PADMANABH MAFATLAL GROUP

Creating value. Sharing Value.

Responsible Care®

July 3, 2021

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

Dear Sir / Madam,

Sub.: Annual Report of the Company for the Financial Year 2020-2021

Pursuant to Regulation 34(1) and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith please find the Annual Report of the Company for the Financial Year 2020-2021 along with the Notice of 23rd Annual General Meeting of the Members of the Company.

The Annual Report is also being 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 MANKAD

Digitally signed by NIRAJ MANKAD
Date: 2021.07.03 19:51:35 +05'30'

Niraj B. Mankad
President Legal and Company Secretary

Encl.: a/a

ANNUAL REPORT 2020-21

Growing responsibly

PADMANABH MAFATLAL GROUP

Creating value. Sharing value.

Navin Fluorine International Limited

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.

Contents

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. Sharad M. Kulkarni
(DIN: 00003640) Director
(Upto March 31, 2021)

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

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

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

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

Mr. Ashok U. Sinha
(DIN: 00070477) Director
(w.e.f. October 28, 2020)

Mr. Sujal A. Shah
(DIN: 00058019) Director
(w.e.f. May 7, 2021)

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

Company Secretary

Mr. Niraj B. Mankad

Bankers

State Bank of India

AXIS Bank Limited

HDFC Bank Limited

Auditors

Price Waterhouse Chartered Accountants LLP

Solicitors

Vigil Juris

Registered Office

2nd Floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057.
Tel.: 022 6650 9999, Fax: 022 66509800
E-mail: info@nfil.in
Website: www.nfil.in

Units

Navin Fluorine, Surat 395023 (Gujarat)
Navin Fluorine, Dahej, District Bharuch 392130 (Gujarat)
Navin Fluorine, Dewas 455022 (M.P.)

Registrar & Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot no. 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad 500032
Tel: 040 67162222 -24
Telefax: 040 – 23001153
Email: einward.ris@kfintech.com
Website: www.kfintech.com

Investor Relation Centres

KFin Technologies Private Limited

24-B, Ground floor,
Rajabahadur Mansion,
Ambalal Doshi Marg,
Behind BSE, Fort,
Mumbai 400 023
Tel: 022-66235454, Fax: 022-66331135

Office No. 401, 4th floor,
ABC-1, Off. C.G. Road,
Ahmedabad 380 009
Cont. No.: 9081903021, 9081903022
Email: ahmedabadmfd@kfintech.com

23rd Annual General Meeting

23rd ANNUAL GENERAL MEETING
On Monday, July 26, 2021 at 3.00 pm IST through Video Conferencing/Other Audio Visual Means

Our FY 2020-21 performance in a snapshot

1,133

Revenues

₹ crs

23

Return on capital employed

%

385

EBITDA before exceptional items

₹ crs

13,614

Market capitalisation

₹ crs (as on March 31, 2021)

299

PAT

₹ crs

Growing responsibly

In a world marked by extensive uncertainty, there is a premium on growth.

More specifically, there is a premium on the ability to grow responsibly.

Growing responsibly warrants the ability to enhance value for all stakeholders in a sustainable way into the long-term.

At Navin Fluorine, we have grown responsibly across more than five decades through our commitment to build mutually winning partnerships with all our stakeholders.

The bottomlines of 'They grow, so we grow' and 'We grow, so they grow' have transformed us into a company that is trusted and respected.

Corporate snapshot

Within an hour of a typical morning, the average individual is likely to pop a pill, grab an apple from the refrigerator, check the time on the mobile and drive to the office.

These may appear as a series of routine activities conducted within just a few minutes.

Interestingly, in each of these activities, the individual would have been touched by a wonder chemical playing an increasing role in modern lives - *Fluorine*

When Navin Fluorine went into business more than five decades ago, the Company selected to specialise in this niche.

By growing responsibly, the Company has emerged as a dependable fluorochemicals partner for a number of downstream users in India and across the world.

Positioning

Positioned among the world's handful pure-play companies with strong fluorination capabilities.

Pedigree

- Flagship of the Padmanabh Mafatlal Group
- Led by Mr. Vishad P. Mafatlal (Chairman), Mr. Radhesh R. Welling (Managing Director) and a team of experienced professionals

Brand

The Company's Mafron is a trusted brand with OEMs and aftermarket customers in the refrigerant gas vertical.

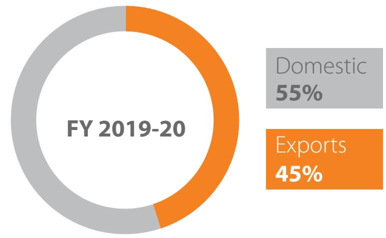
Presence

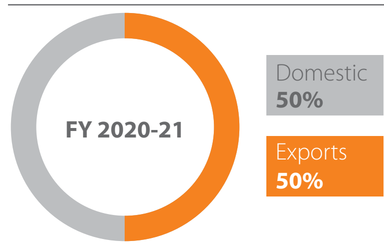
- Headquartered in Mumbai, Maharashtra
- Manufacturing units in Surat (Gujarat), Dewas (Madhya Pradesh) and a new site at Dahej (Gujarat)
- International presence with a unit in Manchester, United Kingdom
- Manufacturing units strategically proximate to ports, facilitating raw material imports and finished goods export

Growing responsibly

- Broadbased across four fluorine-based business verticals
- Created a sustainable accrual-driven growth engine
- Invested in knowledge and research as the principal business driver

Revenue by geography





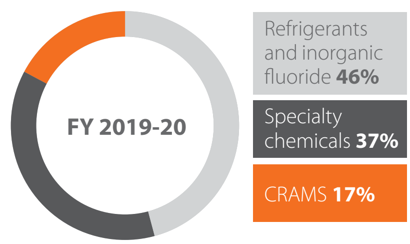
Strengths

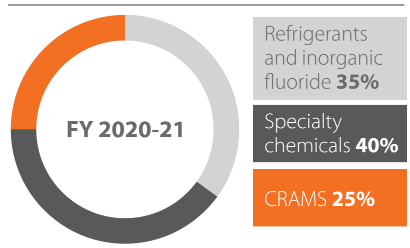
- Possesses more than 50 years of experience in complex fluorine chemistry
- Trusted supplier of specialty chemicals, Contract Research and Manufacturing Services, refrigerants and inorganic chemicals.
- Multi-year engagements with companies, underlining partnership value

Products

- Among select global companies with superior fluorination capabilities
- Among world's largest manufacturers of BF3 gas
- Engaged in the manufacture of fluorinated specialty chemicals
- Offers cutting-edge CDMO services in the fluorination space
- One of the largest manufacturers of inorganic fluorides in India

Revenue by business verticals





Customer-partners

- Customers include major global life science and crop science innovators
- Customers also include prominent petrochemical majors, stainless-steel manufacturers, air-conditioner OEMs and other fluorochemical users

Certifications

- The Company's manufacturing units are certified for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018
- The Company is a registered user of the Responsible Care logo

At Navin Fluorine, we reported a creditable performance despite a challenging environment.

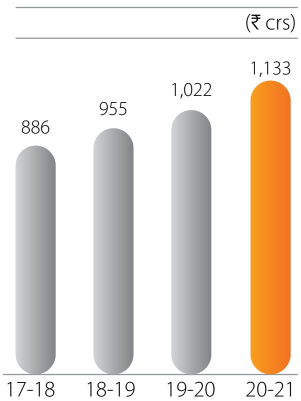
The financial health of our business

FY 2020-21	Quarter one	Quarter two	Quarter three	Quarter four
Revenues (₹ crs)	205	308	296	324
EBITDA before exceptional items (₹ crs)	88	102	91	104
Profit after tax (₹ crs)	52	66	59	122
Cash profit (₹ crs)	62	77	68	133

The financial hygiene of our business

FY 2020-21	Quarter one	Quarter two	Quarter three	Quarter four
EBITDA margin (%)	36	32	30	30

How we strengthened our performance in the last few years



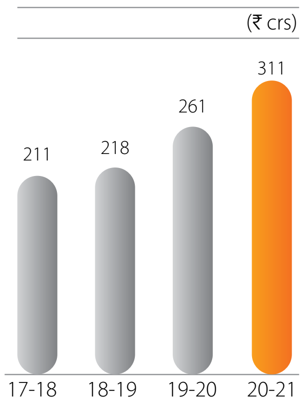
Revenues

Definition
Growth in sales net of taxes

Why is this measured?
It is an index that showcases the Company's ability to enhance revenues, an index that can be compared with sectoral peers.

What does it mean?
Aggregate sales increased 11% to ₹1,133 crs in FY 2020-21 following growth from the CRAMS and specialty chemical verticals.

Value impact
The Company performed better than the sectorial average.



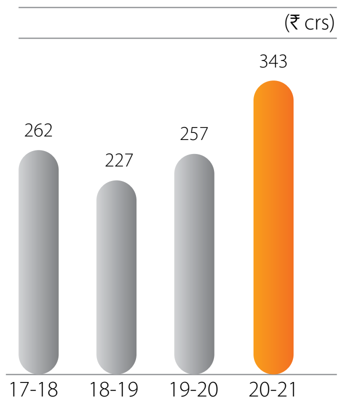
Operating EBITDA

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

Why is this measured?
It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs.

What does it mean?
Helps create a robust growth engine.

Value impact
The Company generated an attractive surplus despite sectorial challenges.



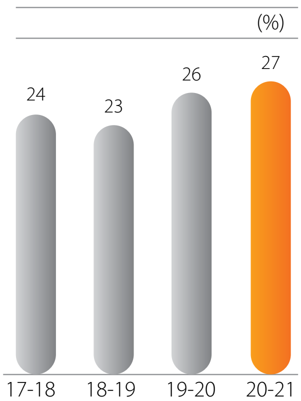
PBT before exceptional items

Definition
Profit earned during the year after deducting all expenses.

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

What does it mean?
Ensures that adequate surplus is available for reinvestment.

Value impact
The Company reported a 34% increase in profit before tax and exceptional items in FY 2020-21.



Operating EBITDA margin

Definition

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

Why is this measured?

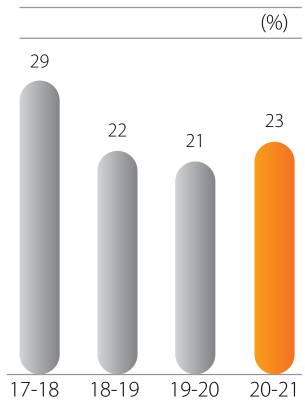
The EBITDA margin provides a perspective of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What does it mean?

This demonstrates adequate buffer in the business expressed as a percentage, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported a 193 bps increase in EBITDA margin during FY 2020-21 due to business growth and protected competitiveness.



RoCE

Definition

It is a financial percentage that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why is this measured?

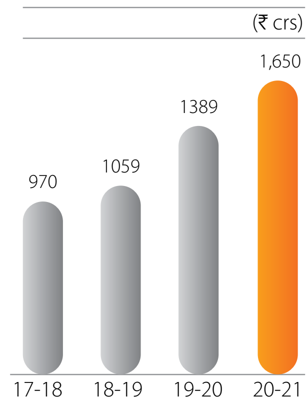
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

What does it mean?

Enhanced RoCE can potentially drive valuations and perception.

Value impact

The Company reported a 169 bps increase in RoCE during FY 2020-21.



Net worth

Definition

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

Why is this measured?

Net worth indicates the financial soundness of the Company – the higher the better.

What does it mean?

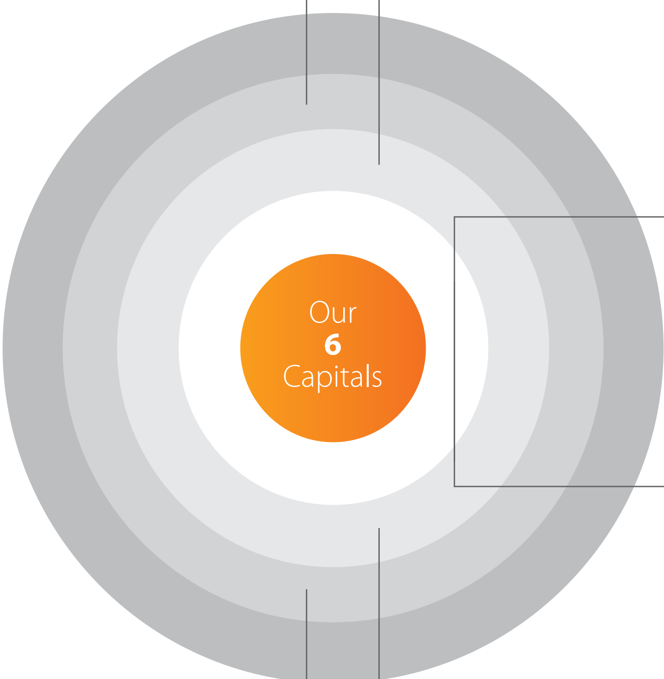
This indicates the borrowing capacity of the Company that influences the gearing (which in turn influences the cost at which the Company can mobilise debt).

