45**	**204.11**
Total liabilities		**262.25**	**259.64**
Total equity and liabilities		**2,403.25**	**2,123.86**
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

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	30	1,628.14	1,403.61
Other Income	31	41.00	37.47
Total Income		**1,669.14**	**1,441.08**
EXPENSES			
Cost of materials consumed	32	721.53	646.12
Changes in inventories of finished goods and work-in-progress	33	(6.27)	(7.86)
Employee benefit expense	34	202.98	153.28
Finance costs	35	2.05	1.66
Depreciation and amortisation expense	36	42.60	44.25
Other Expenses	37	288.01	256.65
Total Expenses		**1,250.90**	**1,094.10**
Profit before tax		**418.24**	**346.98**
Tax expenses			
(1) Current tax			
(a) for the year	38	104.93	83.85
(b) for earlier year	38	-	(3.28)
(2) Deferred tax	24.1	0.82	(0.02)
Total Tax expenses		**105.75**	**80.55**
Profit for the year		**312.49**	**266.43**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement loss of the defined benefit obligations		1.04	(1.02)
Current tax relating to the above		(0.26)	0.24
Total other comprehensive income, net of tax		**0.78**	**(0.78)**
Total comprehensive income for the year		**313.27**	**265.65**
Earnings per equity share (of face value of ₹2.00 each)	40		
(1) Basic (in ₹)		63.05	53.79
(2) Diluted (in ₹)		62.83	53.76
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

Mumbai, May 13, 2023

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

Anish P. Ganatra
Chief Financial Officer

Mumbai, May 13, 2023

Standalone Statement of Cash Flows for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	**418.24**	**346.98**
Adjustments for:		
Depreciation and amortisation expense	42.60	44.25
(Gain) / Loss on sale / write off of property, plant and equipment (Net)	(1.97)	0.47
(Gain) / Loss on sale of investments (Net)	(8.91)	0.37
Changes in fair value of financial assets at fair value through profit or loss	(0.96)	(3.14)
Employee Share-based payment expense	16.79	-
Provision for diminution in value of investment	-	0.30
Finance Costs	2.05	1.66
Interest income	(11.79)	(19.13)
Lease rental income on investment properties	(9.41)	(8.42)
Net loss on foreign currency transactions	0.78	0.62
Dividend Income	(0.03)	(0.02)
Excess provision/ liabilities written back	(0.50)	-
Provision for doubtful debts	2.03	0.07
Operating profit before changes in operating assets and liabilities	**448.92**	**364.01**
Adjustments for:		
(Increase) in trade receivables	(43.39)	(76.76)
(Increase) in inventories	(97.65)	(75.14)
(Increase) / Decrease in other assets	(40.00)	64.67
(Decrease) / Increase in trade and other payables	(8.03)	40.53
Cash generated from operations	**259.85**	**317.31**
Income taxes paid (net of refunds)	(108.08)	(80.72)
Net cash generated from operating activities	**151.77**	**236.59**
Cash flows from investing activities		
Payments for property, plant and equipment	(194.36)	(60.58)
Proceeds from sale of property, plant and equipment	2.16	3.05
(Increase) / Decrease in deposits with banks	(0.28)	308.94
Repayments of loans and advances from Subsidiaries	7.49	0.75
Inter Corporate deposits given to Subsidiaries	(328.00)	(293.00)
Repayment of Inter Corporate deposits from Subsidiaries	445.00	-
Payments for purchase of investments	(1,261.86)	(452.49)
Amount invested in Subsidiaries	(190.48)	(150.30)
Proceeds from sale of investments	1,345.08	436.83
Lease rental income on investment properties	9.75	9.49
Dividend received	0.03	0.02
Interest received	8.57	16.10
Net cash used in investing activities	**(156.90)**	**(181.19)**
Cash flows from financing activities		
Principal elements of lease payments	(4.19)	(4.61)
Calls in arrears received (including securities premium)	0.01	(0.23)
Proceeds from allotment of Employee Stock Option Plan (ESOP)	1.23	2.70
Dividend paid	(54.28)	(54.16)
Interest paid	(2.06)	(1.66)
Net cash used in financing activities	**(59.29)**	**(57.96)**

Standalone Statement of Cash Flows for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net decrease in cash and cash equivalents	**(64.42)**	**(2.56)**
Cash and cash equivalents at the beginning of the year	73.51	76.07
Cash and cash equivalents at the end of the year	**9.09**	**73.51**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents [See note 16A]	9.09	73.51
Balances as per statement of cash flows	9.09	73.51

Notes:

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

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

Standalone Statement of Changes in Equity for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Amount ₹ in crores unless otherwise stated

Particulars	Amount
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**
Shares issued on exercise of employee stock options during the year	*
Less: Calls in arrears	-
Balance as at March 31, 2023	**9.91**

* Numbers are below rounding off

B. OTHER EQUITY

Particulars	Reserves & Surplus				Other Reserves				Total other equity
	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	
Balance as at March 31, 2021	**21.71**	**73.33**	**2.36**	**1,391.51**	**80.35**	**70.35**	**0.34**	**0.24**	**1,640.19**
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**
Profit for the year	-	-	-	312.49	-	-	-	-	312.49
Other comprehensive income for the year, net of income tax	-	-	-	0.78	-	-	-	-	0.78
Total comprehensive income for the year	**-**	**-**	**-**	**313.27**	**-**	**-**	**-**	**-**	**313.27**
Shares issued on exercise of employee stock options during the year	1.71	-	-	-	-	-	-	-	1.71
Recognition of share-based payments (Net)	-	-	16.32	-	-	-	-	-	16.32
Calls in arrears/share options received during the year	-	-	-	-	-	-	-	-	-
Payment of dividends	-	-	-	(54.52)	-	-	-	-	(54.52)
Reversal of excess provision of Dividend Distribution Tax	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**27.18**	**73.33**	**17.62**	**1,861.91**	**80.35**	**70.35**	**0.34**	**0.01**	**2,131.09**

The above Standalone 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

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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 the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration is measured at fair value
- defined benefit plans – plan assets measured at fair value
- share-based payments are measured at fair value.

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 01, 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future reporting periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(v) 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) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which consists of Chairman and Managing Director. The CODM assess the financial performance and position of the Company and makes strategic decisions. See Note 39 for segment information presented.

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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

(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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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 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.

(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 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.

e) 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.

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, 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 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.

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 Company has 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. These obligations 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.

(b) defined contribution plans such as family pension fund, superannuation fund and provident fund.

(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 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 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. 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.

(b) **Defined contribution plans**

The Company contributes towards family pension fund, superannuation fund and provident fund 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.

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.

h) 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.

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 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.

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. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the CDMO assets mentioned in table below, where useful life is different than those prescribed in Schedule II. The estimated useful life of the CDMO assets, mentioned in table below, has been assessed based on external technical evaluation which considered the nature of the assets, estimated usage of the assets, the operating condition of the assets, anticipated technological changes, manufacturer warranties, experience of the management and group companies, maintenance support, etc:

Assets	Useful Life
Plant and Machinery	5-30 years
Building	50 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

j) 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.

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 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.

Investment properties are depreciated using straight line method over their useful lives specified in Schedule II to the Companies Act, 2013.

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. 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.

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 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.

o) 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.

p) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance

q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are unsecured and presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r) 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. 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.

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

s) 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.

t) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

u) 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, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) 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.

w) Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. 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.

x) 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.

y) 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 (excluding trade receivables which do not contain a significant financing component) 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 Company 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 assets 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 instruments issued by a company is 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 contigent 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.

z) 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. 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.

4. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates or judgements are:

(a) estimation of current tax expense and current tax payable [Refer note:38]

(b) estimated fair value of unlisted equity securities. [Refer note:43.2]

(c) Useful lives of property, plant and equipment and intangible assets. [Refer note:5A & 7]

(d) estimation of Defined benefits plan [Refer note:42]

(e) Estimation of contingent liabilities [Refer note:47]

(f) impairment of trade receivables [Refer note:43.5]

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

5A. PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Freehold land	Buildings	Office equipment	Vehicles	Plant and machinery	Furniture and fixture	Total
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**
I. Gross Block							
Balance as at April 1, 2022	0.37	85.52	16.43	3.16	418.77	11.83	536.08
Additions	-	3.04	3.58	-	74.20	0.13	80.95
Assets included in a disposal group classified as held for sale	*	(2.70)	-	-	-	-	(2.70)
Disposals/Adjustments	-	-	(0.05)	-	(1.24)	-	(1.29)
Balance as at March 31, 2023	**0.37**	**85.86**	**19.96**	**3.16**	**491.73**	**11.96**	**613.04**
II. Accumulated depreciation							
Balance as at April 1, 2022	-	14.48	6.15	1.31	138.09	3.18	163.21
Depreciation expense for the year	-	1.99	1.68	0.40	31.75	1.37	37.19
Assets included in a disposal group classified as held for sale	-	(0.98)	-	-	-	-	(0.98)
Disposals/Adjustments	-	-	(0.03)	-	(1.07)	-	(1.10)
Balance as at March 31, 2023	**-**	**15.49**	**7.80**	**1.71**	**168.77**	**4.55**	**198.32**
Net block (I-II)							
Balance as at March 31, 2023	**0.37**	**70.37**	**12.16**	**1.45**	**322.96**	**7.41**	**414.72**

*Numbers are below rounding off

Note:

I. Refer note 46 for details of Capital commitment relating to Property, plant and equipment.

II. The Company has revised the useful life of certain assets during the year based on external technical evaluation. Consequently, the depreciation charge for current year is lower by ₹5.30 crores. There will be similar impact in future years.

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 on Assets	Premises	Vehicles	Plant and machinery	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**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

5B. RIGHT-OF-USE ASSETS (contd.)

Description on Assets	Premises	Vehicles	Plant and machinery	Total
II. Accumulated depreciation				
Balance as at April 1, 2021	2.98	1.19	0.85	5.02
Depreciation/amortisation 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**
I. Gross Block				
Balance as at April 1, 2022	17.20	1.56	0.83	19.59
Addition	-	2.12	-	2.12
Disposals/Adjustments	(0.16)	(0.14)	(0.35)	(0.65)
Balance as at March 31, 2023	**17.04**	**3.54**	**0.48**	**21.06**
II. Accumulated depreciation				
Balance as at April 1, 2022	3.42	0.92	0.60	4.94
Depreciation/amortisation expense for the year	3.66	0.57	0.20	4.43
Disposals/Adjustments	(0.16)	(0.14)	(0.35)	(0.65)
Balance as at March 31, 2023	**6.92**	**1.35**	**0.45**	**8.72**
Net block (I-II)				
Balance as at March 31, 2023	**10.12**	**2.19**	**0.03**	**12.34**

5C. CAPITAL WORK-IN PROGRESS

(a) Movement of Capital work-in-progress

Description	Total
Balance as at March 31, 2021	**36.53**
Addition	50.72
Disposals/Adjustments/Transfers	(61.37)
Balance as at March 31, 2022	**25.88**
Addition	210.70
Disposals/Adjustments/Transfers	(82.98)
Balance as at March 31, 2023	**153.60**

(b) Ageing of Capital work-in-progress

Particulars	As at March 31, 2023				
	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	152.24	1.36	-	-	153.60
ii) Projects in temporarily suspended	-	-	-	-	-
Total	**152.24**	**1.36**	**-**	**-**	**153.60**

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	24.96	0.87	0.05	-	25.88
ii) Projects in temporarily suspended	-	-	-	-	-
Total	**24.96**	**0.87**	**0.05**	**-**	**25.88**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

5C. CAPITAL WORK-IN PROGRESS (contd.)

(c) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	As at March 31, 2023				
	To be completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	28.40	-	-	-	28.40
Total Project in Progress	28.40	-	-	-	28.40
ii) Projects in temporarily suspended	-	-	-	-	-
Grand Total	28.40	-	-	-	28.40

Particulars	As at March 31, 2022				
	To be completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	-	-	-	-	-
ii) Projects in temporarily suspended	-	-	-	-	-
Grand Total	-	-	-	-	-

6. INVESTMENT PROPERTIES

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount		
Opening Balance	45.78	45.78
Additions	-	-
Disposals	-	-
Closing Balance	45.78	45.78
II. Accumulated depreciation		
Opening Balance	5.11	4.26
Charge for the year	0.85	0.85
Closing Balance	5.96	5.11
Net carrying amount (I-II)	39.82	40.67

(i) Amount recognised in the Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2023	As at March 31, 2022
Rental Income (refer note 31)	9.41	8.42
Direct operating expenses from property that generated rental income	2.33	2.53
Profit from investment properties before depreciation	7.08	5.89
Depreciation	0.85	0.85
Profit from investment properties	6.23	5.04

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

6. INVESTMENT PROPERTIES (contd.)

(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, 2023	As at March 31, 2022
not later than one year	5.63	4.76
later than one year and not later than five years	15.27	0.37
Total	**20.90**	**5.13**
Operating lease rentals credited to the Statement of Profit and Loss (refer note 31)	**9.41**	**8.42**

(iii) Fair Value

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	152.52	139.12

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.

7. OTHER INTANGIBLE ASSETS

Particulars	Software
Balance as at April 1, 2021	2.89
Additions	0.08
Deduction/Adjustment	(0.03)
Balance as at March 31, 2022	**2.94**
Accumulated amortisation	
Balance as at April 1, 2021	2.18
Amortisation expense	0.38
Deduction/Adjustment	(0.03)
Balance as at March 31, 2022	**2.53**
Net carrying amount as at March 31, 2022	**0.41**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

7. OTHER INTANGIBLE ASSETS (contd.)

Particulars	Software
Balance as at April 1, 2022	2.94
Additions	0.83
Deduction/Adjustment	-
Balance as at March 31, 2023	**3.77**
Accumulated amortisation	
Balance as at April 1, 2022	2.53
Amortisation expense	0.13
Deduction/Adjustment	0.01
Balance as at March 31, 2023	**2.67**
Net carrying amount as at March 31, 2023	**1.10**

8. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	150,000	8.31	150,000	8.31
- Equity shares of Navin Fluorine Advanced Sciences Limited of ₹10.00 each	590,476,182	590.48	399,999,996	400.00
- 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.	6,450,000	61.25	6,450,000	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, 2022: ₹5.88 crores)]	5,652,995	-	5,652,995	-
In joint ventures (Unquoted, fully paid up) - (at cost)				
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹10.00 each	1,182,500	1.18	1,182,500	1.18
Total		**693.87**		**503.39**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		693.87		503.39
Aggregate amount of impairment in value of investments		5.88		5.88

9. INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	481,600	3.65	481,600	2.95
- 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	541	7.24	903	10.21
Total		**10.89**		**13.16**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

9. INVESTMENTS (contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		10.89		13.16
Aggregate amount of impairment in value of investments		-		-

10. LOANS (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties (refer note 45.2)	-	2.88
Total Loans to employees	0.32	-
	0.32	**2.88**
Less: Loss allowance	-	-
Total	**0.32**	**2.88**

Break-up of Security details

Particulars	As at March 31, 2023	As at March 31, 2022
Loans considered good - Secured	-	-
Loans considered good - Unsecured	0.32	2.88
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**0.32**	**2.88**
Loss allowance	-	-
Total	**0.32**	**2.88**

10A. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks held as margin money*	6.09	6.03
Security deposits	9.84	9.26
Rent Receivable	2.08	0.95
Total	**18.01**	**16.24**

* The above bank deposits are marked as lien against bank guarantees.