Value impact

The Company's net worth strengthened 19% during the year under review.

Integrated values

How we enhanced value across our 6 Capitals



Manufacturing Capital

Intellectual Capital

Financial Capital

Human Capital

Natural Capital

Social and Relationship Capital

Overview

The enunciation of these Capitals has enhanced business clarity

Sustained investments in each Capital has strengthened competencies

Each Capital is mutually exclusive and generates attractive returns

The shareholder-centric approach validates the Company's ESG credentials

Manufacturing Capital	Invested in automation and digitisation	Initiated projects that facilitated backward integration	Made a new investment in setting up MPP at Dahej
Intellectual Capital	Enhanced focus on R&D activities	Created a strong product pipeline	Strong technology partnerships
Financial Capital	Debt-free Balance Sheet	Initiated stringent cost management measures	Paid an interim dividend of ₹5 per share; recommended a final dividend of ₹6 per share
Human Capital	Increased focus on talent acquisition	Significant investment in training and development	Engaged in strong organisation-wide retention programmes
Natural Capital	Reduced freshwater withdrawal	Recycled process water	Recycled process waste
Social and Relationship Capital	About 31,500 people benefited due to various community developmental activities	15 projects were supported towards these activities	₹8.68 crs was invested in CSR and other initiatives

Chairman's overview

Growing responsibly

An environment-social-governance (ESG) commitment represents the way ahead for responsible growth and strengthening organisational alignment

Dear shareowners,

Our founder Mr. Arvind Mafatlal visibly lived and demonstrated that growing with responsibility was imperative to build a sustainable business.

At Navin Fluorine, 'Growing responsibly' then – and now - is not a strategy; it is a belief system.

This belief represents a distillation of various values and ethics that go into building an enduring team-driven business.

At Navin Fluorine, we have been growing our business without compromising the health and safety of our people. In the face of the COVID-19 pandemic, we have been acting responsibly, supporting communities and making a small difference to all around us.

We have been investing in a safe and sustainable future for all our stakeholders.

We have been investing responsibly in stakeholder partnerships, strengthening our organisational resilience.

We have been securing our growth through research-led specialisation in a niche that enjoys a growing global relevance.

We have been growing to the extent of our desired risk appetite without stretching our resources.

We have been investing in digitalisation to enhance operational seamlessness and productivity.

In this context, I am inspired by the words of Abraham Lincoln who said: 'It often requires more courage to dare to do right than to fear to do wrong.'

We are optimistic that the outcome of these initiatives will be profitable and sustainable growth for all our stakeholders well into the long-term.

I take this opportunity to express my gratitude to all our stakeholders. In these challenging times, I wish for the well-being and safety of you and your families.

Vishad P. Mafatlal
Chairman

Operational review

"We embarked on initiatives that will shape the Navin Fluorine of the future"

Radhesh R. Welling, Managing Director, reviews the performance of the Company in FY 2020-21

Was the management pleased with the performance of the Company during FY 2020-21?

The Company performed creditably despite the challenges it encountered following the imposition of the lockdown from the first quarter of the financial year under review. The performance was visible across two levels – revenues increased 11% in FY 2020-21 over the previous financial year and the Company reported profitable growth as operating EBITDA increased 19% . This indicates that the Company's business model was not only protected but actually strengthened during the last financial year. The Company reported a 132 bps improvement in EBITDA margin to a record 27% in FY 2020-21; the Company belonged to the top 2 percentile of its sectorial margins the world over by the close of FY 2020-21.

What factors catalysed the Company's outperformance during a challenging year?

The Company's performance during this challenging year was primarily driven by three factors: new product introductions, operational excellence and product mix. The confluence of these factors helped drive top line growth as well as margin expansion.

What were some of the challenges faced by the Company in achieving this superior performance?

Permit me to explain this point with a reference to the prevailing context when we entered the first quarter of FY 2020-21. The outbreak of the COVID-19 virus prompted the Indian Government to announce a nationwide lockdown, which brought much of the material and person movement in the country to a standstill. The first casualty in such an environment was the certainty with which one could plan and forecast: we had two large plants in 'Red COVID-19 zones'; the most important question was whether we should operate these plants at all during the course of the pandemic as there was a large question mark over whether our employees would be able to attend work, whether their families would permit them to come and whether we would be able to assure their safety within our operating environment. Considering that we had never faced such a scenario, we were required to go deep into our operating discipline and judgment to emerge with relevant initiatives.

What were these initiatives?

Perhaps the most important initiative was to set up a Risk Management Office. One month before the lockdown was announced, we embarked on a full-fledged risk mitigation initiative that drew on the global reality of an unfolding pandemic. The Company short-listed a number of alternative raw material suppliers. These and many other activities were planned under the aegis of Risk Management Office. The result was that agility and responsiveness to the forecasted reality shortened our lead time in resolving the challenge. Our site leadership teams were empowered to maintain certain sense of urgency. The result is that the Company did not shut the plant out of panic or distress at any juncture; when the Company did decide to shut the plant for three weeks from March 24, 2020, it did so out of a sense of prudence as the safety of workers commuting to and from the plant was of paramount importance.

What safeguards did the Company take following the resumption of operations in mid-April 2020?

The Company resumed operations with zoning safeguards and protocols. The sites were segregated into zones; each zone operated almost like a separate plant, with its own entry and exit point. As a result of this disciplined conduct, I am pleased to communicate that there were no intra-site infections at any of our plants and the Company did not have to shut either of its plants following April 14, 2020. This operational continuity helped us honour customer delivery schedules, strengthening our partnerships at a time of uncertainty. The result was a double-digit percentage growth in revenues despite losing nearly a month's operations.

Q

You indicated that the Company embarked on growth initiatives to sustain momentum.

At Navin Fluorine, we have consistently addressed the business challenges of the day in addition to seeding our business with initiatives that will generate results in the future. During the year under review, the Company maintained this practice. In addition to identifying new growth opportunities, the Company continued to implement its existing growth projects. The challenges were considerable; even though the funds to reinvest in the business were available, there was a question mark about the availability of manpower necessary for construction etc. Large number of people had migrated to their home states. Despite this challenge, we worked with credible contractors and partners who could bring in necessary workforce to continue the project work. Due to this support from our partners, our growth initiatives are on track as outlined in the previous financial year.

Q

What are the implications of the growth initiatives being on track?

The implications are three-fold: one, delivery on the commitments made to the Board on capital investments for new growth projects in Surat and Dahej; two, deepening our relationships with key international partners, who saw us deliver on key milestones despite very challenging environment and three, strengthening our new products pipeline, which will form basis of our future growth.

Q

That brings us to the third leg of this review. You indicated that the management made progress in the area of organization building.

The management recognises the need to continue to invest in software (people) and hardware (infrastructure) to ensure sustainable growth. In order to drive future growth, we redesigned our organogram and brought in a number of talented and experienced executives at senior and mid-management level. We also continued to invest in our Future Leadership Program (FLP), a program designed to bring in young engineers who will become the future leaders of Navin Fluorine. One of the areas of organisation building we could have done better on is that of infrastructure. We intend to address this piece in the current financial year.

Q

What can shareholders expect of the Company in FY 2021-22?

Our existing plants are expected to run at their full capacity. The two projects under implementation in Dahej should start delivering results from next year. These investments offer attractive revenue and margin visibility. Our operating platforms continue to be well-differentiated and the new projects leverage our knowledge of complex fluorination chemistries. We will continue to develop and strengthen our differentiated business model, which will help us deliver sustainable and profitable future growth.

Navin Fluorine's ability to survive the pandemic was woven around thousands of acts of individual resilience

How Navin Fluorine turned its attention from industrial discipline to personal discipline – and prevailed

When the pandemic spread with speed through the country, Navin Fluorine was specifically threatened.

The Company comprised 859 employees; its plants (Surat and Dewas) were located in Red Zones.

This put the Company's capacity to deliver on schedule to customers at risk; any decline in production could have had a staggering impact on the Company's ability to service the needs of customers the world over.

At Navin Fluorine, we recognised that if we were to emerge unscathed, the highest standards of personal safety would need to become the call of the hour.

The Company embarked on the exercise to protect from the pandemic one worker at a time. Each worker was counselled; each worker was trained to maximise distance and minimise risk; each worker was introduced to extensive protective equipment.

For a company that had been used to team working and cross-flows of individual engagement, segregated working now became the new normal. The sites were divided into zones; inter-zone engagement was eliminated.

The result is that Navin Fluorine saw through the most endangered public health period in its existence with virtually no adverse impact.

What Navin Fluorine discovered was that even as the pandemic extended deep, its resilience went deeper.

Navin Fluorine's team collaborated to ensure smooth operations

How team-working won the day

At Navin Fluorine, much of our success across the years has been attributed to team working.

When the pandemic affected the ability of team members to engage within and across other teams, the general apprehension was that Navin Fluorine's operational engine would grind to a halt.

One of the first initiatives that Navin Fluorine rolled out was the creation of a Risk Management Office (RMO) that identified all the risks likely to affect the Company's operations. That comprehensive list provided the various professionals insights into how each risk could be effectively mitigated. The result was a comprehensive dossier on mitigation – across plants and functions.

The various teams turned to digital interventions to engage among themselves and thereafter with other Navin Fluorine teams.

The Supply Chain team connected with the Manufacturing team; the Manufacturing team coordinated with Projects group; the Projects group collaborated with the logistics and dispatch team.

The teams worked in unison: the seamlessness translated into a large volume of the highest quality delivered at the right time.

The result became immediately visible: when most companies in India were still struggling to get off the ground in the second quarter, Navin Fluorine reported its best-ever performance.

Navin Fluorine built for the future in a challenging year

When most people were downsizing, a future-facing Navin Fluorine was recruiting afresh

FY 2020-21 was marked by a trust deficit across the industrial world.

There was a premium on corporate stability, ability to address liabilities and strengthen business continuity.

During this critical juncture, when managing for the moment was a challenge in itself, Navin Fluorine did the unusual: the Company focused on recruiting and building a talent pipeline to support and drive its various growth initiatives.

Navin Fluorine recruited from premier institutes; that growth-seeking professionals were willing to join validated Navin Fluorine's credible reputation. Through Future Leadership Programme, we collaborated with IITs to identify and recruit the top talent and train them for leadership roles.

Financial analysis

How Navin Fluorine performed in FY 2020-21

Brand

At Navin Fluorine, our brand is the most valuable asset in business. Even as this asset does not figure on the Balance sheet, it influences the Balance Sheet in various ways: no industrial mishaps, no loss of lives, no shopfloor accidents that could have harmed workers, no HSE transgressions that could have attracted censure, no disruption in supplies to customers and no quality deviations that could have resulted in customer attrition, among others. The Company's recall was reinforced during the last financial year as a partner that can protect delivery schedules, manage the eco-system with competence to protect commitments of all kinds and a forward-looking ESG-driven player. This recall had extensive financial implications from defensive (cost moderation) and aggressive (revenue and margins growth) perspectives that strengthened our competitiveness in competitive markets.

Annual performance

The Company reported profitable growth in a challenging year. Revenues grew by 11%, operating EBITDA strengthened 19% and operating profit before tax increased 19%. This was another successive year that the Company reported profitable growth, a validation of its business model.

Quarter-wise performance

The Company reported a 15% decline in revenues in the first quarter of the financial year under review when compared with the corresponding period of the previous financial year. The fact that the Company reported this topline in a challenging environment, marked by supply chain and logistical disruptions, is a reflection of the Company's proactive initiatives to protect employees, tactical and operational preparedness, cross-functional engagement, integration into the business of customers and co-ordination with regulatory authorities for relevant permissions.

The Company reported a sharp growth in topline, bottom line and margins from the second quarter onwards. Revenues in the second quarter represented a 50% growth over the immediate previous quarter and 17% over the corresponding quarter of the previous financial year. The Company reported a 30% operating EBITDA margin during this quarter, its highest in the last many quarters. As a result of this outperformance, the Company more than made up on the revenue shortfall of the first quarter; the Company reported revenues of ₹512 crs in the first half of the reporting financial year compared with ₹506 crs in the first half of the previous financial year.

The fact that the Company could successfully report a sharp increase in performance across the second, third and fourth quarters sustained the sales pipeline, making it possible for the Company to amortise fixed expenses more effectively and strengthen operating margins.

Fluorine-based revenues

The Company emphasised its positioning as a fluorine-driven organisation. Nearly 94% of the revenues during the year under review were derived from fluorine-based businesses; 6% was derived from treasury income generated from the corpus on the Company's books and Other Income. By increasing revenues during the last financial year, the Company strengthened its brand and positioning as a fluorine-centric organisation. This strategic direction is being increasingly validated: there is a growing fluorination focus the world over; recognised as a versatile chemistry, fluorination accounts for three of every ten new drugs that are being placed on the market; fluorination is being validated for increased drug effectiveness, making it integral to the prospective plans of serious players.

Business unit-wise performance

Over the years, the Company has evolved from an excessive dependence on its legacy businesses of refrigerant gases and inorganic fluorides. The Company invested in fluorine chemistry-intensive businesses of specialty chemicals and contract research and manufacturing services (CRAMS), addressing different customers and driven by different dynamics.

The extension from two legacy operating platforms to four, broad-based the Company's risk profile, strengthened margins and widened the Company's responsiveness to a wider number of positive global and domestic triggers. The evolution was visible in the Company's revenues profile during the year under review: the proportion of revenues derived from the legacy businesses declined from 46% in FY 2019-20 to 35% in FY 2020-21; the proportion of new age businesses increased from 54% of total revenues in FY 2019-20 to 65% in FY 2020-21.

The Company is convinced that the complement of these verticals has enhanced its stability – some verticals perform creditably when others do not, protecting overall sustainability. This was validated during the first half of the year under review when the legacy businesses under-performed on account of their direct dependence on local economic factors while the new age verticals capitalised on multi-year customer relationships and the relatively non-cyclical nature of their businesses.

Profitability

The evolution in the contributors to the Company's revenues had a pass through impact on the Company's profitability. In 2015-16, the Company reported an operating EBITDA margin of 18%, which strengthened to 26% in FY 2019-20 and to 27% in FY 2020-21, indicating the intrinsic profitability of the business model. Besides, the increased margin was derived from increased volumes and a portfolio shift towards the value-added as distinct from resource arbitrage.

This rising EBITDA margin corridor represents a validation of the Company's revenue progression towards more remunerative businesses, translating into a superior volume-value proposition. The Company is among the rare fluorine-based companies to enjoy as high an EBITDA margin. Correspondingly, the Company reported an improved Return on Capital Employed (RoCE) from 21% in FY 2019-20 to 23% in FY 2020-21.

Broad-based pyramid

Over the last few years, the Company broad based its operational pyramid across the four platforms of refrigerant gases, inorganic fluorides, specialty chemicals and CRAMS. The transition from legacy businesses was carried out with a strategic clarity to graduate to high value businesses that enhanced sustainability. During the previous year, the Company announced its intention to extend to a fifth vertical of high-performance products (HPP), which is expected to be commercialised by the first half of 2022. The ₹436 crs investment in a manufacturing plant has been secured by a multi-year buyback arrangement with an international major, enhancing revenue visibility on the one hand and enhancing operating platform leverage possibilities on the other. The fluorine-based business expects to leverage the Company's multi-decade knowledge and industrial discipline, which are likely to shrink the projected learning and payback curves.

Controlled growth

ESG represents the cornerstone of our business

Overview

At Navin Fluorine, we live the role of a responsible corporate citizen. This responsibility is marked by a growing focus on environment-social-governance (ESG) that addresses our responsibility towards all our stakeholders.

There is growing evidence that a deep governance culture – as opposed to a kneejerk response - enhances stability, increases counter-cyclicality and catalyses long-term stakeholder value. In view of this growing evidence, governance is not merely incidental to business but integral to it.

At Navin Fluorine, we believe that ESG links to enhanced competitiveness and sustainability. This competitiveness, among other measures, is manifested in top-line growth, cost reduction, minimised regulatory and legal interventions, increased employee productivity and optimised investment returns.

We believe that ESG seriousness is even more relevant in our Company in view of the fact that the business is knowledge-driven and marked by hazardous processes, putting a premium on safety, systems and security.

At Navin Fluorine, the essence of ESG has been seeded into our business intent. As a part of the ESG journey, we will continue to strengthen our platform and reinforce our presence as responsible corporate citizen.

Environment

The 'E' in ESG, environmental criteria, comprises the energy that we consume, the waste we discharge, the resources we need, and the consequences of our actions on living beings. Besides, 'E' comprises carbon emissions and actions related to climate change.

Our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

Robust internal controls: There is a growing commitment to strengthen environmental management systems, conduct environmental due diligence and build disaster planning & response systems across our manufacturing facilities. At Navin Fluorine, the promoter has charted out a strategic direction and delegated day-to-day management to professionals. The Company has deepened an investment in processes and systems, especially information technology. Besides, it has strengthened an audit-driven and compliance-driven approach, enhancing process integrity.

Building resilience towards climate change: There is a commitment to reduce energy intensity, reduce greenhouse emission intensity and graduate to cleaner processes and fuels.

Reduce our impact on environment and nature: The Company has been investing in assets, equipment, people, processes and practices to moderate its carbon footprint.

Audit discipline: The Company has an audit and compliance-driven approach, enhancing the credibility of its performance and processes to remain committed beyond the basic compliance requirement.

Social

The 'S' in ESG, social criteria, addresses the relationships our Company enjoys and the reputation it fosters with employees, customers, vendors and institutions in the communities where we do business. 'S' comprises the role of harmonious industrial relations, diversity and inclusion.

At Navin Fluorine, our people-driven ferment has progressively enriched, resulting in sustainable and superior performance.

Employees: At Navin Fluorine, the 'good' is not merely good enough; we have invested in overarching excellence directed towards emerging as a benchmark in terms of quality (product and process) as well as resource productivity leading to continuous cost management and sustainability. We have made prudent investments (recruitment, retention and training) to enhance efficiency and effectiveness across all our business functions. Besides, we invested in practices that have enhanced safety – training, protocols, certifications and investment in awareness building.

Customers and vendors: The Company has deepened relationships with vendors who provided capital equipment and spares as well as with primary customers (trade partners). Given the complex nature of materials, the Company selected to work with a large Indian vendor.

Community: The Company has engaged with the community around its manufacturing locations with the objective to widen the circle of prosperity through relevant interventions in line with Sustainable Development Goals enunciated by United Nations.

Governance

The 'G' in ESG, governance, represents the framework of practices, controls and procedures our Company has invested in to govern itself, make decisions, comply with the law and address needs of external stakeholders.

At Navin Fluorine, governance comprises a commitment to enhance predictability and consistency, attracting stakeholders who believe in doing business our way. This is visibly reflected in the fact that a large proportion of our dealers have remained with us for years, enhancing revenue predictability.

Controlled growth: We believe that business sustainability is best derived from controlled growth as opposed to one-off profitability spikes. The Company allocated accruals into incremental investments without stretching the Balance Sheet. The result is that the Company has grown revenues every single year across the last several years.

Balanced approach: We have selected to balance caution and aggression (strategic aggression and tactical conservatism), resulting in a relatively de-risked approach. We focus on capital investments generating an attractively short payback, maximising cash flows and reinvestment into the business.

Board of Directors: Our strategic direction is largely influenced by our Board of Directors. We placed a premium on our Board composition, which comprises professionals and industrialists of standing who have enriched our values, experience, multi-sectoral understanding and strategic quality.

Trust: There is one word that encapsulates all that we are and all that we do – 'integrity'. Trust is the underlying element why customers seek to buy from us, why employees work with us for the long-term, why vendors sell to us without interruption, why investors have faith in us and why communities support us.

Think long-term: We have selected to build the business around long-term patience and commitment. This approach has influenced our investments in assets, technologies, brands, people, locations, products and partners. We believe that this approach has translated into the highest standards of technology, integrity and competencies.

Specialisation: We believe that specialisation is an insurance against cyclical downturns. In view of this, we have selected to position ourselves as a fluorination partner, which has helped enhance our strategic clarity, opened us to emerging opportunities, broad based our operating platforms, attracted knowledge professionals and strengthened product / process research.

Our ESG programme FY 2020-21

Environmental declarations

- Adopted reduction at source as one of the principles comprising a systematic approach of recover, reuse and abatement of environmental pollution
- Reduced per unit power consumption, which translated into an estimated reduction of ~2.2 million KWH of power per year (approximately 4%)
- Increased product batch sizes, resulting in a reduction of carbon emission equivalent to 4.7 lakhs SM3/ annum of natural gas
- Optimised waste generation through solvent recycling, waste conversion into by-products and novel technologies for energy conservation
- Invested in new manufacturing processes (solvent-free transformations, continuous flow reactor system, vapour pressure technology etc.)
- Recycled 2000m3/day treated waste water, saving fresh water consumption; made the recycled water available for irrigation purposes
- Refined wastewater residence time in the bromine recovery system; eliminated the generation of 20 tonnes of wastewater load for treatment and disposal
- Sustained the initiative of sustainable packaging practices; supplied products in ISO and IBC containers
- Reduced natural gas consumption by 8% through flue gas recycling
- Used greener processes of HALEX for specialty molecules; eliminated the use of 26 tonnes of solvents

Social programme

- Structured induction programme for all onboarded employees
- Trained around safety, health, technical and soft skills based on competence mapping - safety training and skill upgradation training was imparted to 850 permanent employees (out of a total strength of 859) and 910 contractual employees (out of a total strength of 920)
- Made an unambiguous policy declaration for not employing any child labour (directly or indirectly)
- Sustained merit-based recruitment with no discrimination on the basis of race, gender, religion, colour or disability
- Provided employees fair access to development opportunities
- Permitted collective bargaining for workmen through their trade unions
- Engaged in bonds with communities for better living; undertook 15 projects benefiting 31,500 people
- Formed a cross-functional Risk Management Office to protect against the pandemic
- Segregated plants within factories into mutually exclusive zones for ease in contact tracing and control personnel movement
- Ensured employee and contractor workers' health and hygiene; provided masks and installed hand sanitizing facilities; periodically disinfected the entire factory/office premises using suitable disinfectants
- Did not permit employees or visitors inside the factory without a self-declaration and health check
- Took an additional special life cover for staff in June 2020 for COVID-19

Governance programme

- Structured policies and processes addressed investor grievances
- Reported no defaults for repayments, creditors, dividends and statutory dues
- Reported no auditor qualification against the Company
- Reported no re-statements of financial statements
- Received no allegations of financial imprudence
- Accepted all resolutions proposed by the Board to shareholders
- Employed a rigorous Board evaluation policy; Board comprised eminent members
- Implemented an active succession pipeline for critical roles and the Board
- Segregation of the positions of Chairman and Managing Director
- Seven of ten Directors were independent
- Chairmen of all Committees except Risk Management Committee were Independent Directors
- Out of three Members of Nomination and Remuneration Committee, two were Independent and one Non-Executive; out of four Members of the Audit Committee, three were Independent and one Non-Executive; all three Members of Stakeholders Relationship Committee were Independent; out of three Members of the Corporate Social Responsibility Committee, two were Independent
- Carried out an Internal audit through an independent audit firm that reported directly to the Audit Committee
- Implemented two ESOP plans

Our business verticals

Specialty chemicals

453
₹ crs, Revenues, FY 2020-21

40
%, Contribution to total revenues

19
%, Growth over FY 2019-20

Overview

Navin Fluorine has been engaged in the specialty chemicals business for more than two decades, establishing itself as a prominent player in a niche national sector. Over the years, the Company addressed the growing demand for novel fluoro compounds and new chemical entities. The Company leveraged its multi-decade experience in the challenging fluorine chemistry space to widen its offerings and enhance value-addition, combining volume economies with value. The Company established its respect in providing products around the highest purity levels and as per specifications provided by customers. The result: the Company's clientele comprised global innovators in the space of pharmaceuticals, agrochemicals and petrochemicals at the close of the year under review.

Strengths

- The Company possessed deep multi-decade expertise, making it a respected global player.
- The Company enjoyed partnerships with major global fluorination life science and crop science companies, resulting in revenue visibility. The Company enjoyed a global presence in sales, widening its geographic risk.
- The Company enjoyed a strong brand recall, positioning it as a responsible ESG compliant organisation

Highlights, 2020-21

- The Company reported superior growth in existing products, enhancing manufacturing and sales economies
- The Company's market share for products developed two years ago increased significantly, shrinking payback
- The Company is at the pilot stage of developing a number of molecules that are expected to start contributing revenues in three years

Key downstream clients

Crop Science	Life Science	Petroleum resins

Our business verticals

Contract Research and Manufacturing Services (CRAMS)

279
₹ crs,
Revenues,
FY 2020-21

25
%,
Contribution to total revenues,
FY 2020-21

62
%,
Growth over
FY 2019-20

Overview

Navin Fluorine ventured into the CRAMS business in 2010. The CRAMS service provided by the Company accelerates the process of innovation during the early lifecycle of products. Navin Fluorine provides this service around a time-bound and value-accretive proposition to empower customers launch their products on schedule. The Company has consistently plugged process gaps and built technology platforms to provide superior solutions.