11. NON-CURRENT TAX ASSETS / CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Tax Assets [net of provision ₹381.73 crores (March 31, 2022: ₹288.36 crores)]	29.31	27.44
Current Tax Liability [net of Advance tax ₹182.86 crores (March 31, 2022: ₹170.46 crores)]	8.22	9.24

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

12. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	4.66	3.33
Prepaid expenses	0.35	0.99
Advance Fringe benefit tax	0.04	0.04
Advances towards a Project (refer note 49)	1.63	1.63
Total	**6.68**	**5.99**

13. INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	223.49	136.47
Work-in-progress	40.51	38.53
Finished goods	47.32	43.03
Stores and Spares	15.80	11.43
Total	**327.11**	**229.46**

Write-downs of inventories to net realisable value amounted to ₹1.57 crores (March 31, 2022: ₹1.00 crore). These were recognised as an expense during the year and included in "Cost of materials consumed" and in "Changes in Inventories of finished goods and work-in-progress" in the Statement of Profit and Loss.

14. INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	110,000	2.27	110,000	2.75
(b) Investments in mutual funds (Unquoted) - (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
- Sundaram Liquid Fund - Growth	72,863	11.05	-	-
- ICICI Pru Liquid Fund - Growth	-	-	319,430	10.00
- L&T Liquid Fund - Regular Growth	-	-	34,489	10.00
- Aditya Birla SunLife Liquid Fund - Growth - Regular plan	-	-	293,809	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	-	-	527,820	6.00
- UTI Overnight Fund - Regular Plan Growth	-	-	17,354	5.00
- AXIS Overnight Fund - Regular Plan Growth	50,869	6.02	44,607	5.00
- ICICI Prudential Overnight Fund Growth	74,808	9.00	656,792	7.51
- L&T Overnight Fund Growth	-	-	47,544	7.51

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

14. INVESTMENTS (contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
(c) 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	2.77	18	2.41
Total		**31.11**		**102.18**
Of the above:				
Aggregate amount of quoted investments and market value thereof		2.27		2.75
Aggregate amount of unquoted investments		28.84		99.43
Aggregate amount of impairment in value of investments		-		-

15. TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from other parties	372.87	354.05
Trade receivables from related parties (refer note 45.2)	23.99	0.17
Less:- Loss allowance (refer note 43.5)	(4.14)	(2.11)
Total	**392.72**	**352.11**

Break-up for security details

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	1.15	1.14
Trade receivables considered good - Unsecured	391.57	350.97
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	4.14	2.11
Total	**396.86**	**354.22**
Loss allowance (refer note 43.5)	(4.14)	(2.11)
Total	**392.72**	**352.11**

Ageing of trade receivables:

Particulars	As at March 31, 2023						
	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	344.42	46.01	1.29	1.00	-	-	392.72
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	0.26	2.00	0.62	1.26	4.14
Total Undisputed Trade receivables	**344.42**	**46.01**	**1.55**	**3.00**	**0.62**	**1.26**	**396.86**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

15. TRADE RECEIVABLES (contd.)

Particulars	As at March 31, 2023						
	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
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed Trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Receivables	**344.42**	**46.01**	**1.55**	**3.00**	**0.62**	**1.26**	**396.86**

Ageing of trade receivables:

Particulars	As at March 31, 2022						
	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	-	-	0.03	0.71	0.01	1.36	2.11
Total Undisputed Trade receivables	**299.75**	**51.46**	**0.93**	**0.71**	**0.01**	**1.36**	**354.22**
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed Trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Receivables	**299.75**	**51.46**	**0.93**	**0.71**	**0.01**	**1.36**	**354.22**

16A. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.09	0.10
Balances with banks*	9.00	11.15
Deposits with original maturity of less than or equal to 3 months	-	62.26
Total	**9.09**	**73.51**

*One current account with bank balance ₹0.02 crores (March 31, 2022 ₹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, 2023	As at March 31, 2022
Unpaid dividend	4.88	4.65
Buyback account	0.01	0.01
Total	**4.89**	**4.66**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

17. LOANS

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties (refer note 45.2)	180.35	298.74
	180.35	298.74
Less: Loss allowance	-	-
Total	180.35	298.74

Break-up of Security details

Particulars	As at March 31, 2023	As at March 31, 2022
Loans considered good - Secured	-	-
Loans considered good - Unsecured	180.35	298.74
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	180.35	298.74
Loss allowance	-	-
Total	180.35	298.74

18. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Rent Receivable	0.34	1.81
Security deposits	1.40	0.36
Derivative assets - Forward exchange contracts	0.31	0.86
Receivable from related party (refer note 45.2)	8.13	-
Export Incentive receivables	0.80	-
Other Receivable	1.54	-
Total	12.52	3.03

19. OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	6.57	6.68
Prepaid expenses	3.07	1.86
Balances with government authorities	46.19	19.40
Other deposits	-	2.12
Other advances	7.25	6.53
Total	63.08	36.59

19A. ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at March 31, 2023	As at March 31, 2022
Land	*	-
Building	1.72	-
Total	1.72	-

*Numbers are below rounding off

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

20. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Shares		
17,50,00,000 equity shares of ₹2.00 each	35.00	35.00
Issued, subscribed and fully Paid shares		
4,95,71,170 (as at March 31, 2022 - 4,95,53,150) equity shares of ₹2.00 each	9.91	9.91
Less: Calls in arrears [refer note 20 (f)]	*	*
Total	**9.91**	**9.91**

* 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, 2021	**49,503,220**	**9.90**
Add: Shares issued on exercise of employee stock options during the year	49,930	0.01
Balance as at March 31, 2022	**49,553,150**	**9.91**
Add: Shares issued on exercise of employee stock options during the year	18,020	*
Balance as at March 31, 2023	**49,571,170**	**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.

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2023		
Mafatlal Impex Private Limited	11,407,420	23.01%
As at March 31, 2022		
Mafatlal Impex Private Limited	11,407,420	23.02%
Smallcap World Fund, Inc	3,068,598	6.19%

(e) Details of shareholders holding of promoter:

Shareholding of promoters as on March 31, 2023

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	382,635	0.77	*
Vishad Padmanabh Mafatlal	714,349	1.44	(38.12)%
Padmanabh Arvind Mafatlal (HUF)	14,550	0.03	*
Vishad P. Mafatlal Pam HUF1 P Mafatlal	4,550	0.01	*
Rupal Vishad Mafatlal	101	-	*

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

20. EQUITY SHARE CAPITAL (contd.)

Particulars	Number of shares	% of total number of shares	% of change during the year
Chetna Padmanabh Mafatlal	1,015	-	*
Terebinth Ventures Private Limited (formerly known as Anshi Ventures Private Limited)	100	-	*
Pamil Investments Pvt Ltd	5,000	0.01	*
Mafatlal Exim Private Limited	1,628,729	3.29	*
Mafatlal Impex Private Limited	11,407,420	23.01	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	121,275	0.24	*
Total	**14,279,724**	**28.80**	

* Numbers are below rounding off

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	382,635	0.77	*
Vishad Padmanabh Mafatlal	1,154,349	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	1,628,729	3.29	*
Mafatlal Impex Private Limited	11,407,420	23.02	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	121,275	0.24	*
Total	**14,719,724**	**29.70**	

* Numbers are below rounding off

(f) Calls unpaid (by other than officers and directors)

Particulars	Number of shares	Amount
As at March 31, 2023		
Equity shares of ₹2.00 each, ₹1.00 called up but unpaid	8,920	*
As at March 31, 2022		
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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

21. OTHER EQUITY

21A. RESERVES AND SURPLUS

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	27.18	25.47
General Reserve	73.33	73.33
Share Options Outstanding Account	17.62	1.30
Retained Earnings	1,861.91	1,603.16
Total	**1,980.04**	**1,703.26**

(i) Securities Premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	25.47	21.71
Add: Received during the year on shares issued on exercise of employee stock options during the year	1.71	3.76
Total	**27.18**	**25.47**

(ii) General Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	73.33	73.33
Closing Balance	**73.33**	**73.33**

(iii) Share Options Outstanding Account

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1.30	2.36
Employee stock option expense (Net)	16.32	(1.06)
Closing Balance	**17.62**	**1.30**

(iv) Retained Earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,603.16	1,391.51
Add: Profit for the year	312.49	266.43
Less:		
Other comprehensive income for the year, net of income tax	0.78	(0.78)
Dividends (including tax)	(54.52)	(54.48)
Reversal of excess provision of Dividend Distribution Tax	-	0.48
Closing Balance	**1,861.91**	**1,603.16**

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

21. OTHER EQUITY (contd.)

21B. OTHER RESERVES

Particulars	As at March 31, 2023	As at March 31, 2022
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	0.01
Total	**151.05**	**151.05**

(i) Capital Reserve no.1

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	80.35	80.35
Closing Balance	**80.35**	**80.35**

(ii) Capital Reserve no.2

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	70.35	70.35
Closing Balance	**70.35**	**70.35**

(iii) Capital Redemption Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Opening Balance	0.01	0.24
Less: trading approval received during the year	*	-
Add: amount received against share options during the year	-	(0.23)
Closing Balance	**0.01**	**0.01**

* Numbers are below rounding off.

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

22. FINANCIAL LIABILITIES- LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	9.37	12.14
Total	**9.37**	**12.14**

23. NON-CURRENT PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note 42.3)	13.45	13.21
Total	**13.45**	**13.21**

24. DEFERRED TAX ASSETS / DEFERRED TAX LIABILITIES - (NET)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	44.78	43.10
Less: Deferred tax assets	(27.27)	(26.41)
Total (Deferred Tax Assets) / Deferred Tax Liabilities (Net)	**17.51**	**16.69**

24.1 MOVEMENT OF DEFERRED TAX

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2023

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	38.01	1.82	-	39.83
Right-of-use to assets	3.69	(0.58)	-	3.11
Financial assets measured at FVTPL	0.71	0.53	-	1.24
Others	0.69	(0.09)	-	0.60
Total deferred tax liabilities (A)	**43.10**	**1.68**	**-**	**44.78**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	16.30	1.35	-	17.65
Fair Valuation of loan to wholly owned subsidiary	0.14	(0.15)	-	(0.01)
Provision for Compensated Absences	1.99	0.63	-	2.62
Provision for Gratuity	0.36	0.10		0.46
Provision for doubtful debts	0.53	(0.06)	-	0.47
Lease Liabilities	4.04	(0.52)	-	3.52
Capital losses	0.16	(0.16)	-	-
Others	2.88	(0.33)	-	2.55
Total deferred tax assets (B)	**26.41**	**0.86**	**-**	**27.27**
Net deferred tax liabilities/(deferred tax assets) (A - B)	**16.69**	**0.82**	**-**	**17.51**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

24.1 MOVEMENT OF DEFERRED TAX (contd.)

(ii) 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**

25. OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Liability against project contracts (Refer note 49)	13.35	13.35
Deferred Government Grant	0.12	0.14
Total	**13.47**	**13.49**

26. LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	4.62	3.92
Total	**4.62**	**3.92**

The total expenses related to short term lease (included in other expenses) was ₹0.52 crores (March 31, 2022 : ₹0.86 crores)

27A. TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	27.37	14.03
Total outstanding dues other than above	89.08	127.54
Trade payables - Related parties (Refer note 45.2)	0.04	-
Total	**116.49**	**141.57**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

27A. TRADE PAYABLES (contd.)

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at March 31, 2023	As at March 31, 2022
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	27.32	13.99
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.05	0.04
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.94	2.93
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	-	-
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
g. Interest accrued and remaining unpaid at the end of the accounting year	0.05	0.04
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	0.05	0.04

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.

Ageing of Trade Payables:

Particulars	As at March 31, 2023						
	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	-	14.62	12.75	-	-	-	27.37
b) Others	12.59	73.25	2.57	0.12	0.24	0.35	89.12
Total Undisputed Trade Payables	**12.59**	**87.87**	**15.32**	**0.12**	**0.24**	**0.35**	**116.49**
Disputed trade Payables							
a) Micro enterprises and small enterprises	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
Total disputed Trade Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Payables	**12.59**	**87.87**	**15.32**	**0.12**	**0.24**	**0.35**	**116.49**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

Ageing of Trade Payables: (contd.)

Particulars	As at March 31, 2022						
	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**

27B. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividends*	4.88	4.65
Unpaid money on buy-back of shares	0.01	0.01
Derivative liability - Forward exchange contract	0.40	0.26
Capital Creditors	18.87	4.12
Security Deposits received	9.44	9.18
Total	**33.60**	**18.22**

* 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, 2023	As at March 31, 2022
Provision for compensated absences (refer note 42.3)	4.55	3.41
Gratuity Payable (refer note 42.2)	1.81	1.42
Total	**6.36**	**4.83**

29. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	6.21	4.55
Deferred Government Grant	0.02	0.02
Payables to Employees	27.55	20.51
Total	**33.78**	**25.08**

30. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	1,595.92	1,387.46
Sale of services	27.65	10.79
Other operating revenues		
- Scrap Sales	3.70	2.98
- Export Incentives	0.87	2.38
Total	**1,628.14**	**1,403.61**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

30. REVENUE FROM OPERATIONS (contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	1.25	3.03

31. OTHER INCOME

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
- on banks deposits	0.58	13.86
- on inter corporate deposits	8.49	3.72
- on income tax refund	0.91	5.30
- on loans and advances	2.71	1.54
Dividend income		
- on investments in Shares	0.03	0.02
Lease rental income on investment properties (refer note 6)	9.41	8.42
Other gains and losses		
- Gain on disposal of property, plant and equipment	2.00	-
- Net gain arising on financial assets mandatorily measured at FVTPL	0.96	3.14
- Excess provision/ liabilities written back (Net)	0.50	-
- Net gain arising on sale of Mutual funds	8.91	-
- Net gain on foreign currency transactions	0.95	-
- Miscellaneous Income	5.55	1.47
Total	**41.00**	**37.47**

32. COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material consumed	692.42	612.29
Packing material consumed	29.11	33.83
Total	**721.53**	**646.12**

33. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	47.32	43.03
Work-in-progress	40.51	38.53
	87.83	**81.56**
Inventories at the beginning of the year		
Finished goods	43.03	31.75
Work-in-progress	38.53	41.95
	81.56	**73.70**
Net Increase	**(6.27)**	**(7.86)**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

34. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and bonus	167.45	137.24
Contribution to provident and other funds (refer note 42.1)	8.07	6.76
Employee share-based payment expense (refer note 44)	16.79	-
Staff Welfare Expenses	7.42	6.67
Gratuity expenses (refer note 42.2)	3.25	2.61
Total	**202.98**	**153.28**

35. FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Lease liabilities	1.09	1.15
Interest on Others	0.96	0.51
Total	**2.05**	**1.66**

36. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 5A)	37.19	37.93
Depreciation on Right-of-use assets (refer note 5B)	4.43	5.09
Depreciation on investment properties (refer note 6)	0.85	0.85
Amortisation of intangible assets (refer note 7)	0.13	0.38
Total	**42.60**	**44.25**

37. OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	86.18	75.63
Rent expense (refer note 41)	0.52	0.86
Repairs and Maintenance		
- Plant and Machinery	12.05	9.61
- Buildings	1.43	0.98
Consumption of stores and spares	43.55	41.06
Transport and freight charges (Net)	35.14	35.76
Labor contract charges	17.40	16.97
Legal and Professional Charges (refer note 37.1)	32.23	26.90
Rates & Taxes	4.69	4.65
Insurance	5.40	6.01
Directors Sitting Fees	0.48	0.47
Loss on Sale/ retirement of property, plant & equipment (Net)	0.03	0.47
Provision for doubtful debts (Net)	2.03	0.07
Provision for diminution in value of investment	-	0.30
Expenditure on Corporate Social Responsibility (refer note 37.2)	6.15	5.28
Net loss on foreign currency transactions	-	0.69
Net loss arising on sale of Investments	-	0.37
Miscellaneous expenses	40.73	30.57
Total	**288.01**	**256.65**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

37.1 Payments to Auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors		
a) Statutory audit	0.34	0.34
b) Other audit services	0.24	0.22
c) Re-imbursement of expenses	0.01	0.01
Total	**0.59**	**0.57**

37.2 Corporate Social Responsibility

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the company during the year	6.14	5.23
b) Amount spent during the year on:	6.15	5.28
	In cash	Yet to be paid in cash
For the year March 31, 2023		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	6.15	-
For the year March 31, 2022		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.28	-

38 INCOME TAXES

Income tax expenses recognised

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	104.93	83.85
- Excess provision of tax for earlier years	-	(3.28)
- Deferred tax	0.82	(0.02)
	105.75	**80.55**
In respect of the current year		
- Current tax recognised in other comprehensive income	0.26	(0.24)
	0.26	**(0.24)**
Total income tax expense recognised in the current year	**106.01**	**80.31**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**418.24**	**346.98**
Income tax expense calculated at 25.168% (2021-2022: 25.168%)	105.26	87.33
Effect of:		
Income exempt from tax	(0.12)	(3.37)
Tax Reversal of earlier years	-	(3.28)
Expenses that are not deductible in determining taxable profit	1.48	1.47
Tax concessions availed	(2.49)	(2.49)
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	1.41	-
Others	0.21	0.89
Income tax expense recognised in Statement of Profit and Loss	**105.75**	**80.55**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

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, 2023			As at and for the year ended March 31, 2022		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues *	753.01	875.13	1,628.14	695.02	708.59	1,403.61
Carrying cost of non current assets @	1,255.91	95.53	1,351.44	895.77	95.53	991.30
Cost incurred on acquisition of property, plant and equipment	209.50	-	209.50	55.95	-	55.95

* 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.

40. EARNING PER SHARE

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, 2023	For the year ended March 31, 2022
Profit for the year attributable to equity shareholders - (₹in crores) - **A**	312.49	266.43
Weighted average number of equity shares outstanding during the year - **B**	49,558,378	49,528,217
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	173,700	33,287
Weighted average number of Equity shares adjusted for the effect of dilution **- C**	49,732,078	49,561,504
Basic earnings per share - **₹(A / B)**	63.05	53.79
Diluted earnings per share - **₹(A / C)**	62.83	53.76
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 ₹0.52 crores (March 31, 2022: ₹0.86 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, 2023	As at March 31, 2022
Contribution to Provident Fund	4.83	3.66
Contribution to Family Pension Fund	1.45	1.30
Contribution to Superannuation Fund	1.69	1.71
Contribution to Employees' State Insurance Scheme	0.01	0.01
Contribution to Employees' Deposits Linked Insurance Scheme	0.09	0.08
Total	**8.07**	**6.76**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

42.2 Defined Benefit Plans

(i) 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) 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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	(32.03)	(29.67)
Fair value of plan assets	30.22	28.24
Net liability arising from gratuity	(1.81)	(1.43)

(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, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	3.15	2.56
Net interest expenses	0.10	0.05
Total (A)	**3.25**	**2.61**
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)	(0.32)	(0.29)
- Actuarial gains and losses arising from changes in demographic assumptions	(1.53)	(0.41)
- Actuarial gains and losses arising from changes in financial assumptions	(0.60)	(0.54)
- Actuarial gains and losses arising from experience adjustments	1.41	2.26
Total (B)	**(1.04)**	**1.02**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	29.67	27.71
Current service cost	3.15	2.56
Interest cost	2.01	1.80
Liabilities for employee transferred to other entity	-	(0.01)
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in demographic assumptions	(1.53)	(0.41)
- Actuarial gains and losses arising from changes in financial assumptions	(0.60)	(0.54)
- Actuarial gains and losses arising from experience adjustments	1.41	2.26
Benefits paid	(2.08)	(3.71)
Closing defined benefit obligation (C)	**32.03**	**29.67**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

42.2 Defined Benefit Plans (contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	28.24	26.87
Interest income	1.91	1.74
Remeasurement gain/(loss):		
- Return on plan assets (excluding interest income)	0.32	0.29
Contributions by employer	1.83	3.05
Benefits paid	(2.08)	(3.71)
Closing fair value of plan assets (D)	**30.22**	**28.24**

(c) **Principal assumptions:**

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, 2023	As at March 31, 2022
1. Discount rate	7.30%	6.84%
2. Salary escalation	10%	10%
3. Mortality rate	Indian Assured Lives Mortality 2012 - 14 (Urban)	Indian Assured Lives Mortality 2012 - 14 (Urban)
4. Attrition rate	15%	11%

(d) The expected contribution to the plan for the next financial year is ₹4.58 crores (Previous Year: ₹3.66 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, 2023	As at March 31, 2022
Central Government of India	39.71%	11.29%
State Government Securities	0.00%	26.73%
Special Deposits Scheme	9.14%	10.78%
Debt Instruments/Corporate Bonds/Mutual Funds	51.15%	51.20%

(f) **Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and attrition rate. The sensitivity analysis 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, 2023	As at March 31, 2022
Impact of discount rate for 50 basis points increase	(0.62)	(0.74)
Impact of discount rate for 50 basis points decrease	0.65	0.78
Impact of salary escalation rate for 50 basis points increase	0.63	0.75
Impact of salary escalation rate for 50 basis points decrease	(0.61)	(0.72)
Impact of attrition rate for 50 basis points increase	(0.14)	(0.18)
Impact of attrition rate for 50 basis points decrease	0.15	0.19

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

42.2 Defined Benefit Plans (contd.)

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.

(g) The weighted average duration of the defined benefit obligation is 5 years (Previous year: 6 years). The expected maturity analysis of gratuity is as follows:

Particulars	Within 1 year	1-5 years	Above 5 years
As at March 31, 2023	7.23	15.19	23.63
As at March 31, 2022	5.81	12.12	28.37

(ii) 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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	(54.33)	(45.41)
Fair value of plan assets	55.76	45.41
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 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, 2023	For the year ended March 31, 2022
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	3.56	2.59
Interest income	(3.71)	(3.21)
Net interest expenses	3.71	3.21
Total (A)	**3.56**	**2.59**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	45.41	39.15
Opening balance adjustment	0.84	(0.54)
Current service cost	3.56	2.59
Interest cost	3.71	3.21

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

42.2 Defined Benefit Plans (contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee Contribution	5.58	4.49
Liabilities assumed for employee transferred from other entity	0.31	0.56
Benefits paid	(3.72)	(5.41)
Balance not recognized in Income Statement	(1.36)	1.36
Closing defined benefit obligation (B)	**54.33**	**45.41**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	45.41	40.82
Remeasurement loss	0.91	(0.85)
Interest income	3.71	3.21
Contributions	9.14	7.08
Asset transferred in for employee transferred from other entity	0.31	0.56
Benefits paid	(3.72)	(5.41)
Closing fair value of plan assets (C)	**55.76**	**45.41**

(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, 2023	As at March 31, 2022
Central Government of India	14.07%	13.71%
State Government Securities	32.62%	32.17%
Special Deposits Scheme	19.36%	23.03%
Public Sector Units	28.14%	27.01%
Others	5.80%	4.08%

(iii) 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.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2023. 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.

42.3 Other Long Term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹18.00 crores (March 31, 2022: ₹16.62 crores).

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

43. FINANCIAL INSTRUMENTS AND RISK REVIEW

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, 2023 and March 31, 2022.

43.2 Fair value measurements

(i) Categories of financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	13.98	78.17
– Investments	2.77	2.41
– Trade receivables	392.72	352.11
– Loans	180.67	301.62
– Other financial assets	30.22	18.41
Measured at fair value through profit and loss (FVTPL)		
– Equity instruments	5.92	5.70
– Investments in mutual funds / Other funds	33.31	107.23
– Derivative assets	0.31	0.86
Financial liabilities		
Measured at Amortised Cost		
– Trade payable	116.49	141.57
– Other financial liabilities	33.20	17.96
Measured at fair value through profit and loss (FVTPL)		
– Derivative liability	0.40	0.26

(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 and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2023				
Financial assets				
– Investments in equity instruments	2.27	-	3.65	5.92
– Investments in mutual funds / Other funds	26.07	-	7.24	33.31
– Derivative assets	-	0.31	-	0.31
Financial liabilities				
– Derivative liability	-	0.40	-	0.40

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

43.2 Fair Value Measurements (contd.)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets				
– Investments in equity instruments	2.75	-	2.95	5.70
– Investments in mutual funds / Other funds	97.02	-	10.21	107.23
– Derivative assets	-	0.86	-	0.86
Financial liabilities				
– Derivative liability	-	0.26	-	0.26

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, trade payables and other financial liabilitites 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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

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.

a. 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, 2023		As at March 31, 2022	
	(₹in crores)	(Foreign Currency In crores)	(₹in crores)	(Foreign Currency In crores)
Amount receivable				
USD	2.39	0.03	5.96	0.08
GBP	0.07	*	0.06	*
EURO	-	-	1.27	0.02
Amount payable				
USD	0.60	0.01	5.46	0.07
GBP*	-	-	*	*
EURO	-	-	2.83	0.03

* 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, 2023		For the year ended March 31, 2022	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	0.05	(0.05)	0.01	(0.01)
GBP	*	*	*	*
EURO	-	-	(0.05)	0.05

* 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, 2023

Amount ₹ in crores unless otherwise stated

43.4 Market Risks (contd.)

(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, 2023	sell	239.47	2.91
March 31, 2022	sell	147.38	1.93
EURO			
March 31, 2023	sell	1.81	0.02
March 31, 2022	sell	3.38	0.04
GBP			
March 31, 2023	sell	0.28	0.00
March 31, 2022	sell	-	-
US Dollars			
March 31, 2023	buy	23.92	0.29
March 31, 2022	buy	51.87	0.68

b. 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 ₹0.23 crores gain in Statement of Profit and Loss (March 31, 2022: ₹0.27 crores). A 10% decrease in equity prices would have led to an equal but opposite effect.

43.5 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 ₹392.72 crores (March 31, 2022 - ₹352.11 crores).

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

43.5 Credit risk (contd.)

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.

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, 2023 was ₹ 4.14 crores (March 31, 2022 ₹2.11 crores).

Loss allowance as at March 31, 2023 was determined as follows for trade receivables under the simplified approach

As at March 31, 2023	Not Due	0-30 Days Past Due	31–60 days past due	61–90 days past due	91–180 days past due	180-365 days past due	More than 365 days past due	Total
Gross carrying amount – trade receivables	344.42	23.27	7.86	2.56	12.32	1.55	4.88	396.86
Expected loss rate	-	-	-	-	-	(17)%	(79)%	(1)%
Expected credit losses– trade receivables	-	-	-	-	-	(0.26)	(3.88)	(4.14)
Carrying amount of trade receivables (net of impairment)	**344.42**	**23.27**	**7.86**	**2.56**	**12.32**	**1.29**	**1.00**	**392.72**

Loss allowance as at March 31, 2022 was determined as follows for trade receivables under the simplified approach

As at March 31, 2022	Not Due	0-30 Days Past Due	31–60 days past due	61–90 days past due	91–180 days past due	180-365 days past due	More than 365 days past due	Total
Gross carrying amount – trade receivables	299.75	35.06	4.32	11.60	0.48	0.93	2.08	354.22
Expected loss rate	-	-	-	-	-	(3)%	(100)%	-
Expected credit losses– trade receivables	-	-	-	-	-	(0.03)	(2.08)	(2.11)
Carrying amount of trade receivables (net of impairment)	**299.75**	**35.06**	**4.32**	**11.60**	**0.48**	**0.90**	**-**	**352.11**

Movement in the credit loss allowance

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning	2.11	2.04
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	2.03	0.07
Balance at the end	**4.14**	**2.11**

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

43.6 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, 2023 and March 31, 2022. 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, 2023				
– Trade payable	116.49	116.49	-	116.49
– Lease liabilities	13.99	5.19	10.47	15.66
– Other financial liabilities (other than derivative liabilities)	33.20	33.20	-	33.20
– Derivative liabilities	0.40	0.40	-	0.40
– Corporate financial guarantees	1,342.57	242.57	1,100.00	1,342.57
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

44. SHARE BASED PAYMENTS

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

44. SHARE BASED PAYMENTS (contd.)

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
	October 19, 2022	155,000	In 4 equal tranches on October 31, 2023, April 1, 2024, April 1, 2025 and April 1, 2026	2.00

*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.

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of the year				
ESOS 2007	10,245	353.65	37,420	345.20
ESOS 2017	29,710	740.72	52,465	757.62
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	155,000	2.00	-	-
Exercised during the year				
ESOS 2007	1,125	274.71	27,175	342.01
ESOS 2017	16,895	710.90	22,755	779.69
Expired during the year				
ESOS 2007	5,705	335.05	-	-
ESOS 2017	1,465	780.00	-	-
Balance at the end of the year				
ESOS 2007	3,415	410.67	10,245	353.65
ESOS 2017	166,350	55.08	29,710	740.72

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2023 ₹ 4,145 (March 31, 2022 – ₹3,532).