Strengths

- The Company's ongoing engagements with innovator pharma majors continued to drive sustainable growth.
- The Company improved efficiencies during scale-up and optimised processes by strengthening its technology transfer team.
- The Company enhanced capacity following the commissioning of the new cGMP3 facility, strengthening the ability to engage in more complex and new chemistries.

Highlights, 2020-21

- The CRAMS business enjoyed a strong order book as it entered FY 2020-21
- The first full year of cGMP3 operations reported high capacity utilisation
- The Company reported strong sales on the back of a robust order book driven by new customer acquisitions and deeper penetration into existing customers.
- European market focus enabled the Company to increase revenue share from the continent to 60%
- The Company commissioned a new plant for a fluorine building block for a number of chemistries done in CRAMS

Key downstream clients

Innovator pharmaceuticals	Life sciences and agrochemicals

Our business verticals

Refrigerants

208
₹ crs, Revenues, FY 2021-21

18
%, Contribution to total revenues

20
%, decline over FY 2019-20

Overview

Navin Fluorine was among the first Indian companies to venture into the refrigerants space. Over the years, the Company has emerged as a trusted refrigerant brand for OEMs using R22 gases. The Company's Mafron brand has sustained its leadership in the after- market. The Company has played the role of a responsible industry player by advocating government action against the sale of spurious products.

The Company established a significant refrigerant gas presence in the life science and crop science industries where it is used as a building block for the manufacture of a number of products.

Strengths

- The Company enjoys the benefits of a proven brand, quality superiority and delivery predictability
- The Company enhanced revenue visibility through growing relationships with existing partners in India and abroad
- The Company leverages proven credentials in the after-market

Highlights, 2020-21

- The performance was impacted by the COVID-19 pandemic, which spread during the peak business season, affecting end user demand
- The Company exported largely to the Middle East as most markets reopened late in the first quarter
- Since the domestic market remained sluggish, the Company enhanced its international sales volume
- The Company's non-emissive business reported volume growth owing to stronger demand and customer addition
- For a few months (November to December 2020) global realisations remained volatile due to pricing pressures from China; since January 2021, realisations strengthened

Key downstream clients

Air-conditioning	Refrigeration

Our business verticals

Inorganic fluorides

193	17	7
₹ crs, Revenues, FY 2020-21	%, Contribution to total revenues	%, decline over FY 2019-20

Overview

Navin Fluorine has one of the largest anhydrous hydrofluoric and diluted hydrofluoric acid manufacturing capacities in India with a multiproduct portfolio that enjoys steady demand. In the inorganic space, the Company is a trusted supplier to a number of downstream industries (stainless steel, glass, oil & gas, abrasives, electronic products, life and crop science, among others), respected for its overall value proposition.

Strengths

- The Company has established service benchmarks comprising complete reliability, extending from product integrity to availability to service.
- The Company has plugged the growing needs of downstream sectorial users through the periodic introduction of new product variants
- The Company leveraged long-term engagements with users, protecting their dependability and enhancing the Company's revenue visibility.

Highlights, 2020-21

- The vertical was affected by the pandemic for the first six months of the year under review. However, the vertical improved from the third quarter of FY21 on the back of a recovery in the performance of end-user industries like stainless steel and glass
- The Company added two major customers (India and USA).
- The Company widened the number of end user segments across products
- New international customer acquisitions could drive growth

Key downstream clients

Steel	Glass	Aluminum smelters	Life sciences

Navin Fluorine's commitment towards community development

Overview

At Navin Fluorine, we have consistently believed in giving back to society and staying engaged with the communities within which we operate.

Over the years, the Company fulfilled the socio-economic requirements of the communities in different regions, including in proximity to its manufacturing locations. The Company played the role of a responsible corporate citizen and conducted itself in a social, ethical and responsible manner.

The Company's CSR function comprised initiatives in the areas of COVID-19 assistance, environment protection, health, sustainable livelihoods, education, sports and animal welfare, among others.

5.68
(₹ crs) Total CSR expenditure for the year ended March 31, 2021

50%
Increase in the CSR expenditure over the year ended March 31, 2020

Health and medical care

The Company recognises the importance of primary healthcare support. The Company's mobile health van covered 20 villages in and around Surat and Dewas, visiting around four villages a day. The team comprised doctors and supporting staff who checked villagers for respiratory, gastro-intestinal, fever, muscle-skeletal, ENT, eye, dental, skin and chronic ailments. These visits were interrupted due to the ongoing COVID-19 pandemic but resumed after the lockdown was lifted.

Child development

The Company collaborated with Salaam Balak Trust, an NGO addressing the needs of street children in Mumbai, covering child development from physical and medical needs to educational, social, cultural and vocational interventions. The Company provided financial support of monthly grocery to a shelter home in Andheri, Mumbai comprising 70 street children.

Food packets distribution

The Company supported pandemic-affected families with daily food rations in Bhatia village, Halpati Vaas near Surat where economically downtrodden families were affected by the lockdown. In April 2020, the Company distributed 125 food kits (toor dal, chana dal, edible oil, spices, biscuits etc.) to needy families. The Company distributed wheat flour to marginalised families at village Amona near Surat.

Addressing the old and infirm

The Company contributed to the development of old age homes. In August 2020, the Company's Dewas team visited Basera Vridh Ashram, organising meals for the senior citizens and donating items. The Company supported Shri Sadguru Seva Sangh Trust, dedicated to blindness eradication, with surgical and laboratory equipment for cataract surgery. The Company donated 230 mobile phones to Blind People's Association of India to facilitate online education in Ahmedabad, Surat and Bharuch.

Women empowerment

The Company supported the NGO-Shakti Foundation in Surat in activities relating to women empowerment (health, hygiene and skill development in tribal areas of South Gujarat). The Company supported in establishing a sanitary pad manufacturing unit (30,000 pads per day).

Sport

The Company supported Olympic Gold Quest to help India fulfill its mission to win Olympic gold medals. The Company funded trainees in shooting, badminton, archery, boxing, wrestling and athletics.

Rainwater harvesting

The Company collaborated with Piramal Sarvajal Yojana across six villages in Madhya Pradesh (Tong Kalan, Pagrawadi Kalan, Udaynagar, Donta Jagir, Shahpura and Kelod) for rainwater harvesting. This project shall be operational after the 2021 monsoon; the project is expected to resolve water shortage.

Supporting COVID-19 initiatives

The Company donated ₹2 crs to the PM CARES Fund as a part of its duty as responsible corporate citizen. The Company supported Charutar Arogya Mandal and Shree Krishna Hospital in Karamsad, Gujarat, to increase bed capacity and provided two dialysis machines. The Company provided three stretcher trolleys to Ekta Trust to move the Covid casualties to the mortuary and graveyard. The Company has also agreed to donate an ambulance to Ekta Trust, which will be delivered in the current financial year. The Company extended support to Surat Medical Corporation with two medical vans, facilitating rapid tests and medical checks on COVID-19 patients in remote villages.

The Company also donated ₹1 cr each to CM Relief Funds of Maharashtra, Gujarat and Madhya Pradesh (not reckoned as eligible CSR spend).

Outlook FY 2021-22

The Company will deepen its respect as a neighbour of choice through sustainable operations, employee volunteering, women's empowerment through self-help groups and livelihoods development.

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting ('AGM') of the Members of the Company will be held on Monday, July 26, 2021 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 Standalone and Consolidated Annual Audited Financial Statements of the Company for the financial year ended March 31, 2021 along with the notes forming part thereof and the Report of the Directors and the Auditors thereon
2. To confirm the payment of Interim Dividend on the equity shares of the Company for the financial year 2020-2021 and to declare final dividend on equity shares for the financial year 2020-2021
3. To re-appoint Mr. Radhesh R. Welling (DIN: 07279004), who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

4. To appoint Mr. Ashok U. Sinha (DIN: 00070477) as an Independent Director, and in this regard, to consider and if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') (including any statutory modifications or re-enactments thereof, for the time being in force), Mr. Ashok U. Sinha (DIN: 00070477), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 28, 2020 in terms of Section 161(1) of the Act and Article 127 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and the Regulations, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing on October 28, 2020 and ending on October 27, 2025."

5. To appoint Mr. Sujal A. Shah (DIN: 00058019) as an Independent Director, and in this regard, to consider and if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') (including any statutory modifications or re-enactments thereof, for the time being in force), Mr. Sujal A. Shah (DIN: 00058019), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 7, 2021, in terms of Section 161(1) of the Act and Article 127 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and the Regulations and in respect of whom, the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing on May 7, 2021 and ending on May 6, 2026."

6. To re-appoint Mr. Vishad P. Mafatlal (DIN: 00011350) as Executive Chairman, and in this regard, to consider and if thought fit, pass the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Members be and is hereby accorded to the re-appointment of Mr. Vishad P. Mafatlal (DIN: 00011350) as Executive Chairman, designated as Chairman of the Company, for a period of 5 (Five) years with effect from August 20, 2021 on the terms and conditions and remuneration as set out in the letter of re-appointment dated May 7, 2021 laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission, perquisites and other terms, including designation, in such manner as the Board, in its absolute discretion, deems fit and is acceptable to Mr. Vishad P. Mafatlal within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications, re-enactments thereof in force from time to time in this behalf.

   RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to payment of remuneration to Mr. Vishad P. Mafatlal in excess of ₹5,00,00,000 (INR Five Crore only) or 2.5 per cent of the net profits of the Company as calculated under Section 198 of the Act, whichever is higher, in any financial year during his tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to the above resolution."

7. To ratify remuneration of Mr. Bhalchandra C. Desai, Cost Auditor (Membership Number M-1077) of the Company for the financial year 2021-2022, and in this regard, to consider, and if thought fit, pass the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), payment of remuneration of ₹5,00,000/- (INR Five Lacs only) (excluding the reimbursement of out-of-pocket expenses incurred for the purpose of Audit), to Mr. Bhalchandra C. Desai, Cost Auditor (Membership Number M-1077) for conducting the audit of Cost Records relating to the chemical products manufactured by the Company for the financial year April 01, 2021 to March 31, 2022, be and is hereby approved and ratified."

By order of the Board of Directors

For **NAVIN FLUORINE INTERNATIONAL LIMITED**

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

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021, allowed the holding of Annual General Meeting ("AGM") in accordance with relevant provisions of circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"). Accordingly, in compliance with the provisions of the Companies Act, 2013, 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. Since 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 counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of Item Nos. 4 to 7 mentioned in the above Notice is annexed hereto.
6. The details of the Directors seeking appointment / re-appointment as required by Regulation 26(4) and 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. The Board of Directors recommend the appointments/re-appointment as proposed.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 13, 2021 to Friday, July 16, 2021 (both days inclusive) for the purpose of determining the eligibility of Members entitled for payment of final dividend, if declared.
8. The final dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on or after July 30, 2021.
9. In order to enable the Company to directly credit the dividend amount in the bank accounts:
   a) Members holding shares in demat account are requested to update their Bank Account details with their respective Depository Participants.
   b) Members holding shares in physical form are requested to submit a covering letter, duly signed by the first Member, along with a cancelled cheque leaf with printed name and bank account details and a copy of their PAN card, duly self-attested, to KFin Technologies Private Limited, Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District,

Nanakramguda, Hyderabad 500032. In case the cancelled cheque leaf does not bear the Member's printed name, please attach a copy of the bank pass-book statement, duly self-attested.

10. The Registers required to be maintained under the Companies Act, 2013 and all documents referred to in the Notice will be available for inspection. Members seeking to inspect such documents can send an email to investor.relations@nfil.in

11. Members are requested to note that pursuant to Section 125(1)(c) of the Companies Act, 2013, dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund ('IEPF') set up by the Central Government. The Company has already transferred the unclaimed / unpaid dividend declared during the financial year 2013-2014 to the said fund. Members who have so far not claimed the dividends paid thereafter are requested to make claim with the Company / Registrar and Share Transfer Agent ('RTA') of the Company immediately.

12. Pursuant to Section 124(6) of the Companies Act, 2013 and 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 shareholders intimating them their particulars of the equity shares due for transfer. These details are also available on the Company's website www.nfil.in. Upon transfer, the shareholders 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

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

14. All Members, including Institutional Investors, are encouraged to attend and vote at the AGM. An Institutional / Corporate Member is required to send a scanned 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 or upload on the VC portal / e-voting portal.

15. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details/update, e-mail ID/mandates/nominations/power of attorney/change of name/change of address/contact numbers etc. to their Depository Participants ("DP") with whom they are maintaining their demat accounts. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA to provide efficient and better services. Members holding shares in physical form are requested to advise such changes to RTA. Further, SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

16. Members holding shares in physical form are requested to consider converting their holding to dematerialized form. As per SEBI norms, with effect from April 1, 2019, share transfers cannot be effected in physical form.

17. As per Section 72 of the Companies Act, 2013, 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 submitting Form No. SH-13. Members holding shares in physical form may submit the same to RTA. Members holding shares in electronic form may submit the same to their respective DPs.

18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 extending certain relaxations provided by SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.nfil.in, 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 https://evoting.kfintech.com

19. 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.

20. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Members and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. Details regarding the same, including the link for downloading TDS certificates for dividend declared in the past, are available on the Company's website www.nfil.in.

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

A) **For e-voting:**

In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, e-voting facility is being provided to the Members. Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (`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 will be provided by KFin Technologies Private Limited ('KFinTech').

ii. The remote e-voting period commences on July 23, 2021 (9:00 a.m. IST) and ends on July 25, 2021 (5:00 p.m. IST). During this period, the Members of the Company, holding shares either in physical form or in dematerialised form (as on the cut-off date of July 19, 2021) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by KFinTech for voting thereafter.

iii. Once the vote on a resolution is cast by a Member through e-voting, the concerned Member shall not be allowed to change it subsequently or cast the vote again.

iv. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

v. Members whose email IDs are registered with the Company/DPs will receive an email from KFinTech informing them of their User ID and Password. Once a Member receives the email, he or she will need to go through the following steps to complete the e-voting process:

(a) Launch internet browser and access https://evoting.kfintech.com

(b) Enter login credentials (i.e. User ID and Password) which will be sent separately. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and Password for casting your vote. If required, please contact toll free number 1800 309 4001 for your existing password.

(c) After entering these details appropriately, click on"LOGIN".

(d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you have forgotten your password. 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.

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the E-Voting Event Number for Navin Fluorine International Limited.

(g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. If you do not want to cast your vote, select "ABSTAIN".

(h) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(i) 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.

(j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".

(k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(l) Corporate/Institutional Members (i.e. other than Individuals, HUFs, NRIs, etc.) are required to send scanned certified true copy (PDF) of the Board

Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: dmz@dmzaveri.com with a copy to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the format "Corporate Name_EVENT NO."

(m) In case of any query pertaining to e-voting, please visit 'Help & FAQ's section' available at KFinTech's website https://evoting.kfintech.com

(n) As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

A. NSDL

1. User already registered for IDeAS facility
   I. URL: https://eservices.nsdl.com
   II. Click on the "Beneficial Owner" icon under 'IDeAS' section.
   III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"
   IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.

2. User not registered for IDeAS e-Services
   I. To register click on link : https://eservices.nsdl.com
   II. Select "Register Online for IDeAS"
   III. Proceed with completing the required fields.

3. By visiting the e-Voting website of NSDL
   I. URL: https://www.evoting.nsdl.com
   II. Click on the icon "Login" which is available under 'Shareholder/Member' section.
   III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
   IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.
   V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

B. CDSL

1. Existing user who have opted for Easi / Easiest
   I. URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com
   II. Click on New System Myeasi
   III. Login with user id and password.
   IV. Option will be made available to reach e-Voting page without any further authentication.
   V. Click on e-Voting service provider name to cast your vote.

2. User not registered for Easi/Easiest
   I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
   II. Proceed with completing the required fields.

3. By visiting the e-Voting website of CDSL
   I. URL: www.cdslindia.com
   II. Provide demat Account Number and PAN.
   III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat account.
   IV. After successful authentication, user will be provided links for the respective e-Voting service provider where the e- Voting is in progress.

C. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on the same and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or calling toll free No.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contacting 022-23058738 or 022-23058542-43

vi. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of July 19, 2021.

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 i.e. July 19, 2021, may obtain the User ID and Password in the manner as mentioned below:

(a) If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS : MYEPWD <space> E-Voting Event Number + Folio No. or DP ID and Client ID to No. 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890

b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID and Client ID, then on the home page of https://evoting.kfintech.com, Member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a new password.

(c) Members who need technical assistance may contact Mr. Ananda Moolya, Deputy Manager, KFinTech - Email ID: evoting@kfintech.com/ ananda.moolya@kfintech.com; Tel. No.: +91 040 67162222/67161627; Toll Free No.: 1800 309 4001

(d) You may also send an e-mail request to einward.ris@kfintech.com

vii. Members who have not registered their email address and to whom, consequently the Annual Report, Notice of AGM and e-voting instructions cannot be sent, may temporarily get their email address and mobile number registered with KFinTech, by accessing the weblink https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com

B) For attending the AGM through VC / OAVM and voting thereat:

i. Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFinTech. Members may access the same at https://emeetings.kfintech.com under Members login by using the remote e-voting credentials. The link for e-AGM will be available in Members login where the EVENT and the name of the Company can be selected. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice.

ii. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.

iii. Upto 1000 members will be able to join on a first-come-first-served basis to the e-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.

iv. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

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

vi. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

vii. Technical helpline number of KFinTech is 1800 309 4001

viii. Members who would like to express their views/ask questions may log into https://emeetings.kfintech.com and click on "Post your Questions". Thereafter, Members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email ID, mobile number. Members who would like to express their views or ask questions during the AGM may register themselves as speakers by logging on to https://emeetings.kfintech.com and clicking on "Speaker Registration". Members will need to mention the demat account number/folio number, city, email ID, mobile number and then click on submit. "Post your Questions" and "Speaker Registration" links shall remain active from July 23, 2021 (9:00 a.m. IST) to July 25, 2021 (5:00 p.m. IST).

ix. Only those Members, who will be present in the e-AGM and have not cast their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM. However, Members who have voted through remote e-Voting will be eligible to attend the e-AGM.

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

Annexure to Notice

Explanatory Statement

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice of AGM.

Item No. 4:

Pursuant to the recommendations of the Nomination and Remuneration Committee, Mr. Ashok U. Sinha was appointed as an Additional and Independent Director by the Board of Directors on October 28, 2020 under Article 127 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013. Under the said Section 161(1), he will hold office as an Additional Director upto this Annual General Meeting.

As required under Section 160 of the Companies Act, 2013, a notice has been received from a Member of the Company proposing the candidature of Mr. Sinha for the office of Independent Director of the Company. Accordingly, it is proposed to appoint Mr. Sinha as an Independent Director for a term of five consecutive years commencing from October 28, 2020 and ending on October 27, 2025.

Mr. Sinha has consented to his appointment and confirmed that he does not suffer from any disqualifications for his appointment as an Independent Director. He has not been debarred from holding the office of director by virtue of any SEBI Order or any other such Authority. The Company has received declaration from Mr. Sinha confirming that he meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 read with Rules made thereunder and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

A copy of the letter of appointment issued to Mr. Sinha as an Independent Director of the Company, subject to approval of shareholders, setting out the terms and conditions of appointment, would be available for inspection without any fee by the Members at the Registered Office of the Company, during normal business hours on any working day, excluding Saturday.

Having regard to the qualifications, knowledge and experience of Mr. Sinha, his appointment as an Independent Director on the Board of the Company will be in the interest of the Company. The Board considers his appointment as an Independent Director in the interest of the Company and accordingly, recommends passing of the resolution at Item No. 4 of the Notice.

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

Item No. 5:

Pursuant to the recommendations of the Nomination and Remuneration Committee, Mr. Sujal A. Shah was appointed as an Additional and Independent Director by the Board of Directors on May 7, 2021 under Article 127 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013. Under the said Section 161(1), he will hold office as an Additional Director upto this Annual General Meeting.

As required under Section 160 of the Companies Act, 2013, a notice has been received from a Member of the Company proposing the candidature of Mr. Shah for the office of Independent Director of the Company. Accordingly, it is proposed to appoint Mr. Shah as an Independent Director for a term of five consecutive years commencing from May 7, 2021 and ending on May 6, 2026.

Mr. Shah has consented to his appointment and confirmed that he does not suffer from any disqualifications for his appointment as an Independent Director. He has not been debarred from holding the office of director by virtue of any SEBI Order or any other such Authority. The Company has received declaration from Mr. Shah confirming that he meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 read with Rules made thereunder and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

A copy of the letter of appointment issued to Mr. Shah, as an Independent Director of the Company, subject to approval of shareholders, setting out the terms and conditions of appointment, would be available for inspection without any fee by the Members at the Registered Office of the Company, during normal business hours on any working day, excluding Saturday.

Having regard to the qualifications, knowledge and experience of Mr. Shah, his appointment as an Independent Director on the Board of the Company will be in the interest of the Company. The Board considers his appointment as an Independent Director in the interest of the Company and accordingly, recommends passing of the resolution at Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. Shah and his relatives to the extent of their shareholding, are in any way deemed to be concerned or interested in the Resolution.

Item No. 6:

At the Board Meeting held on May 7, 2021, the Board of Directors, based on the recommendations of Nomination and Remuneration Committee, approved the re-appointment of Mr. Vishad P. Mafatlal as the Executive Chairman, designated as Chairman of the Company, for a period of 5 years from August 20, 2021, subject to approval of the Members of the Company on the following terms and conditions:

I. (a) Basic Salary: ₹1,67,25,000/- p.a.

(b) Perquisites:

(i) Fully furnished house or House Rent Allowance of ₹1,36,65,000/- per annum in lieu thereof.

(ii) Actual Expenditure incurred on gas, electricity, water, servants etc.

(iii) 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.

(c) Mr. Mafatlal will be also entitled to the following:

i. Contribution to provident fund, annuity fund or superannuation fund to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961.

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.

(d) Apart from remuneration, Mr. Mafatlal will be also 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.

II. Commission on the annual net profits of the Company as may be decided by the Board at the end of each financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013, subject to the ceiling laid down in Section 197 of the Companies Act, 2013 on the total remuneration.

III. In case of absence or inadequacy of profits in any financial year of the Company during August 20, 2021 to August 19, 2024, he will be entitled to salary, perquisites and allowances as the minimum remuneration, subject to the maximum limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013. The perquisites mentioned in Para I (c) above shall not be included in the computation of the ceiling on minimum remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

IV. 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 absolute discretion deems fit and is acceptable to Mr. Mafatlal provided that such alterations are within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications or re-enactments thereof in force from time to time.

V. Mr. Mafatlal shall not be liable to retire by rotation. Mr. Mafatlal shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

In terms of Regulation 17(1B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairperson of the Board of Directors of the Company effective April 1, 2022 should be a Non-Executive Director. Once this amendment comes into effect, Mr. Mafatlal may choose to relinquish the position of Chairman, but continue as an Executive Director. In such case, without impacting his other terms and conditions, his designation with effect from that date will stand changed to 'Executive Vice-Chairman' or such other designation as may be approved by the Board on the recommendation of the Nomination and Remuneration committee.

A copy of the Letter of Appointment issued to Mr. Mafatlal, subject to approval of the Members, recording his terms of appointment for a period of 5 years from August 20, 2021 as referred to in the said Resolution is available for inspection by the Members.

His brief profile and other relevant particulars pertaining to the Company, which are required to be disclosed as per Section II of Part II of Schedule V of the Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard-2, are given in the annexure and forms part of this Notice.

Further, in terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to an Executive Director who is a promoter or Member of promoter group, shall be subject to the approval of the shareholders by Special Resolution, if the annual remuneration payable to such director exceeds 2.5% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013 or ₹5,00,00,000/-, whichever is higher. Accordingly, approval of the shareholders is also sought under the said Regulation.

Mr. Mafatlal satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for this re-appointment. He is not disqualified from being appointed as Director in terms of Section164 of the Companies Act, 2013. Further, he has not been debarred from holding the office of director by virtue of any SEBI Order or any other such Authority.

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. Mafatlal and his relatives to the extent of their shareholding, are in any way deemed to be concerned or interested in the Resolution.

Item No. 7:

Pursuant to the provisions of Section 148(2) and 148(3) 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 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 Mr. Bhalchandra C. Desai, Cost Accountant (Membership Number M-1077) as the Cost Auditor of the Company for conducting the Cost Audit of Chemical Products manufactured in the financial year April 01, 2021 to March 31, 2022 on a remuneration of ₹ 5,00,000/- (INR Five Lakhs Only) excluding the reimbursement of out-of-pocket expenses incurred for the purpose of Cost Audit subject to approval of remuneration by the Members of the Company.

In accordance with Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor shall be ratified by the Shareholders of the Company. Accordingly, the Board of Directors recommend passing of the Resolution at Item No. 7 of the Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way deemed to be concerned or interested in the Resolution as set out in Item No. 7 of the Notice.