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

44. SHARE BASED PAYMENTS (contd.)

(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, 2023	Share options March 31, 2022
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	1,365	5,720
October 24, 2016	October 23, 2026	554.40	2,050	4,525
March 19, 2018	March 18, 2028	780.00	11,350	15,395
May 9, 2018	May 8, 2028	770.35	-	-
January 7, 2019	January 6, 2029	698.45	-	14,315
October 19, 2022	October 18, 2032	2.00	155,000	-

(iv) The weighted average fair value of the options granted during the year is ₹4,091.85 (March 31, 2022: Nil). The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2023 included:

Grant Date	October 19, 2022			
	Vest 1	Vest 2	Vest 3	Vest 4
Vesting date	October 31, 2023	April 01, 2024	April 01, 2025	April 01, 2026
Volatility	38.07%	38.07%	37.88%	39.95%
Risk-Free rate of return	7.33%	7.33%	7.36%	7.37%
Exercise Price	2.00	2.00	2.00	2.00
Expected Life (Time to Maturity)	5.5	5.5	6.0	6.5
Dividend yield	0.79%	0.79%	0.79%	0.79%

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(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, 2023 is ₹ 16.79 crores (March 31, 2022: NIL). 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 / control

Sri Sadguru Seva Sangh Trust
M/s Vigil Juris

b. 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

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

45. RELATED PARTY TRANSACTIONS (contd.)

(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. 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
Mrs. Apurva S. Purohit - Independent Non- Executive Director

45.1 Disclosures in respect of significant transactions with related parties during the year:

Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales		
Navin Fluorine Advanced Sciences Limited	119.71	0.01
Manchester Organics Limited	0.25	0.42
Rental income		
Navin Fluorine Advanced Sciences Limited	0.08	0.03
Interest Income and Guarantee Commission		
Sulakshana Securities Limited	0.61	0.58
Manchester Organics Limited	0.07	-
Navin Fluorine Advanced Sciences Limited	3.87	-
Purchases		
Manchester Organics Limited	0.07	-
Navin Fluorine Advanced Sciences Limited	0.04	-
Rent paid, including lease rentals		
Sulakshana Securities Limited	1.18	1.18
Reimbursement of expenses paid		
Manchester Organics Limited	7.44	5.32
NFIL USA, Inc.	9.78	7.11
Navin Fluorine (Shanghai) Co. Ltd.	1.32	0.44
Legal / Professional fees paid		
M/s Vigil Juris	0.33	-
Reimbursement of expenses recovered		
Sulakshana Securities Limited	2.17	0.63
Navin Fluorine Advanced Sciences Limited	7.54	1.79
Purchase of Investment in equity shares		
Navin Fluorine (Shanghai) Co. Ltd.	-	0.30
Navin Fluorine Advanced Sciences Limited	190.48	150.00
Inter corporate deposit given		
Navin Fluorine Advanced Sciences Ltd.	328.00	393.00
Interest on ICD		
Navin Fluorine Advanced Sciences Ltd.	8.49	3.72

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

45.1 Disclosures in respect of significant transactions with related parties during the year:(contd.)

Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Repayment of Inter corporate deposit		
Navin Fluorine Advanced Sciences Ltd.	445.00	100.00
Repayment of interest on ICD		
Navin Fluorine Advanced Sciences Ltd.	7.56	2.04
Provision for Diminution		
Navin Fluorine (Shanghai) Co. Ltd.	-	0.30
Repayment of loans and advances		
Sulakshana Securities Limited	5.80	0.75
Donation		
Sri Sadguru Seva Sangh Trust	2.00	2.00
Managerial remuneration (Short Term Employee Benefit) #	25.05	16.54
Director Sitting fees and Commission*	3.28	2.80

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 for the year ended March 31, 2023 is subject to approval of shareholders.

** Numbers are below rounding off

45.2 Disclosures of closing balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts due to		
Manchester Organics Limited	0.00	-
Navin Fluorine Advanced Sciences Limited	0.04	-
Amount due to Directors		
Mr. Vishad P. Mafatlal	6.67	5.44
Mr. Radhesh R. Welling	4.45	3.63
Mr. Mohan M. Nambiar	0.28	0.25
Mr. Pradip N. Kapadia	0.28	0.25
Mr. Sunil S. Lalbhai	0.28	0.25
Mr. Sudhir G. Mankad	0.28	0.25
Mr. Harish H. Engineer	0.28	0.25
Mr. Atul K. Srivastava	0.28	0.25
Mrs. Radhika V. Haribhakti	0.28	0.25
Mr. Ashok U. Sinha	0.28	0.25
Mr. Sujal A. Shah	0.28	0.25
Mrs. Apurva S. Purohit	0.28	0.12
Amounts due from		
Manchester Organics Limited	0.49	0.17
Sulakshana Securities Limited	1.73	6.93
Navin Fluorine Advanced Sciences Limited		
Inter Corporate Deposit	176.00	293.00
Interest on Inter Corporate Deposit	2.62	1.69
Trade receivables	23.50	-
Others receivables	8.13	-
Corporate Guarantee given		
Navin Fluorine Advanced Sciences Limited	1,338.00	26.14
Security Provided		
Manchester Organics Limited	4.57	4.48

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

45.2 Disclosures of closing balances: (contd.)

Terms and Conditions:

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, 2023, 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, 2023 is ₹ 1.69 crores (March 31, 2022:₹ 7.49 crores). Under Ind AS 109 ' Financial Instruments' the same has been fair valued. Accordingly, ₹ 8.16 crores (March 31, 2022: ₹ 8.16 crores) has been disclosed as Investment in equity of SSL and ₹ 1.73 crores (March 31, 2022: ₹ 6.93 crores) as loans to SSL as at March 31, 2023.

   Company had given Inter Corporate Deposit to Navin Fluorine Advanced Sciences Limited (NFASL). Amount lying as at March 31, 2023 is ₹ 176.00 crores (March 31, 2022: ₹ 293.00 crores).

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.

46. CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	90.56	24.05
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	-	0.09

47. CONTINGENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
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	0.87
d. Employee related matters	0.07	0.07
e. Goods and Service tax matters	0.83	-
f. Other Corporate guarantee / Bank guarantees	0.15	0.15

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

48. RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 36.39 crores (as at March 31, 2022 : ₹ 34.89 crores) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital Expenditure	5.65	8.67
Revenue Expenditure	30.74	26.22
Total	**36.39**	**34.89**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	16.45	13.74
Material / Consumable / Spares	6.83	5.62
Utilities	2.16	1.58
Other expenditure	3.38	3.61
Depreciation	1.92	1.67
Total	**30.74**	**26.22**

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)

50. The Board of Directors has recommended final dividend of ₹ 7.00 per share on the face value of ₹ 2.00 each (350)% subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

51. EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Export of goods calculated on FOB basis	840.46	683.51
Sale of Services	26.91	10.79

52. 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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

53. NET DEBT RECONCILIATION

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	9.09	73.51
Liquid Investments	31.11	102.18
Lease Liabilities	(13.99)	(16.06)
Total	**26.21**	**159.63**

Partculars	Other assets		Liabilities from financing activities	Total
	Cash and bank overdraft	Liquid investments	Lease Liabilities	
Net debt as at April 01, 2021	**76.07**	**84.54**	**(14.37)**	**146.24**
Cash flows	(2.56)	17.05	4.61	19.10
New leases	-	-	(6.30)	(6.30)
Interest expense	-	-	(1.14)	(1.14)
Interest paid	-	-	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**
Cash flows	(64.42)	(71.58)	4.19	(131.81)
New leases	-	-	(2.12)	(2.12)
Interest expense	-	-	(1.09)	(1.09)
Interest paid	-	-	1.09	1.09
Fair value adjustments	-	0.51	-	0.51
Net debt as at March 31, 2023	**9.09**	**31.11**	**(13.99)**	**26.21**

54. ANALYTICAL RATIOS

	Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance
(a)	Current Ratio	Current Assets	Current Liabilities	4.91	5.39	(9.00)%	NA
(b)	Debt-Equity	Total Debt	Shareholders' Equity	0.01	0.01	(24.15)%	NA
(c)	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit after 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)	57.49	50.03	14.92%	NA
(d)	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	15.60%	15.16%	2.91%	NA
(e)	Inventory turnover Ratio	Cost of goods sold	Average Inventory	2.57	3.33	(22.73)%	NA
(f)	Trade Receivables turnover Ratio	Net Credit Sales	Avgrage Accounts Receivable	4.37	4.46	(2.08)%	NA

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

54. ANALYTICAL RATIOS (contd.)

	Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance
(g)	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	6.27	5.82	7.64%	NA
(h)	Net capital turnover Ratio	Net Sales	Working Capital	2.00	1.56	27.83%	Due to increase in sales as compared to previous year
(i)	Net profit Ratio	Net Profit	Net Sales	19.20%	19.01%	0.99%	NA
(j)	Return on Capital Employed	Earning before interest and taxes	Capital Employed	19.47%	18.54%	5.05%	NA
(k)	Return on investment	Earning before interest and taxes	Closing total assets	17.49%	16.42%	6.54%	NA

55. ADDITIONAL INFORMATION

A. **Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act, 2013:**

i. Details of investments made have been given as part of Note '8' Investments in Subsidiaries and Joint Ventures.

ii. Loans and Financial Guarantees given below:

Name of the Company	Relationship	Nature of Transaction	As at March 31, 2023	As at March 31, 2022
Details of Loans				
Navin Fluorine Advanced Sciences Ltd.	Subsidiary	Loan	176.00	293.00
Sulakshana Securities Limited	Subsidiary	Loan	1.73	6.93
Details of Guarantees				
Navin Fluorine Advanced Sciences Ltd.	Subsidiary	Corporate Guarantee	1,338.00	26.14
Manchester Organics Limited	Subsidiary	Security Provided	4.57	4.48

iii. Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below :

Name of the Company	As at March 31, 2023	Maximum outstanding during FY 2022-23	As at March 31, 2022	Maximum outstanding during FY 2021-22
Subsidiaries				
Navin Fluorine Advanced Sciences Ltd.	176.00	328.00	293.00	318.00
Sulakshana Securities Limited	1.73	6.93	6.93	7.09

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

55. ADDITIONAL INFORMATION (contd.)

B. 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, 2023

Amount ₹ in crores unless otherwise stated

55. ADDITIONAL INFORMATION (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

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

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 branch and subsidiaries (Holding Company and its branch and subsidiaries, including a step down subsidiary together referred to as "the Group") and joint ventures (refer Note 1B to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, 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, its associate companies and joint venture as at March 31, 2023, and 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, 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 sub-paragraph 14 and 15 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 16 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 judgment, 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(j), 2(k), 5A and 7 in the consolidated financial statements)	**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.

Key audit matter	How our audit addressed the key audit matter
The carrying value of the goodwill in relation to the acquisitions 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, 2023 is ₹72.85 crores and ₹182.87 crores respectively, which in aggregate represents approximately 7.25% of the total assets of the Group. 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 recoverable amount of the Cash Generating Unit (CGU) to which the Goodwill and PP&E belong, based on discounted cash flows, requiring judgements in respect of 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 management judgement is involved in calculation of recoverable amount for the purpose of impairment testing.	▪ Assessed whether the Group's determination of CGUs 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. ▪ 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 consolidated financial statements. ▪ Based on the above procedures performed, we noted that the management's assessment of the carrying value of the 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.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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 14 and 15 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

6. 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 its joint venture 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 venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and joint venture 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.

8. The respective Board of Directors of the companies included in the Group and joint venture are responsible for overseeing the financial reporting process of the Group and joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. 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.

10. As part of an audit in accordance with SAs, we exercise professional judgment 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 venture 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 venture 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 venture 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.

11. 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.

12. 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.

13. 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

14. We did not audit the financial statements of one subsidiary (i.e. Sulakshana Securities Limited), whose financial statements reflect total assets of ₹30.77 crores and net assets of ₹14.66 crores as at March 31, 2023, total revenue of ₹6.42 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹3.88 crores and net cash flows amounting to ₹0.90 crores for the year ended on that date, as considered in the consolidated financial statements. These 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 insofar 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 insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

15. The financial statements of one subsidiary [i.e. Navin Fluorine (Shanghai) Co. Ltd] and one step down subsidiary [i.e. NFIL USA Inc.] located outside India, included in the consolidated financial statements, which constitute total assets of ₹1.75 crores and net assets of ₹1.69 crores as at March 31, 2023, total revenue of ₹10.95 crores, total comprehensive income (comprising of income and other comprehensive income) of ₹0.63 crores and net cash flows amounting to ₹0.82 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 subsidiary and step down subsidiary 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 subsidiary and step down subsidiary 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.

16. We did not audit the financial statements of two subsidiaries [i.e. Manchester Organics Limited and NFIL (UK) Ltd.] and one Branch [Zug Branch] located outside India whose financial statements reflect total assets of ₹104.45 crores and net assets of ₹85.80 crores as at March 31, 2023, total revenue of ₹45.03 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹2.71 crores and net cash flows amounting to ₹0.29 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 crores for the year ended March 31, 2023 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 insofar as it relates to the amounts and disclosures included in respect of these branch, subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint venture, 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.

17. 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 certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. 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 to whom CARO 2020 is applicable, which are included in these Consolidated Financial Statements.

    The statutory audit report of Swarnim Gujarat Fluorspar Private Limited, a joint venture of the Holding Company has not been issued until the date of this report. Accordingly, no comments for the said joint venture have been included for the purpose of reporting under this clause.

19. 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, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 Holding Company and its subsidiaries which are companies incorporated in India 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 – Refer Note 51 to the consolidated financial statements.

ii. The Group and its joint venture have long-term contracts as at March 31, 2023 for which there were no material foreseeable losses. The Group did not have any long-term derivative contracts as at March 31, 2023.