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

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

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

Particulars of the Directors seeking appointment/re-appointment pursuant to Regulation 26(4) and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2

Name	Mr. Radhesh R. Welling	Mr. Ashok U. Sinha
Age	48 years	69 years
Director's Identification Number	07279004	00070477
Date of first appointment	December 11, 2018	October 28, 2020
Brief Resume – Qualification	Mechanical Engineering from National Institute of Technology, India; Masters in International Business from IIFT, New Delhi; MBA from IMD, Lausanne, Switzerland	B.Tech in Electrical Engineering from IIT, Kanpur; Post Graduate Diploma in Management from IIM, Bangalore, with specialization in Finance
Expertise in Specific Functional Areas	With 24 years of work experience, Mr. Welling has worked in and handled many functions ranging from Innovation to Sales & Marketing to Corporate Strategy to Manufacturing, across multiple geographies.	Mr. Sinha has a wealth of experience, competencies and expertise from his leadership journey at Bharat Petroleum Corporation Ltd. He spent 33 years in BPCL and served on the Board of BPCL for 15 years – first as Director (Finance) for 10 years from 1996 and then as its Chairman and Managing Director for 5 years from August 2005. His core competencies include Finance & Accounts, Sales, Marketing, Commercial, Manufacturing, Quality and Supply Chain, M & A and Business Development.
Terms and Conditions of Appointment/ Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	The remuneration paid to Mr. Welling during the financial year ended March 31, 2021 is shown under the Corporate Governance Report. 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.	Mr. Sinha is not being paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he will be appointed as a Member/ Chairperson 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, 2021 is shown under the Corporate Governance Report.
Other Directorships	- Manchester Organics Limited; - NFIL (UK) Limited; - Navin Fluorine Advanced Sciences Limited; - Swarnim Gujarat Fluorspar Private Limited; - Navin Fluorine (Shanghai) Co. Limited	- AirAsia (India) Limited; - J. K. Cement Limited; - Coastal Gujarat Power Limited; - The Tata Power Company Limited; - The Hospital & Nursing Home Benefits Association; - Maithon Power Limited; - Cipla Limited

Name	Mr. Radhesh R. Welling	Mr. Ashok U. Sinha
Membership/Chairmanship of Committees	Navin Fluorine International Limited **Member:** Risk Management Committee	J. K. Cement Limited **Member:** Audit Committee Coastal Gujarat Power Limited; **Chairman:** Audit Committee Nomination and Remuneration Committee The Tata Power Company Limited; **Chairman:** Audit Committee **Member:** Risk Management Committee AirAsia (India) Limited; **Chairman:** Audit Committee **Member:** Nomination and Remuneration Committee Committee of Directors for Operational Matters Maithon Power Limited; **Chairman:** Audit Committee Nomination and Remuneration Committee Cipla Limited; **Chairman:** Audit Committee **Member:** Investment and Risk Management Committee
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Welling is not related to any of the Director or Key Managerial Personnel of the Company.	Mr. Sinha is not related to any of the Director or Key Managerial Personnel of the Company.
Shareholding in the Company held by him (as on March 31, 2021)	8,000 equity shares of ₹2/- each	NIL
Number of Board Meetings attended in the financial year 2020-2021	Attended all 6 meetings held	Attended all 4 meetings held from his appointment on the Board

Name	Mr. Sujal A. Shah	Mr. Vishad P. Mafatlal
Age	52 years	47 years
Director's Identification Number	00058019	00011350
Date of first appointment	May 7, 2021	January 21, 2003
Brief Resume – Qualification	Commerce Graduate; Chartered Accountant	B.Sc (Economics), University of Pennsylvania, Wharton School, U.S.A
Expertise in Specific Functional Areas	Experience of over 28 years in the fields of Valuation, Due Diligence, Corporate Restructuring, Audit and Advisory	Mr. Mafatlal is the Executive Chairman designated as Chairman of the Company. He is an industrialist having varied experience of over 24 Years in the field of Textiles and Chemicals.
Terms and Conditions of Appointment/ Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. Shah will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he will be appointed as a Member/Chairperson and for attending the meetings of Independent Directors and commission which may be approved by the Board of Directors.	Terms and conditions of appointment along with details of remuneration sought to be paid to Mr. Mafatlal is specified in the Explanatory Statement.
Other Directorships	- Amal Limited; - Hindoostan Mills Limited; - Rudolf Atul Chemicals Limited; - Bhishma Realty Limited; - Capricon Realty Limited; - SSPA Consultants Private Limited; - Raiji and Horwath Consultancy Services Private Limited; - Amrit Corp. Limited; - Mafatlal Industries Limited; - Deepak Fertilisers & Petrochemicals Corporation Limited; - Ironwood Education Limited; - I-Process Services (India) Limited	- Tropical Clothing Company Private Limited; - Mafatlal Services Limited; - Cebon Apparel Private Limited; - Adenium Ventures Private Limited; - Avatar Impex Private Limited; - Aspen Impex Private Limited; - Mafatlal Impex Private Limited; - Manchester Organics Limited, UK; - VAP Agricultural Products (Bombay) Private Limited; - Heyday Investments Holdings Limited
Membership/Chairmanship of Committees	Amal Limited **Chairman:** Nomination and Remuneration Committee **Member:** Audit Committee Hindoostan Mills Limited **Chairman:** Audit Committee **Member:** Nomination and Remuneration Committee Corporate Social Responsibility Committee	Navin Fluorine International Limited **Chairman:** Risk Management Committee **Member:** Corporate Social Responsibility Committee

Name	Mr. Sujal A. Shah	Mr. Vishad P. Mafatlal
Membership/Chairmanship of Committees	**Rudolf Atul Chemicals Limited** **Member:** Audit Committee Nomination and Remuneration Committee **Bhishma Realty Limited** **Chairman:** Audit Committee Nomination and Remuneration Committee **Capricon Realty Limited** **Chairman:** Audit Committee **Member:** Nomination and Remuneration Committee **Amrit Corp. Limited** **Member:** Audit Committee Corporate Social Responsibility Committee **Mafatlal Industries Limited** **Member:** Audit Committee Corporate Social Responsibility Committee **Deepak Fertilisers & Petrochemicals Corporation Limited** **Member:** Audit Committee Nomination and Remuneration Committee Securities Issue Committee and Rights Issue Committee **Ironwood Education Limited** **Member:** Audit Committee Nomination and Remuneration Committee	
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Shah is not related to any of the Director or Key Managerial Personnel of the Company	Mr. Mafatlal is not related to any of the Director or Key Managerial Personnel of the Company
Shareholding in the Company held by him (as on March 31, 2021)	NIL	13,94,349 equity shares of ₹2/- each
Number of Board Meetings attended in the financial year 2020-2021	N. A.	Attended all 6 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)

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

ANNEXURE TO NOTICE

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of re-appointment of Mr. Vishad P. Mafatlal as Executive Chairman 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 lakhs)

	Current Year	Previous Year
Turnover	1,13,311	1,02,227
Profit after Tax	29,921	39,981

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

II. Information about the appointee:

1. **Background details:** Mr. Mafatlal is B.Sc (Economics), University of Pennsylvania, Wharton School, U.S.A. He is an industrialist having varied experience of over 24 Years in the field of Textiles and Chemicals.
2. **Past remuneration:**

Remuneration for FY 2020-21 is as under: (₹ in lakhs)

Salary as per provisions contained in Section 17(1) of the Income Tax 1961	286.99
Value of perquisites u/s 17(2) of the Income tax Act, 1961	35.90
Commission	531.00
Employer's contribution to Provident Fund	7.50
Group Mediclaim and Accident Insurance	0.31
Total	**861.70**

3. **Recognition or award:** Nil
4. **Job profile and his suitability:** Mr. Mafatlal is a Promoter-Director and overall in-charge of the affairs of the Company. Looking at the overall exposure and rich experience of Mr. Mafatlal in diversified areas and responsibilities to be shouldered 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 the appointee, the proposed remuneration payable to Mr. Mafatlal 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 proposed remuneration, Mr. Mafatlal does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company.

III. Other information:

1	Reasons for inadequacy of profits	N. A.
2	Steps taken or proposed to be taken for improvement	N. A.
3	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)

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

Summarised Financial Data

(₹ in lakhs)

	Particulars	IGAAP					Ind AS				
		2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	STATEMENT OF PROFIT & LOSS										
1	Total income	79486	53855	47850	57276	66093	79247	97668	98990	105360	120764
2	Profit before depreciation, interest, exceptional items and tax	34071	9428	9007	8996	14084	20561	30132	25288	29206	38537
3	Exceptional items	-	-	-	-	-	-	-	-	-	6623
4	Finance costs	(354)	(610)	(540)	(324)	(320)	(50)	(66)	(47)	(160)	(142)
5	Depreciation, amortisation and impairment	(1773)	(1961)	(2055)	(1864)	(2092)	(2835)	(3817)	(2588)	(3374)	(4067)
6	Profit before tax	31944	6857	6413	6808	11672	17676	26248	22653	25671	40951
7	Profit after tax	23124	4316	5066	4938	8647	13265	17896	14848	39982	29921
8	Dividend (₹ per share) #	15.00 *	3.00	3.20	3.20	4.20	6.30 **	10.00 ***	7.80	11.00	11.00
9	Earning per share (EPS) ₹ #	47.38	8.84	10.38	10.11	17.69	27.10	36.34	30.05	80.83	60.46
	BALANCE SHEET										
10	Equity share capital	975.69	975.72	975.72	976.83	978.58	979.00	986.87	989.00	989.54	989.92
11	Net fixed assets	24168	23918	23127	27029	28169	47257	34043	36344	45167	44000
12	Investments	20494	24664	26294	23447	26598	31571	52188	52673	29633	45030
13	Non-current & current assets (Net)	15873	13945	13779	14315	15131	5599	13158	19858	62153	77650
14	Capital employed	60536	62527	63201	64791	69898	84427	99390	108875	136953	166680
15	Borrowings	9334	8324	5700	4489	2990	-	-	-	-	-
16	Net worth	48337	50946	54186	57113	63354	82352	96999	105921	138894	165010
17	Book value of share of ₹2.00 each (₹) # (16 / no. of shares)	99.04	104.39	111.02	116.92	129.46	168.21	196.55	214.17	280.68	333.33
18	Debt / equity ratio (15 / 16)	0.19	0.16	0.11	0.08	0.05	-	-	-	-	-
19	EBITDA (%) (2 / 1)	43%	18%	19%	16%	21%	26%	31%	26%	28%	32%
20	Profit after tax (%) (7 / 1)	29%	8%	11%	9%	13%	17%	18%	15%	38%	25%
21	Return on net worth (%) (PAT / Avg of opening & closing net worth)	57%	9%	10%	9%	14%	18%	20%	15%	33%	20%
22	Return on Capital Employed (%) ((PBT before exceptional items + finance costs) / Avg opening & closing capital employed)	64%	12%	11%	11%	18%	22%	29%	22%	21%	23%
	OPERATING RATIOS										
23	Operating EBITDA (%) (EBITDA - Other Income) / Revenue from Operations	35%	15%	14%	12%	18%	20%	24%	23%	26%	27%
24	Operating PBT (%) (PBT - Other Income) / Revenue from Operations	32%	10%	8%	8%	14%	16%	19%	20%	22%	24%
25	Return on Capital Employed (%) - Operating ((EBIT - Other Income) / Operating Capital Employed) @	77%	17%	12%	10%	23%	22%	34%	32%	30%	30%

Figures from 2016-17 to 2020-21 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable

At the 19th Annual General Meeting of the Company held on June 29, 2017, Members had passed Resolution approving sub-division of shares in the ratio of 5 Equity Shares of ₹ 2.00 each for every 1 Equity Share of ₹ 10.00 each. The record date for the aforesaid sub-division was July 20, 2017. The figures for the period 2011-12 to 2015-16 have been calculated based on the face value of ₹2.00 per equity share, to make the numbers comparable.

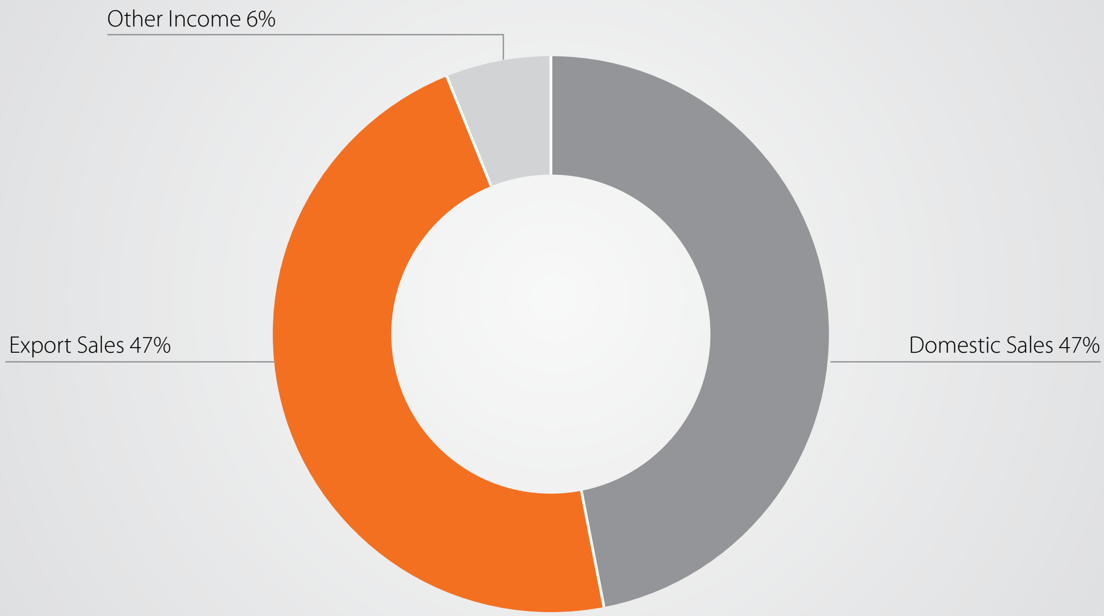
* including special dividend of ₹12.00

** including special dividend of ₹1.50

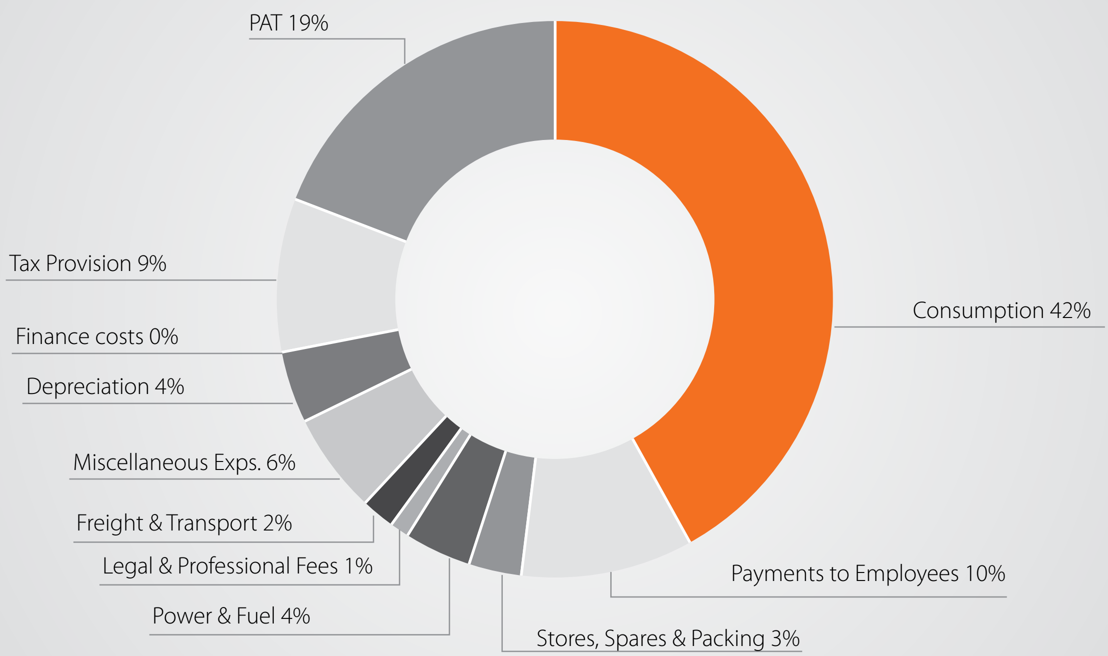
*** including special dividend of ₹3.00

@ 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 23rd Annual Report and the Annual Audited Financial Statements for the financial year ended March 31, 2021 along with the notes forming part thereof.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ in lakhs)

Particulars	2020-2021	2019-2020
Revenue from Operations	1,13,311	1,02,227
Other income	7,453	3,134
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	**38,537**	**29,206**
Less: Depreciation and amortization expenses	4,067	3,374
Finance Costs	142	161
Profit before Exceptional items and Taxation	**34,328**	**25,671**
Add: Exceptional items	**6,623**	**-**
Profit before Taxation	**40,951**	**25,671**
Less: Tax Expense	11,030	(14,310)
Profit after Taxation	**29,921**	**39,981**
Add: Surplus brought forward from the previous year	1,13,194	80,440
Amount available for appropriation	**1,43,115**	**1,20,421**
Appropriation:		
Other Comprehensive Income/(Loss)*	(5)	(71)
Payment of dividends (including tax)	(3,959)	(7,156)
Surplus carried to Balance Sheet	**1,39,150**	**1,13,194**

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

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

2. DIVIDEND

The Company has declared and paid an interim dividend of ₹5.00 per equity share (i.e. 250% of the face value) during the financial year 2020-2021, which was paid on or after November 25, 2020. The Board of Directors is pleased to recommend a final dividend for the year of ₹6.00 per equity share (i.e. 300% of the face value). The paid interim dividend and the recommended final dividend are in accordance with the Dividend Distribution Policy of the Company which forms part of the Annual Report. The Policy is also available on the Company's website at the web-link https://nfil.in/policy/index.html.

3. YEAR IN RETROSPECT

For the year ended March 31, 2021, your Company achieved total revenue from operations of ₹1,13,311 lakhs, a growth of 11% as compared to ₹1,02,227 lakhs during the previous year. Earnings before interest, tax, depreciation and amortization (EBITDA), before exceptional items, increased by 32%, from ₹29,206 lakhs in the previous year to ₹38,537 lakhs during the year ended March 31, 2021. Profit Before Tax (PBT), before exceptional items, at ₹34,328 lakhs in the current year recorded an increase of 34% as compared to ₹25,671 lakhs in the previous year.

The Operating Profit for the year, before Other Income and Exceptional items, grew by 19% over the previous year. Operating EBITDA, before Other Income and Exceptional items, touched ₹31,084 lakhs, up from ₹26,072 lakhs during the previous year, a growth of 19%. Operating EBITDA Margin for the year was at 27% against 26% in the previous year.

During the year, strong momentum in High Value Business performance continued. This business, which consists of Specialty Chemicals and CRAMS, saw a 32% growth over previous year. Legacy Business of Refrigerant Gases and Inorganic Fluorides witnessed a 14% decline in revenues due to weak demand in H-1 because of COVID-19 conditions.

CRAMS business achieved a robust growth of 62% during the current year, with turnover touching ₹27,917 lakhs against ₹17,286 lakhs during the previous year. It contributed 25% of overall turnover for the year. Strong opening order pipeline sustained the sales through the year with addition of new customers and projects. The first full year operation of cGMP3 plant saw optimum capacity utilisation as our capability to handle larger projects and complex chemistries significantly improved. There was a strong flow of projects from our existing customers as we continued to widen our reach across global pharma majors. The CRAMS business outlook continues to be strong and this vertical is expected to be one of the growth pillars for the Company.

Specialty Chemicals business reached a turnover of ₹45,275 lakhs vis-à-vis ₹38,104 lakhs in the previous year, a growth of 19%. It contributed around 40% of the overall turnover. The division showed growth driven by a mix of new customers, new products and market share gain. This business witnessed strong new project flows from life science and crop science segments and optimal utilisation of our facility. R&D capabilities and deep fluorination expertise will continue to strengthen newer opportunities pipeline, while we also work on capacity expansion and enhancing the product portfolio.

Inorganic Fluorides ended the year lower by 7% from ₹20,738 lakhs in the previous year to ₹19,289 lakhs during the current year. It contributed around 17% of the overall turnover. The performance was lower due to major end user industries being impacted during first half of the year with operations at lower capacity because of COVID-19 related restrictions. However, the business picked up during the second half of the year. During the year, we were able to make inroads into new customers and also widen our end user segments.

Refrigerant Gases business was lower by 20%, achieving a turnover of ₹20,829 lakhs during the year against ₹26,099 lakhs in the previous year. It contributed around 18% of the overall turnover. This business too was severely impacted due to COVID-19 restrictions. In the early part of the year, the demand from the industry was low due to lockdown and closure of operations of major players. The trade market was also shut and opened up slowly towards end of the second quarter. The export market was impacted due to softening of prices. Under the Montreal protocol, phase down of HCFC 22 (R22) for emissive purposes had begun from January 1, 2015 in developing countries including India. Effective January 1, 2020, the second production cut has been initiated, to reach an overall 35% reduction of average baseline production of 2009-10.

During the year, the Board of Directors approved a capital expenditure for setting up of a Multi-Purpose Plant (MPP) with an outlay of ₹19,500 lakhs. The capex will be undertaken by the Company's wholly owned subsidiary, Navin Fluorine Advanced Sciences Limited ('NFASL') at Dahej, Gujarat and will create opportunities for new products in life science and crop science sectors in the Specialty Chemicals business. This investment will lay the foundation for the next phase of growth of our Specialty Chemical business. It will help us enhance our product offerings and strengthen our customer relationships along with providing building blocks for future growth.

During the previous year, the Board of Directors had approved a capital expenditure of ₹9,000 lakhs towards site development and related infrastructure on approximately 74 acres of land for greenfield projects at Dahej (Gujarat). The Company had also entered into a $410 million multi-year contract with a global company for manufacture and supply of a High Performance Product (HPP) in the fluoro chemicals space. The project entails an investment of about ₹36,550 lakhs in the manufacturing facility and ₹7,100 lakhs in captive power plant. Both these projects are being executed through NFASL at Dahej (Gujarat) and are progressing as per plan. The HPP project will deliver the Company's long term strategy of development of new capabilities, expansion of our product portfolio and reinforce the trust global customers have in our capabilities, fluorine experience and strength in successfully scaling up of complex chemistries.

During the year, the Company divested its shareholding of 3,43,04,900 equity shares of face value ₹10 each in Convergence Chemicals Private Limited (CCPL). CCPL was incorporated as a Joint Venture Company pursuant to a Joint Venture Agreement between Piramal Enterprises Limited ('PEL') and the Company, with shareholding in the ratio of 51:49 between PEL and the Company respectively and both shareholders having joint management control rights. Subsequently, entire shareholding of PEL in CCPL was transferred to Piramal Pharma Limited ('PPL'), a subsidiary of PEL. The Company and PPL entered into a mutual agreement to increase PPL's stake in CCPL to 100% by buying out the Company's 49% stake in CCPL at ₹6,510 lakhs. The Company also gave up its right to take lease in land for approx. 45,092.33 sq./mtr earmarked for CCPL at GIDC, Dahej, at a consideration of ₹790 lakhs. The Company sold immovable property (structures etc.) situated on the said land at GIDC, Dahej for a consideration of ₹738 lakhs. As part of the deal, in consideration of sum of ₹100 lakhs paid by the Company to PPL, the Company obtained from PPL a perpetual licence to use the technical know how for development and marketing of select products. It is expected that the Company will leverage this developed chemistry for growth in certain specialty chemicals. Additionally, the Company would continue to be a key raw material supplier to CCPL.

Key raw material costs moved in a mixed trend through the year. Fluorspar prices were more or less stable and the Company continued its strategy of importing fluorspar from diverse sources across the globe. While chloroform prices softened by about 35%, other critical raw materials like boric acid and BTF were higher by 19% and 10%, respectively year on year. On the energy cost front, average power cost was in line with the previous year. Exchange traded power was available throughout the year. Average natural gas price for the Company was higher by about 4% in the current fiscal compared to that of the previous year.

While the Indian Rupee was volatile through the year, it behaved differently against different currencies. Against USD, it saw a consistent strengthening all through the year and appreciated more than 3% towards the end of the fiscal, compared to its opening levels at ₹75.22. Rupee was at its weakest in April at ₹76.33 and strongest in March at ₹72.59. GBP, which was around ₹90.47 towards the beginning of the fiscal appreciated by more than 11% to touch ₹101.81 level against the Indian Rupee towards beginning of March. At the end of the current fiscal, it was at ₹100.47. The exchange gain of ₹199.44 lakhs as seen in the financials is on account of timing difference of foreign exchange transactions and their realisation and / or restatement.

During the year, the Company continued to strengthen its teams across functions like Technology and Development, Research and Development and Business Development. Improvement of operational efficiencies, new product development, working on novel chemistries developing long term partnerships continue to be the focus of the Company. Through the year, cross functional teams continued to work on successful scale-up, improving productivity, quality and costs of various products to enable businesses gain competitive advantage in the market. The operating EBITDA growth of 19% over previous year and the improvement in EBITDA margins to over 27% in the current year, is a testament to this.