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 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company 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 persons or entities, 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 venture, is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group, joint venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

20. The Group 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: 23048125BGWQTP4151

Mumbai
May 13, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(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, 2023

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, 2023, 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 joint venture, 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 joint venture, 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 joint venture, 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, 2023, 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 insofar as it relates to one subsidiary company, and one joint venture, 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: 23048125BGWQTP4151

Mumbai
May 13, 2023

Consolidated Balance Sheet as at March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	1,471.83	377.55
b. Right-of-use assets	5B	33.09	37.52
c. Capital work-in-progress	5C	278.58	742.10
d. Investment properties	6	51.65	52.78
e. Goodwill	7	87.76	87.76
f. Other intangible assets	7	1.55	0.49
g. Financial assets			
i. Investment accounted for using the equity method	8	0.75	0.76
ii. Investments	9	11.95	13.16
iii. Loans	10	0.32	-
iv. Other financial assets	11	27.76	19.12
h. Non-current tax assets (Net)	12	31.41	28.98
i. Other non-current assets	13	66.47	5.99
Total non-current assets		**2,063.12**	**1,366.21**
Current assets			
a. Inventories	14	468.12	257.54
b. Financial assets			
i. Investments	15	31.11	104.19
ii. Trade receivables	16	561.52	357.66
iii. Cash and cash equivalents	17A	14.47	75.74
iv. Bank balances other than (iii) above	17B	20.34	20.09
v. Loans	18	-	0.51
vi. Other financial assets	19	7.88	5.86
c. Other current assets	20	361.01	197.68
		1,464.45	**1,019.27**
d. Assets classified as held for sale	21	1.72	-
Total current assets		**1,466.17**	**1,019.27**
Total assets		**3,529.29**	**2,385.48**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	22	9.91	9.91
b. Other equity			
i. Reserves and surplus	23A	2,019.18	1,679.72
ii. Other reserves	23B	155.86	154.59
Total equity		**2,184.95**	**1,844.22**
Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	24	753.13	100.00
ii. Lease Liabilities	25	6.42	10.04
b. Provisions	26	15.09	13.68
c. Deferred tax liabilities (Net)	27	34.75	20.14
d. Other non-current liabilities	28	13.47	13.49
Total non-current liabilities		**822.86**	**157.35**
Current liabilities			
a. Financial liabilities			
i. Borrowings	24	95.52	4.47
ii. Lease Liabilities	29	5.73	6.31
iii. Trade payables	30		
a. Total outstanding dues of micro enterprises and small enterprises		40.63	14.14
b. Total outstanding dues other than (iii) (a) above		202.85	132.39
iv. Other financial liabilities	31	101.23	168.64
b. Contract liabilities		5.38	1.25
c. Provisions	32	7.96	5.40
d. Current tax liabilities (Net)	12	8.23	9.24
e. Other current liabilities	33	53.95	42.07
Total current liabilities		**521.48**	**383.91**
Total liabilities		**1,344.34**	**541.26**
Total equity and liabilities		**3,529.29**	**2,385.48**
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

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	34	2,077.40	1,453.36
Other Income	35	35.73	39.22
Total Income		**2,113.13**	**1,492.58**
EXPENSES			
Cost of materials consumed	36	905.72	650.49
Purchases of stock-in-trade		19.66	25.40
Changes in Inventories of finished goods, work in progress and stock-in-trade	37	(29.37)	(10.26)
Employee benefits expense	38	249.41	181.53
Finance costs	39	27.52	1.90
Depreciation and amortisation expense	40	62.64	47.90
Other expenses	41	381.67	251.39
Total Expenses		**1,617.25**	**1,148.35**
Profit before tax		**495.88**	**344.23**
Tax expenses			
(1) Current tax			
(a) for the year	42	106.10	85.04
(b) for earlier year	42	-	(3.28)
(2) Deferred tax	27.1	14.59	(0.61)
Total Tax expenses		**120.69**	**81.15**
Profit for the year		**375.19**	**263.08**
Share of (loss) from joint ventures (Net)		(0.01)	(0.01)
Total profit for the year		**375.18**	**263.07**
Other comprehensive income			
(A) Items that will not be reclassified to profit and loss			
(i) Remeasurement loss of the defined benefit obligations		1.03	(1.09)
(ii) Current tax relating to the above		(0.26)	0.26
Total (A)		**0.77**	**(0.83)**
(B) Items that may be reclassified to profit and loss			
(i) Exchange differences on translation of foreign operations		1.27	(0.40)
Total (B)		**1.27**	**(0.40)**
Total other comprehensive income (A+B)		**2.04**	**(1.23)**
Total comprehensive income for the year		**377.22**	**261.84**
Profit is attributable to:			
Owners of the Company		375.18	263.07
Other Comprehensive Income attributable to:			
Owners of the Company		2.04	(1.23)
Total Comprehensive Income attributable to:			
Owners of the Company		377.22	261.84
Earnings per equity share (of face value of ₹2.00 each)	44		
(1) Basic (in ₹)		75.70	53.12
(2) Diluted (in ₹)		75.44	53.08
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

Jeetendra Mirchandani
Partner
Membership No. 48125

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

Consolidated Statement of Cash Flows for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	**495.88**	**344.23**
Adjustments for:		
Depreciation and amortisation expense	62.64	47.90
(Gain)/Loss on sale / disposal of property, plant and equipment (Net)	(1.97)	0.47
(Gain) on sale of investments (Net)	(9.04)	(0.09)
Changes in fair value of financial assets at fair value through profit or loss	(0.97)	(3.18)
Employee Share-based payment expense	16.79	-
Finance Costs	27.52	1.90
Interest income	(3.03)	(16.66)
Lease rental income on investment properties	(14.45)	(11.59)
Net Loss on foreign currency transactions	2.06	0.21
Dividend Income	(0.03)	(0.02)
Excess provision/ liabilities written back	(0.50)	-
Provision for doubtful debts	2.03	0.07
Operating profit before changes in operating assets and liabilities	**576.93**	**363.24**
Adjustments for:		
(Increase) in trade receivables	(206.65)	(74.14)
(Increase) in inventories	(210.58)	(77.19)
(Increase) in other assets	(233.56)	(101.06)
Increase in trade and other payables	120.05	42.03
Cash generated from operations	**46.19**	**152.88**
Income taxes paid (net of refunds)	(109.78)	(78.12)
Net cash (used in) / generated from operating activities	**(63.59)**	**74.76**
Cash flows from investing activities		
Payments for property, plant and equipment	(757.71)	(578.89)
Proceeds from sale of property, plant and equipment	2.18	3.05
(Increase) / Decrease in deposits with banks	(4.41)	391.48
Payments for purchase of investments	(1,261.86)	(452.49)
Proceeds from sale of investments	1,346.16	436.72
Lease rental income on investment properties	16.96	9.88
Dividend received	0.03	0.02
Interest received	3.03	17.86
Net cash used in investing activities	**(655.62)**	**(172.37)**
Cash flows from financing activities		
Principal elements of lease payments	(5.67)	(6.89)
Calls in arrears (including securities premium)	-	(0.23)
Proceeds from allotment of Employee Stock Option Plan (ESOP)	1.23	2.73
Proceeds of long term borrowings	653.13	100.00
Proceeds of other borrowings (Net)	91.05	1.95
Dividend paid	(54.28)	(54.16)
Interest paid	(27.52)	(1.90)
Net cash generated from financing activities	**657.94**	**41.50**
Net decrease in cash and cash equivalents	**(61.27)**	**(56.11)**
Cash and cash equivalents at the beginning of the year	75.74	131.85
Cash and cash equivalents at the end of the year	**14.47**	**75.74**

Consolidated Statement of Cash Flows for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconcillation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - Note 17A	14.47	75.74
As per Cash flow statement	14.47	75.74

Notes:

The above Consolidated Statement of Cash Flows 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 of Cash Flows 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

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

Consolidated Statement of changes in equity for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Amount ₹ in crores unless otherwise stated

Particulars	Amount
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**
Shares issued on exercise of employee stock options during the year	*
Less: Calls in arrears	-
Balance as at March 31, 2023	**9.91**

* Numbers are below rounding off

B. OTHER EQUITY

Particulars	Reserves & Surplus				Other Reserves					Total other equity
	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	
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**	**1,624.02**
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)
Payment of dividends (including tax)	-	-	-	(54.48)	-	-	-	-	-	(54.48)
Reversal of excess provision of Dividend Distribution Tax	-	-	-	0.47	-	-	-	-	-	0.47
Balance as at March 31, 2022	**25.47**	**73.33**	**1.30**	**1,579.62**	**80.35**	**70.35**	**0.34**	**0.01**	**3.54**	**1,834.31**
Profit for the year	-	-	-	375.18	-	-	-	-	-	375.18
Other comprehensive income for the year, net of income tax	-	-	-	0.77	-	-	-	-	1.27	2.04
Total comprehensive income for the year	**-**	**-**	**-**	**375.95**	**-**	**-**	**-**	**-**	**1.27**	**377.22**
Shares issued on exercise of employee stock options during the year	1.71	-	-	-	-	-	-	-	-	1.71
Recognition of share-based payments (Net)	-	-	16.32	-	-	-	-	-	-	16.32
Payment of dividends (including tax)	-	-	-	(54.52)	-	-	-	-	-	(54.52)
Balance as at March 31, 2023	**27.18**	**73.33**	**17.62**	**1,901.05**	**80.35**	**70.35**	**0.34**	**0.01**	**4.81**	**2,175.04**

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

Mumbai, May 13, 2023

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 13, 2023

Anish P. Ganatra
Chief Financial Officer

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

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, 2023	As at March 31, 2022
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 financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration are measured at fair value.
- defined benefit plans – plan assets are measured at fair value.
- share-based payments are measured at fair value.

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 01, 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future reporting periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(v) 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) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which consists of Chairman and Managing Director. The CODM assess the financial performance and position of the Company and makes strategic decisions. See Note 43 for segment information presented.

d) 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

e) 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.

f) 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.

g) 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 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.

h) 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 Group operates the following post-employment schemes:

(a) defined benefit plan such as gratuity.

(b) defined contribution plans such as family pension fund, superannuation fund and provident fund.

(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 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.

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 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. 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.

(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.

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

i) 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.

j) 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.

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. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. However, for below assets where useful life is different than those prescribed in Schedule II the estimated useful life of the assets has been assessed based on external technical evaluation which considered the nature of the assets, estimated usage of the assets, the operating condition of the assets, anticipated technological changes, manufacturer warranties, experience of the management and group companies, maintenance support, etc:

Assets	Useful Life
Plant and Machinery	5-30 years
Building	50 years
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.

k) 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.

l) 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.

m) 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 recognised.

n) 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.

o) 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. 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.

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).

(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.

p) 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.

q) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are unsecured and presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

s) 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. 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.

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.

t) 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..

u) 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.

v) 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.

w) Provisions and contingencies

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. 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.

x) Investment in associated 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.

y) 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.

(z) 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. 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.

4. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates or judgements are:

(a) Estimation of current tax expense and current tax payable [Refer note:42]

(b) Estimated fair value of unlisted equity securities. [Refer note:47.2]

(c) Useful lives of property, plant and equipment and intangible assets. [Refer note:5A & 7]

(d) Estimation of Defined benefits plan [Refer note:46]

(e) Estimation of contingent liabilities [Refer note:51]

(f) Impairment of trade receivables [Refer note:47.5]

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

5A. PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Freehold land	Buildings	Office equipment	Vehicles	Plant and machinery	Furniture and fixture	Total
I. Gross Block							
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**
I. Gross Block							
Balance as at April 1, 2022	0.37	85.52	17.45	3.17	428.41	12.53	547.45
Additions	-	135.33	6.76	-	1,003.17	6.22	1,151.48
Assets included in a disposal group classified as held for sale		(2.70)	-	-	-	-	(2.70)
Disposals/Adjustments	-	-	(0.05)	-	(1.24)	-	(1.29)
Effect of Foreign currency exchange difference	-	-	0.02	-	0.21	-	0.23
Balance as at March 31, 2023	**0.37**	**218.15**	**24.18**	**3.17**	**1,430.55**	**18.75**	**1,695.17**
II. Accumulated depreciation							
Balance as at April 1, 2022	-	14.48	6.88	1.32	143.86	3.36	169.90
Depreciation expense for the year	-	3.33	2.34	0.40	47.35	1.93	55.35
Assets included in a disposal group classified as held for sale	-	(0.98)	-	-	-	-	(0.98)
Disposals/Adjustments	-	-	(0.03)	-	(1.05)	-	(1.08)
Effect of Foreign currency exchange difference	-	-	0.01	-	0.14	-	0.15
Balance as at March 31, 2023	**-**	**16.83**	**9.20**	**1.72**	**190.30**	**5.29**	**223.34**
Net block (I-II)							
Balance as at March 31, 2023	**0.37**	**201.32**	**14.98**	**1.45**	**1,240.25**	**13.46**	**1,471.83**

*Numbers are below rounding off

Note:

i) Refer note 50 for details of Capital commitment relating to Property, plant and equipment.

ii) Refer note 24 for information on charge on Property, plant and equipement as collateral security by the group.

iii) Property, plant and equipment includes gross amount of ₹430.18 crores (March 31, 2022: Nil) for capex associated with a dedicated supply contract meeting the criteria of operating lease under Ind AS 116.

iv) The Group has revised the useful life of certain assets during the year based on external technical evaluation. Consequently, the depreciation charge for current year is lower by ₹20.38 crores. There will be similar impact in future years.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

5B. RIGHT-OF-USE ASSETS

This note provides information for leases where the Group is a lessee. The Group leases various Premises, Vehicles and Plant and machinery.

Description of Assets	Premises	Vehicles	Plant and machinery	Leasehold Land	Total
I. Gross Block					
Balance as at April 01, 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	-	-	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 01, 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	-	-	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**
I. Gross Block					
Balance as at April 01, 2022	22.63	1.56	2.53	24.33	51.05
Addition	-	2.12	-	-	2.12
Disposals/Adjustments	(0.16)	(0.14)	(0.35)	-	(0.65)
Effects of Foreign currency	-	-	0.04	-	0.04
Balance as at March 31, 2023	**22.47**	**3.54**	**2.22**	**24.33**	**52.56**
II. Accumulated depreciation					
Balance as at April 01, 2022	9.26	0.92	1.05	2.30	13.53
Depreciation expense for the year	5.56	0.56	0.20	(0.43)	5.89
Disposals/Adjustments	(0.16)	(0.14)	(0.35)	0.69	0.04
Effects of Foreign currency	-	-	0.01	-	0.01
Balance as at March 31, 2023	**14.66**	**1.34**	**0.91**	**2.56**	**19.47**
Net block (I-II)					
Balance as at March 31, 2023	**7.81**	**2.20**	**1.31**	**21.77**	**33.09**

* Numbers are below rounding off

5C. CAPITAL WORK-IN PROGRESS

(a) Movement of Capital work-in-progress

Description	Total
Balance as at April 1, 2021	**94.87**
Addition	708.60
Disposals/Adjustments/Transfers	(61.37)
Balance as at March 31, 2022	**742.10**
Addition	697.44
Disposals/Adjustments/Transfers	(1,160.96)
Balance as at March 31, 2023	**278.58**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

5C. CAPITAL WORK-IN PROGRESS (contd.)

(b) Ageing of Capital work-in-progress

Particulars	As at March 31, 2023				
	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	277.22	1.36	-	-	278.58
ii) Projects in temporarily suspended	-	-	-	-	-
Total	**277.22**	**1.36**	**-**	**-**	**278.58**

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**

(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. 2022-2023				
	To be completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	28.40	-	-	-	28.40

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

Note: In previous year, 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 ₹102.55 crores in Capital work-in-progress as preoperative expenses (Previous year : ₹21.46 crores)

6 INVESTMENT PROPERTIES

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount		
Opening Balance	59.58	59.58
Additions	-	-
Disposals	-	-
Closing Balance	**59.58**	**59.58**
II. Accumulated depreciation		
Opening Balance	6.80	5.67
Charge for the year	1.13	1.13
Closing Balance	**7.93**	**6.80**
Net carrying amount (I-II)	**51.65**	**52.78**

(i) Amount recognised in the Consolidated Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2023	As at March 31, 2022
Rental Income (refer note 35)	14.45	11.59
Direct operating expenses from property that generated rental income	2.79	2.74
Profit from investment properties before depreciation	**11.66**	**8.85**
Depreciation	1.13	1.13
Profit from investment properties	**10.53**	**7.72**

(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, 2023	As at March 31, 2022
not later than one year	5.63	4.76
later than one year and not later than five years	15.27	0.37
later than five years	-	-
Total	**20.90**	**5.13**
Operating lease rentals credited to the Consolidated Statement of Profit and Loss (refer note 35)	14.45	11.59

(iii) Fair Value

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	**207.27**	**190.74**

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

7. OTHER INTANGIBLE ASSETS AND GOODWILL

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**

Particulars	Other intangible assets - Software	Software
Balance at April 1, 2022	**3.07**	**87.76**
Additions	1.33	-
Deduction/Adjustment	-	-
Balance at March 31, 2023	**4.40**	**87.76**
Accumulated amortisation		
Balance at April 1, 2022	**2.58**	**-**
Amortisation expense	0.27	-
Deduction/Adjustment	-	-
Balance at March 31, 2023	**2.85**	**-**
Net carrying amount as at March 31, 2023	**1.55**	**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 prepares cash flow projections based on board approved financial budgets covering a five-year period, and a discount rate of 15.71% per annum, basis internal assessment, 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, 2023..

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	1,182,500	0.76	1,182,500	0.77
Add: Share in total comprehensive income		(0.01)		(0.01)
Total		**0.75**		**0.76**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		0.75		0.76
Aggregate amount of impairment in value of investments		-		-

9. INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	481,600	3.65	481,600	2.95
- 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)				
- ICICI Prudential Liquid Fund - Growth (previous year: Nil)	32,125.60	1.06	-	-
(c) Investments in Alternate investment fund - (at fair value through profit or loss)				
- ASK Real Estate Special Situation Fund - I -RESSF-4071	541	7.24	903	10.21
Total		**11.95**		**13.16**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		11.95		13.16
Aggregate amount of impairment in value of investments		-		-

10. LOANS (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
- Loans to employees	0.32	-
	0.32	**-**
Less: Loss allowance	-	-
Total	**0.32**	**-**

Break-up of Security details

Particulars	As at March 31, 2023	As at March 31, 2022
Loans considered good - Secured	-	-
Loans considered good - Unsecured	0.32	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**0.32**	**-**
Loss allowance	-	-
Total	**0.32**	**-**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

11 OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks held as margin money*	10.19	6.03
Security deposits	14.78	12.10
Rent Receivable	2.79	0.99
Total	**27.76**	**19.12**

* The above bank deposits are marked as lien against bank guarantees.

12. NON-CURRENT TAX ASSETS / CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Tax Assets [net of provision ₹390.76 Crores (March 31, 2022: ₹297.64 Crores)]	31.41	28.98
Current Tax Liability [net of Advance tax ₹182.86 Crores (March 31, 2022: ₹170.46 Crores)]	8.23	9.24

13. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	4.66	3.33
Prepaid expenses	0.35	0.99
Advance Fringe benefit tax	0.04	0.04
Advances towards a Project (refer note 53)	1.63	1.63
Balances with government authorities	59.79	-
Total	**66.47**	**5.99**

14. INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	299.45	136.47
Work-in-progress	58.82	38.82
Finished goods	58.29	45.22
Stock-in-trade	22.57	25.60
Stores and Spares	28.99	11.43
Total	**468.12**	**257.54**

Write-downs of inventories to net realisable value amounted to ₹1.57 crores (March 31, 2022 – ₹1.00 crore). 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

15. INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	110,000	2.27	110,000	2.75
(b) Investments in mutual funds (Unquoted) - (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
- Sundaram Liquid Fund - Growth	72,863	11.05	-	-
- 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	-	-	527,820	6.00
- UTI Overnight Fund - Regular Plan Growth	-	-	17,354	5.00
- AXIS Overnight Fund - Regular Plan Growth	50,869	6.02	44,607	5.00
- ICICI Prudential Overnight Fund Growth	74,808	9.00	656,792	7.51
- L&T Overnight Fund Growth	-	-	47,544	7.51
(c) 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	2.77	18	2.41
Total		**31.11**		**104.19**
Of the above:				
Aggregate amount of quoted investments and market value thereof		2.27		2.75
Aggregate amount of unquoted investments		28.84		101.44
Aggregate amount of impairment in value of investments		-		-

16. TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	565.66	359.77
Less:- Allowance for doubtful debts (expected credit loss allowances) (refer note 47.5)	(4.14)	(2.11)
Total receivables	**561.52**	**357.66**

Break-up for security details

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	1.15	1.14
Trade receivables considered good - Unsecured	560.37	356.52
Trade receivables - credit impaired	4.14	2.11
Total receivables	**565.66**	**359.77**
Allowance for doubtful debts (expected credit loss allowances) (refer note 47.5)	(4.14)	(2.11)
Total trade receivables	**561.52**	**357.66**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

16. TRADE RECEIVABLES (contd.)

Ageing of trade receivables:

Particulars	As at March 31, 2023						
	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	510.61	46.01	3.90	1.00	-	-	561.52
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	0.26	2.00	0.62	1.26	4.14
Total Undisputed Trade receivables	**510.61**	**46.01**	**4.16**	**3.00**	**0.62**	**1.26**	**565.66**
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed Trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Receivables	**510.61**	**46.01**	**4.16**	**3.00**	**0.62**	**1.26**	**565.66**

Ageing of trade receivables:

Particulars	As at March 31, 2022						
	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	-	-	0.03	0.71	0.01	1.36	2.11
Total Undisputed Trade receivables	**299.58**	**51.46**	**6.65**	**0.71**	**0.01**	**1.36**	**359.77**
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed Trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Receivables	**299.58**	**51.46**	**6.65**	**0.71**	**0.01**	**1.36**	**359.77**

17A. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.09	0.10
Balances with banks in current account *	14.33	13.38
Deposits with original maturity of less than or equal to 3 months	0.05	62.26
Total	**14.47**	**75.74**

*One current account with bank balance ₹0.02 Crores (March 31, 2022: ₹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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

17B. OTHER BANK BALANCES

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend	4.88	4.65
Buyback account	0.01	0.01
Deposits with maturity of more than 3 month and less than 12 months	3.66	4.13
Deposits received under protest (refer note 54)	11.44	10.95
Balances in earmarked accounts (Unpaid matured debentures)	0.35	0.35
Total	**20.34**	**20.09**

18. LOANS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
- Loan to Others	-	0.51
	-	**0.51**
Less: Loss allowance	-	-
Total	**-**	**0.51**

Break-up of Security details

Particulars	As at March 31, 2023	As at March 31, 2022
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**

19. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Rent Receivable	0.33	4.64
Security deposits	1.40	0.36
Derivative assets - Foreign exchange contracts	0.32	0.86
Export incentive receivables	4.29	-
Other Receivable	1.54	-
Total	**7.88**	**5.86**

20. OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	88.30	70.65
Prepaid expenses	5.21	3.45
Balances with government authorities	196.61	114.92
Other deposits	-	2.12
Others advances	70.89	6.54
Total	**361.01**	**197.68**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

21. ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at March 31, 2023	As at March 31, 2022
Building	1.72	-
Total	**1.72**	**-**

22. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Shares		
17,50,00,000 equity shares of ₹2.00 each	35.00	35.00
Issued, subscribed and fully paid shares		
4,95,71,170 (as at March 31, 2022 - 4,95,53,150) equity shares of ₹2.00 each	9.91	9.91
Less: Calls in arrears [refer note 22 (f)]	*	*
Total	**9.91**	**9.91**

*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, 2021	**49,503,220**	**9.90**
Add: Shares issued on exercise of employee stock options during the year	49,930	0.01
Balance as at March 31, 2022	**49,553,150**	**9.91**
Add: Shares issued on exercise of employee stock options during the year	18,020	*
Balance as at March 31, 2023	**49,571,170**	**9.91**

(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 48.

(d) Details of shareholders holding more than 5% shares in The Company

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2023		
Mafatlal Impex Private Limited	1,14,07,420	23.01%
As at March 31, 2022		
Mafatlal Impex Private Limited	1,14,07,420	23.02%
Smallcap World Fund, Inc	30,68,598	6.19%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

22. EQUITY SHARE CAPITAL (contd.)

(e) Details of shareholders holding of promoter:

Shareholding of promoters as on March 31, 2023

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	382,635	0.77	*
Vishad Padmanabh Mafatlal	714,349	1.44	(38.12)%
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	-	*
Terebinth Ventures Private Limited (formerly known as Anshi Ventures Private Limited)	100	-	*
Pamil Investments Pvt Ltd	5,000	0.01	*
Mafatlal Exim Private Limited	1,628,729	3.29	*
Mafatlal Impex Private Limited	1,14,07,420	23.01	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	121,275	0.24	*
Total	**1,42,79,724**	**28.80**	

* Numbers are below rounding off

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	382,635	0.77	*
Vishad Padmanabh Mafatlal	1,154,349	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	1,628,729	3.29	*
Mafatlal Impex Private Limited	1,14,07,420	23.02	*
Vishad Padmanabh Mafatlal Public Charitable Trust No. 1	121,275	0.24	*
Total	**1,47,19,724**	**29.70**	

* Numbers are below rounding off

(f) Calls unpaid (by other than officers and directors)

Particulars	Number of shares	Amount
As at March 31, 2023		
Equity shares of ₹2.00 each, ₹1.00 called up but unpaid	8,920	*
As at March 31, 2022		
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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

23. OTHER EQUITY

23A. RESERVES AND SURPLUS

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	27.18	25.47
General Reserve	73.33	73.33
Share Options Outstanding Account	17.62	1.30
Retained Earnings	1,901.05	1,579.62
Total	**2,019.18**	**1,679.72**

(i) Securities Premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	25.47	21.72
Add: Received during the year on shares issued on exercise of employee stock options during the year	1.71	3.75
Total	**27.18**	**25.47**

(ii) General Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	73.33	73.33
Closing Balance	**73.33**	**73.33**

(iii) Share Options Outstanding Account

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1.30	2.36
Employee stock option expense (Net)	16.32	(1.06)
Closing Balance	**17.62**	**1.30**

(iv) Retained Earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,579.62	1,371.39
Add: Profit for the year	375.18	263.07
Less:		
Other comprehensive income for the year, net of income tax	0.77	(0.83)
Dividends (including tax)	(54.52)	(54.48)
Reversal of excess provision of Dividend Distribution tax	-	0.47
Closing Balance	**1,901.05**	**1,579.62**

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

23B. OTHER RESERVES

Particulars	As at March 31, 2023	As at March 31, 2022
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	0.01
Foreign currency translation reserve	4.81	3.54
Total	**155.86**	**154.59**

(i) Capital Reserve no.1

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	80.35	80.35
Closing Balance	**80.35**	**80.35**

(ii) Capital Reserve no.2

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	70.35	70.35
Closing Balance	**70.35**	**70.35**

(iii) Capital Redemption Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Opening Balance	0.01	0.24
Less: trading approval received during the year	*	-
Add: amount received against share options during the year	-	(0.23)
Closing Balance	**0.01**	**0.01**

* Numbers are below rounding off.

(v) Foreign currency translation reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	3.54	3.94
Add: Changes in foreign currency translation reserve	1.27	(0.40)
Closing Balance	**4.81**	**3.54**

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

24. BORROWINGS

Particulars	Non- Current As at March 31, 2023	Current As at March 31, 2023	Non- Current As at March 31, 2022	Current As at March 31, 2022
Secured *				
Term Loan from banks (refer note a)	753.13	-	100.00	-
Cash Credit (refer note b)	-	81.95	-	-
Working Capital Loan from banks (refer note b)	-	13.57	-	4.47
Total	**753.13**	**95.52**	**100.00**	**4.47**

* interest accrued on borrowings are included in the respective amounts.

Terms of Borrowings:

a. Term Loan from banks

(i) The term Loan carries interest rate of 5.55% - 8.92% (Previous year: 5.55%). Interest rate is derived from base rate/ 3m TBill plus spread.

(ii) The loan is repayable in 16 quarterly installment after 24 months of disbursement.

(iii) The loan is secured by way of:

- Unconditional and irrevocable corporate guarantee from Holding Company.
- First pari passu charge on fixed assets of Navin Fluorine Advanced Sciences Limited both present and future.
- Second pari passu charge on current assets of Navin Fluorine Advanced Sciences Limited both present and future.

b. Cash Credit and Working Capital Loans

(i) The Cash credit and Working capital loans carry interest rate of 7.50% - 8.50% (Previous year: Nil). Interest rate is derived from base rate/ MCLR / MIBOR plus margin.

(ii) Cash credit and Working capital loan is repayable on demand

(iii) The loan is secured by way of:

- Unconditional and irrevocable corporate guarantee from Holding Company.
- First pari passu charge on current assets of Navin Fluorine Advanced Sciences Limited both present and future.
- Second pari passu charge on fixed assets of Navin Fluorine Advanced Sciences Limited both present and future, excluding land.

c. Net debt reconciliation:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	14.47	75.74
Liquid Investments	31.11	104.19
Lease Liabilities	(12.15)	(16.35)
Borrowings	(848.65)	(104.47)
Total	**(815.22)**	**59.11**

Particulars	Other assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid investments	Lease Liabilities	Borrowings	
Net debt as at March 31, 2021	**131.85**	**84.54**	**(22.54)**	**(2.52)**	**191.33**
Cash flows	(56.11)	19.06	6.89	(101.95)	(132.11)
New leases	-	-	(0.70)	-	(0.70)
Interest expense	-	-	(1.18)	-	(1.18)
Interest paid	-	-	1.18	-	1.18
Fair value adjustments	-	0.59	-	-	0.59
Net debt as at March 31, 2022	**75.74**	**104.19**	**(16.35)**	**(104.47)**	**59.11**
Cash flows	(61.27)	(73.59)	5.67	(744.18)	(873.37)
New leases	-	-	(1.47)	-	(1.47)
Interest expense	-	-	(0.95)	(26.57)	(27.52)
Interest paid	-	-	0.95	26.57	27.52
Fair value adjustments	-	0.51	-	-	0.51
Net debt as at March 31, 2023	**14.47**	**31.11**	**(12.15)**	**(848.65)**	**(815.22)**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

25. LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	6.42	10.04
Total	**6.42**	**10.04**

26. PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note 46.3)	15.09	13.68
Total	**15.09**	**13.68**

27. DEFERRED TAX LIABILITIES - (NET)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	65.48	46.58
Less: deferred tax assets	(30.74)	(26.44)
Total Deferred Tax Liabilities (Net)	**34.75**	**20.14**

27.1 MOVEMENT OF DEFERRED TAX

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2023

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	38.93	18.87	-	57.80
Right-of-use to assets	4.00	(0.58)	-	3.42
Financial asset measured at FVTPL	0.71	0.52	-	1.23
On undistributed profit	2.84	-	-	2.84
Foreign Currency translation reserve	0.24	-	-	0.24
Others	(0.14)	0.09	-	(0.05)
Total deferred tax liabilities	**46.58**	**18.90**	**-**	**65.48**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	16.31	1.35	-	17.66
Fair Valuation of loan to wholly owned subsidiary	(0.58)	(0.15)	-	(0.73)
Provision for Compensated Absences	1.99	0.93	-	2.91
Provision for Gratuity	0.36	0.36	-	0.72
Provision for doubtful debts	0.53	0.58	-	1.11
Preliminary expenses u/s. 35D	0.33	(0.10)	-	0.23
Lease Liabilities	4.39	(0.22)	-	4.17
Capital losses	0.16	(0.16)	-	-
Others	2.95	1.72	-	4.67
Total deferred tax assets	**26.44**	**4.31**	**-**	**30.74**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**20.14**	**14.59**	**-**	**34.75**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

27.1 MOVEMENT OF DEFERRED TAX (contd.)

(ii) 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	-	16.31
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	3.10	(0.15)	-	2.95
Total deferred tax assets	**27.13**	**(0.69)**	**-**	**26.44**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**20.75**	**(0.61)**	**-**	**20.14**

28. OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Liability against project contracts (refer note 53)	13.35	13.35
Deferred Government Grant	0.12	0.14
Total	**13.47**	**13.49**

29. LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	5.73	6.31
Total	**5.73**	**6.31**

The total expenses related to short term lease (included in other expenses) was ₹0.93 crores (March 31, 2022 : ₹1.22 crores)

30 TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	40.63	14.14
Total outstanding dues other than above	202.85	132.39
Total	**243.48**	**146.53**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

30 TRADE PAYABLES (contd.)

Ageing of Trade Payables:

Particulars	As at March 31, 2023						
	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	0.92	26.67	13.04	-	-	-	40.63
b) Others	60.24	127.36	14.54	0.12	0.24	0.35	202.85
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed Trade Payables	**61.16**	**154.03**	**27.58**	**0.12**	**0.24**	**0.35**	**243.48**
Disputed trade Payables							
a) Micro enterprises and small enterprises	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed Trade Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Payables	**61.16**	**154.03**	**27.58**	**0.12**	**0.24**	**0.35**	**243.48**

Particulars	As at March 31, 2022						
	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	13.22	96.69	22.34	-	-	0.14	132.39
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed Trade Payables	**13.22**	**110.26**	**22.91**	**-**	**-**	**0.14**	**146.53**
Disputed trade Payables	**-**						
a) Micro enterprises and small enterprises	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed Trade Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade Payables	**13.22**	**110.26**	**22.91**	**-**	**-**	**0.14**	**146.53**

31. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividends*	4.88	4.65
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	0.40	0.26
Capital Creditors	84.17	152.90
Security Deposits received	11.36	10.42
Others	0.06	0.05
Total	**101.23**	**168.64**

* 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

32. PROVISIONS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note 46.3)	4.64	3.50
Gratuity Payable (refer note 46.2)	3.32	1.90
Total	**7.96**	**5.40**

33. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers (refer note 54)	11.90	11.32
Statutory dues	10.90	8.19
Deferred Government Grant	0.02	0.02
Payables to Employees	30.74	20.53
Others	0.39	2.01
Total	**53.95**	**42.07**

34. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	2,037.73	1,437.22
Sale of services	27.65	10.79
Other operating revenues		
- Scrap Sales / others	4.71	2.97
- Export Incentives	7.31	2.38
Total	**2,077.40**	**1,453.36**

Note:

a) The group is primarily engaged in the business of manufacture and sale of fluorine chemistry products and revenue from such products is derived from transfer at a point in time which is shown under sale of products as above.

b) Includes sale of products associated under a dedicated supply contract meeting the criteria of operating lease under Ind AS 116. Estimated operating lease income under Ind AS 116 is ₹45.78 crores (March 31, 2022: Nil).

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	1.25	3.03

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

35. OTHER INCOME

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
- on banks deposits	0.92	15.70
- on inter corporate deposits	-	-
- on income tax refund	0.93	5.30
- on loans and advances	2.10	0.96
- others	0.01	-
Dividend income		
- on investments in Shares	0.03	0.02
Lease rental income on investment properties (refer note 6)	14.45	11.59
Other gains and losses		
- Gain on disposal of property, plant and equipment	2.00	-
- Net gain arising on financial assets mandatorily measured at FVTPL	0.97	3.18
- Excess provision/ liabilities written back (Net)	0.50	-
- Net gain arising on sale of Mutual funds	9.04	0.09
- Net gain on foreign currency transactions	3.10	-
- Miscellaneous Income	1.68	2.38
Total	**35.73**	**39.22**

36. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material consumed	876.37	616.66
Packing material consumed	29.35	33.83
Total	**905.72**	**650.49**

37. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	58.29	45.22
Work-in-progress	58.80	38.82
Stock-in-trade	22.57	25.60
	139.66	**109.64**
Inventories at the beginning of the year		
Finished goods	45.22	33.86
Work-in-progress	38.82	42.55
Stock-in-trade	25.60	23.32
	109.64	**99.73**
	(30.02)	**(9.91)**
Add/(Less): Foreign currency translation adjustments	(0.65)	0.35
Net Increase	**(29.37)**	**(10.26)**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

38. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and bonus	211.80	165.45
Contribution to provident and other funds (refer note 46.1 and 46.2)	8.61	6.76
Employee share-based payment expense (refer note 48)	16.79	-
Staff Welfare Expenses	8.21	6.71
Gratuity expenses (refer note 46.2)	4.00	2.61
Total	**249.41**	**181.53**

39. FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	19.31	0.17
Interest on Lease liabilities	0.95	1.21
Interest on Others	7.26	0.52
Total	**27.52**	**1.90**

40. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 5A)	55.35	39.17
Depreciation on Right-of-use assets (refer note 5B)	5.89	7.18
Depreciation on investment properties (refer note 6)	1.13	1.13
Amortisation of intangible assets (refer note 7)	0.27	0.42
Total	**62.64**	**47.90**

41. OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	134.54	75.63
Rent expense (refer note 45)	0.93	1.22
Repairs and Maintenance		
- Plant and Machinery	12.84	10.57
- Buildings	1.43	0.98
Consumption of stores and spares	47.90	41.06
Transport and freight charges (Net)	43.07	35.76
Labor contract charges	31.17	16.97
Property maintenance expenses	0.08	0.08
Legal and Professional Charges (refer note 41.1)	17.63	15.40
Rates & Taxes	7.40	5.53
Insurance	8.19	6.68
Directors Sitting Fees	0.50	0.47
Loss on Sale/ retirement of property, plant & equipment	0.03	0.47
Net loss (gain) on foreign currency transactions	0.26	0.93
Provision for doubtful debts / advances (Net)	2.03	0.07
Expenditure on Corporate Social Responsibility (refer note 41.2)	6.15	5.28
Net loss arising on sale of Investments	-	0.37
Miscellaneous expenses	67.52	33.92
Total	**381.67**	**251.39**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

41.1 Payment to Auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors		
a) Statutory audit	0.47	0.47
b) Other audit services	0.27	0.25
c) Re-imbursement of expenses	0.01	0.01
Total	**0.75**	**0.73**

41.2 Corporate Social Responsibility

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the company during the year	6.14	5.23
b) Amount spent during the year on:	6.15	5.28
	In cash	Yet to be paid in cash
For the year March 31, 2023		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	6.15	5.28
For the year March 31, 2022		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.28	5.66

42 INCOME TAXES

Income tax expenses recognised

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	106.10	85.04
- Excess provision of tax for earlier years	-	(3.28)
- Deferred tax	14.59	(0.61)
	120.69	**81.15**
In respect of the current year		
- Current tax recognised in other comprehensive income	0.26	(0.26)
	0.26	**(0.26)**
Total income tax expense recognised in the current year	**120.95**	**80.89**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**495.88**	**344.23**
Income tax expense	120.75	88.17
Effect of:		
Income exempt from tax	(0.12)	(3.37)
Tax Charge/(Reversal) of earlier years	-	(3.28)
Expenses that are not deductible in determining taxable profit	1.67	1.75
Tax concessions (availed) / reversed	(2.89)	(3.71)
Income taxable at different tax rate	(0.05)	(0.10)
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	1.41	(0.01)
Others	(0.08)	1.70
Income tax expense recognised in Consolidated Statement of Profit and loss	**120.69**	**81.15**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

43. 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.

(i) 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, 2023			As at and for the year ended March 31, 2022		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues *	699.07	1,378.33	2,077.40	695.01	758.35	1,453.36
Carrying cost of non current assets @	2,014.47	7.87	2,022.34	1,327.54	5.62	1,333.16
Cost incurred on acquisition of property, plant and equipment	689.29	-	689.29	713.83	0.21	714.04

* Timing of revenue recognition is at a point in time.
@ Excluding financial assets.

(ii) Revenue from customers of the Group which is individually more than 10 percent of the Group's total revenue:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Customer A	360.37	-

44. EARNING PER SHARE

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, 2023	For the year ended March 31, 2022
Profit for the year attributable to equity shareholders - (₹in crores) - **A**	375.18	263.07
Weighted average number of equity shares outstanding during the year - **B**	49,558,378	49,528,217
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	173,700	33,287
Weighted average number of Equity shares adjusted for the effect of dilution - **C**	49,732,078	49,561,504
Basic earnings per share - ₹**(A / B)**	75.70	53.12
Diluted earnings per share - ₹**(A / C)**	75.44	53.08
Nominal value per share - ₹	2.00	2.00

45. 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 cancelable at the option of the Group or the lessor. The lease payment recognised in the Consolidated Statement of Profit and Loss is ₹0.93 Crores (March 31, 2022: ₹1.22 Crores). From April 01, 2019 the Group has recognised right of use assets for these leases, except short term leases. Refer note 5B for further information.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

46. EMPLOYEE BENEFIT PLANS

46.1 Defined Contribution Plan

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss for the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to Provident Fund	5.18	3.66
Contribution to Family Pension Fund	1.63	1.30
Contribution to Superannuation Fund	1.69	1.71
Contribution to Employees' State Insurance Scheme	0.01	0.01
Contribution to Employees' Deposits Linked Insurance Scheme	0.10	0.08
Total	**8.61**	**6.76**

46.2 Defined Benefit Plans

(i) 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) 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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	(33.54)	(30.15)
Fair value of plan assets	30.22	28.24
Net liability arising from gratuity	(3.32)	(1.91)

(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, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	4.14	2.67
Net interest expenses	0.04	0.02
Less: Amount transferred to Capital work in progress	0.10	0.05
Total (A)	**4.28**	**2.74**
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)	(0.32)	(0.29)

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

46.2 Defined Benefit Plans (contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Actuarial gains and losses arising from changes in demographic assumptions	(1.53)	(0.33)
- Actuarial gains and losses arising from changes in financial assumptions	(0.63)	(0.58)
- Actuarial gains and losses arising from experience adjustments	1.45	2.29
Total (B)	**(1.03)**	**1.09**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	30.15	27.98
Current service cost	4.14	2.67
Interest cost	2.04	1.82
Liabilities assumed for employee transferred to/from other entity	-	0.01
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in demographic assumptions	(1.53)	(0.33)
- Actuarial gains and losses arising from changes in financial assumptions	(0.63)	(0.58)
- Actuarial gains and losses arising from experience adjustments	1.45	2.29
Benefits paid	(2.08)	(3.71)
Closing defined benefit obligation (C)	**33.54**	**30.15**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	28.24	26.87
Interest income	1.91	1.74
Remeasurement gain/(loss):		
- Return on plan assets (excluding interest income)	0.32	0.29
Contributions by employer	1.83	3.05
Benefits paid	(2.08)	(3.71)
Closing fair value of plan assets (D)	**30.22**	**28.24**

(c) Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations of gratuity liability were as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
1. Discount rate	7.50% / 7.30%	7.37% / 6.84%
2. Salary escalation	10%	10%
3. Mortality rate	Indian Assured Lives Mortality 2012 - 14 (Urban)	Indian Assured Lives Mortality 2012 - 14 (Urban)
4. Attrition rate	2% / 15%	2% / 11%

(d) The expected contribution to the plan for the next financial year is ₹4.58 Crores (Previous Year: ₹3.66 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, 2023	As at March 31, 2022
Central Government of India	39.71%	11.29%
State Government Securities	0.00%	26.73%
Special Deposits Scheme	9.14%	10.78%
Debt Instruments/Corp Bonds	51.15%	51.20%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

46.2 Defined Benefit Plans (contd.)

(f) **The weighted average duration of the defined benefit obligation is 7 years (March 31, 2022: 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, 2023	7.23	15.25	30.61
As at March 31, 2022	5.81	12.14	30.19

(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 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, 2023	As at March 31, 2022
Impact of discount rate for 50 basis points increase	(0.74)	(0.78)
Impact of discount rate for 50 basis points decrease	0.79	0.82
Impact of salary escalation rate for 50 basis points increase	0.76	0.79
Impact of salary escalation rate for 50 basis points decrease	(0.73)	(0.75)
Impact of attrition rate for 50 basis points increase	(0.19)	(0.19)
Impact of attrition rate for 50 basis points decrease	0.20	0.20

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.

(ii) 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 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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	(54.33)	(45.41)
Fair value of plan assets	55.76	45.41
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 Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

46.2 Defined Benefit Plans (contd.)

(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, 2023	For the year ended March 31, 2022
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	3.56	2.59
Expected Return on plan assets	(3.71)	(3.21)
Net interest expenses	3.71	3.21
Total (A)	**3.56**	**2.59**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	45.41	39.15
Opening balance adjustment	0.84	(0.54)
Current service cost	3.56	2.59
Interest cost	3.71	3.21
Employee Contribution	5.58	4.49
Liabilities assumed for employee transferred from other entity	0.31	0.56
Benefits paid	(3.72)	(5.41)
Balance not recognized in Income statement	(1.36)	1.36
Closing defined benefit obligation (B)	**54.33**	**45.41**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	45.41	40.82
Remeasurement gain/(loss):	0.91	(0.85)
Expected Return on plan assets	3.71	3.21
Contributions	9.14	7.08
Asset transferred in for employee transferred from other entity	0.31	0.56
Benefits paid	(3.72)	(5.41)
Closing fair value of plan assets (C)	**55.76**	**45.41**

(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, 2023	As at March 31, 2022
Central Government of India	14.07%	13.71%
State Government Securities	32.62%	32.17%
Special Deposits Scheme	19.36%	23.03%
Public Sector Units	28.14%	27.01%
Others	5.80%	4.08%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

46.2 Defined Benefit Plans (contd.)

(iii) 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.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2023. 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.

46.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹19.73 crores (March 31, 2022: ₹17.18 crores).

47. FINANCIAL INSTRUMENTS AND RISK REVIEW

47.1 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, 2023	As at March 31, 2022
Net Debt	848.65	104.47
Total equity	2,184.95	1,844.22
Net debt to equity ratio	**38.84%**	**5.66%**

The net debt to equity ratio for the current year increased from 5.66% to 38.84% as a result of term loan taken from banks.

Loan covenants
The below financial covenants shall be tested by bank on annual basis starting from F.Y. 2023-24 onwards, based on audited financial statements of the Group:
a) **Debt service Coverage ratio (Group):** not below 1.30 times
b) **Current ratio (NFASL):** not below 1.30 times
c) **Fixed Asset Coverage Ration (NFASL):** Not below 1.5 times
d) **Long term Debt / EBITDA (Group):** Not to exceed 3 times

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

47.2 Fair Value Measurements

(i) Categories of financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	34.81	95.83
– Investments	2.77	2.41
– Trade receivables	561.52	357.66
– Loans	0.32	0.51
– Other financial assets	35.32	24.12
Measured at fair value through profit and loss (FVTPL)		
– Equity instruments	5.92	5.70
– Investments in mutual funds / Other funds	34.37	109.28
– Derivative assets	0.32	0.86
Financial liabilities		
Measured at Amortised Cost		
– Borrowing	848.65	104.47
– Lease liabilities	12.15	14.51
– Trade payable	243.48	146.53
– Other financial liabilities	107.25	178.42
Measured at fair value through profit and loss (FVTPL)		
– Derivative liability	0.40	0.26

(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 and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2023				
Financial assets				
– Investments in equity instruments	2.27	-	3.65	5.92
– Investments in mutual funds / Other funds	27.13	-	7.24	34.37
– Derivative assets	-	0.32	-	0.32
Financial liabilities				
– Derivative liability	-	0.40	-	0.40

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

47.2 Fair Value Measurements (contd.)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets	2.75	-	2.95	5.70
– Investments in equity instruments	99.07	-	10.21	109.28
– Investments in mutual funds / Other funds	-	0.86	-	0.86
– Derivative assets				
Financial liabilities				
– Derivative liability	-	0.26	-	0.26

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 unquoted 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 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.

47.3 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

47.4 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.

a. 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.

(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, 2023		As at March 31, 2022	
	(₹ in crores)	(Foreign Currency In crores)	(₹ in crores)	(Foreign Currency In crores)
Amount receivable				
USD	170.54	2.08	5.96	0.08
GBP	0.07	*	0.06	*
EURO	-	-	1.27	0.02
Amount payable				
USD	41.80	0.51	5.46	0.07
GBP	-	-	*	*
EURO	-	-	2.83	0.03
SGD	-	-	-	-

* 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, 2023		For the year ended March 31, 2022	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	3.86	(3.86)	0.01	(0.01)
GBP	0.00	(0.00)	*	*
EURO	-	-	(0.05)	0.05

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, 2023

Amount ₹ in crores unless otherwise stated

47.4 Market Risks (contd.)

(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, 2023	sell	239.47	2.91
March 31, 2022	sell	147.38	1.93
EURO			
March 31, 2023	sell	1.81	0.02
March 31, 2022	sell	3.38	0.04
GBP			
March 31, 2023	sell	0.28	0.00
March 31, 2022	sell	-	-
US Dollars			
March 31, 2023	buy	23.92	0.29
March 31, 2022	buy	51.87	0.68

b. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The group monitors fluctuations in interest rate continuously to minimise impact of interest rate risk.

(i) Exposure to interest rate risk related to borrowings with floating rate of interest.

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings bearing floating rate of interest	848.65	104.47

(ii) Interest rate sensitivity:

A change of 50 bps in interest rates would have following Impact on profit before tax:

Particulars	As at March 31, 2023	As at March 31, 2022
50 bp increase- decrease in profits *	4.24	0.52
50 bp decrease- Increase in profits *	(4.24)	(0.52)

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

c. 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

47.4 Market Risks (contd.)

d. 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 ₹0.23 Crores gain in statement if profit and loss (March 31, 2022: ₹0.27 Crores). A 10% decrease in equity prices would have led to an equal but opposite effect.

47.5 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.

(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 ₹561.52 Crores (March 31, 2022 - ₹357.66 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, 2023 was- ₹4.14 Crores (March 31, 2022 - ₹2.11 Crores).

Loss allowance as at March 31, 2023 was determined as follows for trade receivables under the simplified approach

As at March 31, 2023	Not Due	0-30 Days Past Due	31–60 days past due	61–90 days past due	91–180 days past due	180-365 days past due	More than 365 days past due	Total
Gross carrying amount – trade receivables	510.61	23.27	7.86	2.56	12.32	4.16	4.88	565.66
Expected loss rate	-	-	-	-	-	(6%)	(80%)	-
Expected credit losses– trade receivables	-	-	-	-	-	(0.26)	(3.88)	(4.14)
Carrying amount of trade receivables (net of impairment)	**510.61**	**23.27**	**7.86**	**2.56**	**12.32**	**3.90**	**1.00**	**561.52**

Loss allowance as at March 31, 2022 was determined as follows for trade receivables under the simplified approach

As at March 31, 2022	Not Due	0-30 Days Past Due	31–60 days past due	61–90 days past due	91–180 days past due	180-365 days past due	More than 365 days past due	Total
Gross carrying amount – trade receivables	299.58	35.06	4.32	11.60	0.48	6.65	2.08	359.77
Expected loss rate	-	-	-	-	-	-	(100%)	-
Expected credit losses– trade receivables	-	-	-	-	-	(0.03)	(2.08)	(2.11)
Carrying amount of trade receivables (net of impairment)	**299.58**	**35.06**	**4.32**	**11.60**	**0.48**	**6.62**	**-**	**357.66**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

47.5 Credit Risk (contd.)

Movement in the credit loss allowance

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning	2.11	2.04
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	2.03	0.07
Balance at the end	4.14	2.11

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.

47.6 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, 2023 and March 31, 2022. 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.

Particulars	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2023				
– Borrowing	848.65	95.52	753.13	848.65
– Trade payable	243.48	243.48	-	243.48
– Lease liabilities	12.15	5.85	7.17	13.02
– Other financial liabilities (other than derivative liabilities)	107.25	107.25	-	107.25
– Derivative liabilities	0.40	0.40	-	0.40
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

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

48. SHARE BASED PAYMENTS

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
	October 19, 2022	155,000	In 4 equal tranches on October 31, 2023, April 1, 2024, April 1, 2025 and April 1, 2026	2.00

*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, 2023

Amount ₹ in crores unless otherwise stated

48. SHARE BASED PAYMENTS (contd.)

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of year				
ESOS 2007	10,245	353.65	37,420	345.20
ESOS 2017	29,710	740.72	52,465	757.62
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	155,000	2.00	-	-
Exercised during the year				
ESOS 2007	1,125	274.71	27,175	342.01
ESOS 2017	16,895	710.90	22,755	779.69
Expired during the year				
ESOS 2007	5,705	335.05	-	-
ESOS 2017	1,465	780.00	-	-
Balance at the end year				
ESOS 2007	3,415	410.67	10,245	353.65
ESOS 2017	166,350	55.08	29,710	740.72

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2023 ₹4,145 (March 31, 2022 – ₹3,532).

(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, 2023	Share options March 31, 2022
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	1,365	5,720
October 24, 2016	October 23, 2026	554.40	2,050	4,525
March 19, 2018	March 18, 2028	780.00	11,350	15,395
May 9, 2018	May 8, 2028	770.35	-	-
January 7, 2019	January 6, 2029	698.45	-	14,315
October 19, 2022	October 18, 2032	2.00	155,000	-

(iv) The weighted average fair value of the options granted during the year is ₹4,091.85 (March 31, 2022: Nil). The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2023 included:

Grant Date	October 19, 2022			
	Vest 1	Vest 2	Vest 3	Vest 4
Vesting date	October 31, 2023	April 01, 2024	April 01, 2025	April 01, 2026
Volatility	38.07%	38.07%	37.88%	39.95%
Risk-Free rate of return	7.33%	7.33%	7.36%	7.37%
Exercise Price	2.00	2.00	2.00	2.00
Expected Life (Time to Maturity)	5.5	5.5	6.0	6.5
Dividend yield	0.79%	0.79%	0.79%	0.79%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

48. SHARE BASED PAYMENTS (contd.)

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(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, 2023 is ₹16.79 crores (March 31, 2022: NIL). Also refer note 34.

49. 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 / control**

Sri Sadguru Seva Sangh Trust
M/s Vigil Juris

b. **Entity over which Company has joint control (i.e. joint venture)**

Swarnim Gujarat Fluorspar Private Limited, India

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. 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
Mrs. Apurva S. Purohit - Independent Non- Executive Director

49.1 Disclosures in Respect of Significant Transactions with Related Parties During the Year:

Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Donation		
Sri Sadguru Seva Sangh Trust	2.00	2.00
Legal / Professional fees paid		
M/s Vigil Juris	0.33	-
Managerial remuneration (Short Term Employee Benefit)#	25.05	16.54
Director Sitting fees and Commission*	3.39	2.81

Excludes provision for gratuity and compensated absences which are determined based on an actuarial valuation done on overall basis for the group and accordingly individual figure are not available.

* Commission payable to Independent / Non-Independent, Non-executive directors for the year ended March 31, 2023 is subject to approval of shareholders.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

49.2 Disclosures of Closing Balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Amount due to Directors		
Mr. Vishad P. Mafatlal	6.67	5.44
Mr. Radhesh R. Welling	4.45	3.63
Mr. Mohan M. Nambiar	0.28	0.25
Mr. Pradip N. Kapadia	0.28	0.25
Mr. Sunil S. Lalbhai	0.28	0.25
Mr. Sudhir G. Mankad	0.28	0.25
Mr. Harish H. Engineer	0.28	0.25
Mr. Atul K. Srivastava	0.34	0.25
Mrs. Radhika V. Haribhakti	0.28	0.25
Mr. Ashok U. Sinha	0.28	0.25
Mr. Sujal A. Shah	0.30	0.25
Mrs. Apurva S. Purohit	0.28	0.12

Terms and Conditions:

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, 2023, 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 to subsidiary and joint venture company**

   Guarantees provided to the lenders of the joint venture company are for availing term loans from the lender banks.

50. CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	366.86	212.26
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	-	0.09

51. CONTINGENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Company 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	0.87
d. Employee related matters	0.07	0.07
e. Goods and Service tax matters	0.83	-
f. Other Corporate guarantee / Bank guarantees	0.15	0.15

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

52. RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹36.39 Crores (as at March 31, 2022 ₹34.89 Crores) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital Expenditure	5.65	8.67
Revenue Expenditure	30.74	26.22
Total	**36.39**	**34.89**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	16.45	13.74
Material / Consumable / Spares	6.83	5.62
Utilities	2.16	1.58
Other expenditure	3.38	3.61
Depreciation	1.92	1.67
Total	**30.74**	**26.22**

53. 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 13 and note 28)

54. 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, 2022 ₹0.66 Crores) and recovery of expenses, of ₹Nil, previous year, ₹Nil (aggregate to date, ₹0.42 Crores, as at March 31, 2022 ₹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.

55A. 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, 2023	As at March 31, 2022
Sulakshana Securities Limited - SSL	Lease rental of investment property	India	100%	100%
Navin Fluorine Advanced Sciences Limited - NFASL	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%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

55B. INVESTMENTS IN JOINT VENTURES

Aggregate information of Joint Ventures that are not individually material

Particulars	As at March 31, 2023	As at March 31, 2022
The Group's share of loss from operations	(0.01)	(0.01)
The Group's share of other comprehensive income	-	-
The Group's share of loss in total comprehensive income/(loss)	(0.01)	(0.01)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate carrying amount of the Group's interests in the Joint Ventures	0.75	0.76

There is no change in the group's ownership interest in Joint Ventures. 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.

55C. ADDITIONAL DISCLOSURE REQUIRED BY SCHEDULE III

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	65.19%	1,424.42	81.49%	305.76	100.49%	2.05	81.59%	307.81
Subsidiaries								
Indian								
Sulakshana Securities Limited - SSL	0.67%	14.66	1.03%	3.88	-	-	1.03%	3.88
Navin Fluorine Advanced Sciences Limited- NFASL	30.10%	657.63	18.03%	67.63	(0.49)%	(0.01)	17.93%	67.62
Foreign								
Manchester Organics Limited - MOL	1.14%	24.93	(0.71)%	(2.67)	-	-	(0.71)%	(2.67)
Navin Fluorine (Shanghai) Co. Ltd	0.01%	0.16	0.01%	0.04	-	-	0.01%	0.04
NFIL (UK) Limited	2.79%	60.87	(0.01)%	(0.04)	-	-	(0.01)%	(0.04)
NFIL (USA) Inc	0.07%	1.53	0.16%	0.59	-	-	0.16%	0.59
Joint Ventures (as per equity method)								
Indian								
Swarnim Gujarat Fluorspar Private Limited – SGFPL	0.03%	0.75	0.00%	(0.01)	-	-	0.00%	(0.01)
Total								
March 31, 2023	100.00%	2,184.95	100.00%	375.18	100.00%	2.04	100.00%	377.22

56. The Board of Directors has recommended final dividend of ₹7.00 per share on the face value of ₹2.00 each (350%), 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, 2023

Amount ₹ in crores unless otherwise stated

57. 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 on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks 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.

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 Group 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 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

Notes to T Consolidated Financial Statements as at and for the year ended March 31, 2023

Amount ₹ in crores unless otherwise stated

57. 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 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

Mumbai, May 13, 2023

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

Anish P. Ganatra
Chief Financial Officer

Mumbai, May 13, 2023

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries

Part "A" subsidiaries

₹ in crores

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 01, 2022 - March 31, 2023	100%	INR	0.15	14.51	30.77	16.11	1.06	-	5.04	1.16	3.88	-
2	Manchester Organics Limited	April 01, 2022 - March 31, 2023	*100%	GBP 1 GBP = INR 101.6475	-	25.19	42.05	16.85	-	45.52	(2.83)	-	(2.83)	-
3	NFIL (UK) Limited	April 01, 2022 - March 31, 2023	**100%	GBP 1 GBP = INR 101.6475	65.56	1.32	66.93	0.04	65.13	-	(0.04)	-	(0.04)	-
4	NFIL (USA) Inc	April 01, 2022 - March 31, 2023	100%	USD 1 USD = INR 82.17	0.82	0.71	1.57	0.04	-	10.00	0.81	0.19	0.62	-
5	Navin Fluorine (Shanghai) Co. Ltd	April 01, 2022 - March 31, 2023	100%	RMB 1 RMB = INR 11.9475	6.75	(6.59)	0.19	2.17	-	1.29	0.04	-	0.04	-
6	Navin Fluorine Advanced Sciences Ltd	April 01, 2022 - March 31, 2023	100%	INR	590.48	67.15	1,920.65	1,263.02	-	513.85	81.51	13.88	67.63	-

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

1 Names of subsidiaries which are yet to commence operations: None

2 Names of subsidiaries which have been liquidated or sold during the year: None

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, 2023	1,182,500	1.18	49.48%	0.75	(0.01)	-

Names of joint ventures which are yet to commence operation : Swarnim Gujarat Fluorspar Private Limited are yet to commence operations

Navin Fluorine
International Limited

www.nfil.in