During the year, amid the sustained implications of COVID-19, the Company continued to keep away from debt instruments with its strategy of staying invested in more reliable and safer instruments like Fixed Deposits. Through the year, the Company has been able to grow its overall treasury portfolio on the back of its strong cash flows. The Company has maintained its credit rating at 'CARE AA', indicating high degree of safety with respect to timely servicing of financial obligations and very low credit risk, for borrowings with a tenure of more than one year. The rating for short-term facilities of tenure less than one year, has been maintained at 'CARE A1+', indicating very strong degree of safety with respect to timely servicing of its short term financial obligations and lowest credit risk. During the year, the Company maintained 'CARE A1+' rating for issuance of Standalone Commercial Papers, to the extent of ₹3,000 lakhs.

During the year, the 'Responsible Care' accreditation to the Company was reaffirmed for another period of three years. The Company is amongst very few Corporates in the country who has 'Responsible Care' accreditation from the Indian Chemical Council. 'Responsible Care' is the chemical industry's unique global initiative that drives continuous improvement in HSE performance together with open and transparent communications with stakeholders. The Company also obtained Silver rating in EcoVadis sustainability rating. The EcoVadis CSR rating methodology is based on seven founding principles.

The year 2020-21 started with the COVID-19 pandemic in full force. In many countries, including India, there were severe disruptions to regular business operations due to lockdown restriction and other emergency measures imposed by the Government. In this backdrop, the Company took various precautionary measures to protect employees and workmen, and the eco system in which they interact. In view of the various directives of Central Government /Concerned State Governments relating to lockdown and the need for social distancing, the Company temporarily suspended manufacturing operations at its facilities at Bhestan, Gujarat and Dewas, Madhya Pradesh from March 25, 2020, after following requisite safety protocols. The Company re-commenced its operations from April 14, 2020, in a phased manner, after obtaining requisite permissions, as applicable, from concerned Government authorities.

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

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, ₹303.00 lakhs has been repaid by SSL and its current outstanding to the Company is ₹709.39 lakhs.

(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% step-down subsidiary created for the purpose. During the year, MOL reported turnover of £4,990K and net loss of £154K.

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

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

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

(vi) Navin Fluorine Advanced Sciences Limited (NFASL) was incorporated during the previous year. Through NFASL, the Company has planned various capex programmes at Dahej (Gujarat). The current approved capital expenditure by the Board are ₹9,000 lakhs for site development and related infrastructure on approximately 74 acres of land for greenfield projects, ₹36,550 lakhs in the manufacturing facility for High Performance Product (HPP) in the fluorochemicals space, ₹7,100 lakhs in captive power plant and ₹19,500 lakhs in Multi-Purpose Plant. Moreover, further investment has been made by the Company in NFASL by subscribing to 24.50 crore equity shares of the face value of ₹10/- each under the Right Issues.

(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 (GMDC) and Gujarat Fluorochemicals Limited (GFL) formed for the purpose of beneficiation of fluorspar ores to be supplied by GMDC 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.

(viii) As already mentioned earlier in this Report, the Company divested its entire 49% shareholding in CCPL to PPL and consequently, CCPL has ceased to be a joint venture of the Company from February 24, 2021.

Pursuant to Section 129(3) of the Companies Act, 2013, a separate statement containing salient features of the financial statements of each subsidiary and joint venture of the Company is annexed in the format of AOC-1 to the Financial Statements of the Company. The financial statements of all the above mentioned subsidiaries and joint ventures have been considered in the consolidated financial results of the Company.

During the year, the Company did not have any material subsidiary. Policy on material subsidiary is available on web-link: http://www.nfil.in/policy/index.html.

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

5. CAPITAL STRUCTURE OF THE COMPANY

During the year, the Company has allotted an aggregate of 18,900 fully paid equity shares under Employees' Stock Option Scheme, 2007 and Employees' Stock Option Scheme, 2017.

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

The paid-up share capital of the Company has been increased from ₹9,89,54,085/- (4,94,69,765 equity shares of face value of ₹2/- each fully paid and 14,555 equity shares of ₹2/- each, ₹1/- each paid-up) to ₹9,89,91,885/- (4,94,88,665 equity shares of face value of ₹2/- each fully paid and 14,555 equity shares of ₹2/- each, ₹1/- each paid-up) as on March 31, 2021.

6. REPORTS ON MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

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

7. BUSINESS RESPONSIBILITY REPORT

As required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, in the prescribed form is annexed as **'Annexure 3'.**

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Navin Fluorine International Ltd. (a part of Padmanabh Mafatlal Group), fulfilling CSR is a way of life. The Company consistently endeavors to fulfill its duties as a responsible corporate citizen. The Company has always worked towards initiating activities for the betterment of the disadvantaged, vulnerable and marginalized stakeholders in the society.

The constitution of the CSR Committee is Mr. Sudhir G. Mankad- Chairman, Mr. Harish H. Engineer – Member and Mr. Vishad P. Mafatlal - Member.

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. The updated CSR policy of the Company is available on the website of the Company at the web-link https://www.nfil.in/policy/index.html.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company was statutorily required to spend ₹435.40 lakhs towards CSR during FY 2020-21. The Company has spent ₹568.00 lakhs. Thus, the Company has spent more amount on CSR activities than legally mandated which includes spending on the activities to curb and combat with the COVID-19 crisis.

Additionally, the Company has also contributed ₹100 lakhs each to the Chief Minister's Relief Funds of Gujarat, Madhya Pradesh and Maharashtra with a view to assist the respective State Governments in their fight against COVID-19 pandemic.

The requisite details on CSR activities pursuant to Section 135 of the Companies Act, 2013 and as required pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **'Annexure 4'** to this Report.

9. INDUSTRIAL RELATIONS

The engagement with the 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, 2021 was 859.

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 ('ESOS - 2007') and Employees' Stock Option Scheme, 2017 ('ESOS - 2017'). During the year, there were no material changes in the Employees' Stock Option Schemes of the Company and the Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

During the year, no Stock Options were granted. Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, the details of stock options as on March 31, 2021 are specified in **'Annexure 5'** to this Report.

12. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the 22nd Annual General Meeting of the Company which was held on August 21, 2020, Mr. Mohan M. Nambiar, Non-Executive Non-Independent Director, was duly re-appointed as a Director of the Company as he retired by rotation and offered himself for re-appointment.

Mr. Radhesh R. Welling retires by rotation and being eligible, seeks re-appointment at the forthcoming 23rd Annual General Meeting.

Pursuant to the recommendations of the Nomination and Remuneration Committee, Mr. Ashok U. Sinha was appointed as an Additional and Independent Director by the Board of Directors on October 28, 2020 under Article 127 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013. Under the said Section 161(1), he will hold office as an Additional Director up to the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company proposing the candidature of Mr. Sinha for the office of Independent Director of the Company. Accordingly, it is proposed to appoint Mr. Sinha as an Independent Director for a term of five consecutive years commencing from October 28, 2020 and ending on October 27, 2025.

Pursuant to the recommendations of the Nomination and Remuneration Committee, Mr. Sujal A. Shah, was appointed as an Additional and Independent Director by the Board of Directors on May 7, 2021 under Article 127 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013. Under the said Section 161(1), he will hold office as an Additional Director up to the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company proposing the candidature of Mr. Shah for the office of Independent Director of the Company. Accordingly, it is proposed to appoint Mr. Shah as an Independent Director for a term of five consecutive years commencing from May 7, 2021 and ending on May 6, 2026.

At the Board Meeting held on May 7, 2021, the Board of Directors, based on the recommendations of Nomination and Remuneration Committee, approved the re-appointment of Mr. Vishad P. Mafatlal as the Executive Chairman, designated as Chairman of the Company, for a period of 5 years from August 20, 2021, subject to approval of the Members of the Company. Accordingly, approval of the Members is sought for the said re-appointment.

Brief profile of Mr. Radhesh R. Welling, Mr. Ashok U. Sinha, Mr. Sujal A. Shah and Mr. Vishad P. Mafatlal has been given in the Notice convening the 23rd Annual General Meeting of the Company.

Mr. Sharad M. Kulkarni resigned as an Independent Director w.e.f. close of business hours of March 31, 2021 due to ill health. He has confirmed that there is no other material reason for his resignation other than that which is stated in his letter of resignation i.e. due to ill health. Mr. Kulkarni served on the Board since October 2006. He was the Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee. He enriched the Board with his vast experience in varied aspects of business. He remained committed to the highest standards of professionalism, governance and excellence. He proactively contributed in and guided the growth initiatives of the Company over a period of time. His inputs have significantly benefited the Board and the Company. The Board and the management places on record its deepest appreciation for the valuable contribution made and guidance provided by Mr. Kulkarni during his tenure as a Director of the Company.

13. COMMITTEE COMPOSITION

The Audit Committee comprised of Mr. Sharad M. Kulkarni (Chairman), Mr. Sunil S. Lalbhai (Member), Mr. Pradip N. Kapadia (Member), Mr. Mohan M. Nambiar (Member) and Mrs. Radhika V. Haribhakti (Member).

Due to resignation of Mr. Sharad M. Kulkarni from the Directorship of the Company w.e.f. March 31, 2021, he ceased to be Chairman and Member of the Audit Committee. Mr. Sunil S. Lalbhai was appointed as Chairman of the Audit Committee w.e.f April 01, 2021. During the year, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

As required under Section 178(1) of the Companies Act, 2013, read with Regulation 19 and Part D(A) of Schedule II of the Listing Regulations, the Board has constituted a Nomination and Remuneration Committee. Mr. Sunil S. Lalbhai is the Chairman of the Committee. Due to resignation of Mr. Sharad M. Kulkarni from the Directorship of the Company w.e.f. March 31, 2021, he ceased to be a Member of the Committee. Mr. Harish H. Engineer has been inducted as a Member of the Nomination and Remuneration Committee with effect from April 1, 2021 Mr. Mohan M. Nambiar is the other Member of the Committee.

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

14. ANNUAL RETURN

The Annual Return of the Company is available on the website of the Company at https://www.nfil.in/investor/annu_reports.html.

15. NUMBER OF BOARD MEETINGS

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

16. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 134 of the Companies Act, 2013 (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 applicable laws and such systems are adequate and operating effectively.

17. DECLARATION BY INDEPENDENT DIRECTORS

Mr. Pradip N. Kapadia, Mr. Sunil S. Lalbhai, Mr. Sudhir G. Mankad, Mr. Harish H. Engineer, Mrs. Radhika V. Haribhakti, Mr. Atul K. Srivastava, Mr. Ashok U. Sinha and Mr. Sujal A. Shah are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has received requisite annual declarations/ confirmations from all the aforesaid Independent Directors confirming their independence.

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, if applicable.

18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters is approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The policy formulated under Section 178(3) of the Companies Act, 2013 covers remuneration to Non-Executive Directors, remuneration to key managerial personnel and senior management and remuneration to other employees. The policy lays down guidelines for remuneration of the Board, Managing Director and employees, covering fixed and variable components, and long- term reward options, including Employees' Stock Option Schemes. It also lays the criteria for identification of persons for appointment as Directors and in senior management positions, including qualifications, positive attributes and independence. The Policy is available on the website of the Company at the web-link: http://www.nfil.in/policy/index.html.

19. LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY AS PER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans given and of the investments made by the Company as on March 31, 2021 are given in the Financial Statements and its notes.

20. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were in the ordinary course of the business and on the arm's length basis. The Company has not entered into material contracts or arrangements or transactions with the related parties in accordance with Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has nothing to report in Form AOC-2, hence, the same is not annexed.

The Related Party Transactions Policy is available on the website of the Company at the web-link: https://nfil.in/policy/index.html.

21. STATE 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.

22. ENERGY CONSERVATION, TECHNOLOGY ABSROPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as 'Annexure 6' to this Report.

23. 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 given in the Management Discussion and Analysis Report.

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted having Mr. Vishad P. Mafatlal as Chairman and Mr. Radhesh R. Welling, Mr. Atul K. Srivastava, Mr. Ketan Sablok and Mr. Lalit Soni as Members.

The roles and responsibilities of the Committee are as under:

1. To periodically monitor and review the Risk Management plans and procedures (including plan for cyber security)
2. To monitor and review the process and progress of:
    a) risk identification and definition
    b) risk classification
    c) risk assessment and prioritization
    d) risk mitigation
    e) risk tracking/reporting mechanism
3. To carry out any other function as may be required by relevant laws or delegated by the Board.

24. ANNUAL PERFORMANCE EVALUATION

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Companies Act, 2013, the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Individual Directors:

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

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

25. PARTICULARS OF EMPLOYEES

The requisite details under Section 197(12) of the Act and 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.

26. 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.

27. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls over financial reporting. 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, the accuracy and completeness of the accounting and financial records. The controls have been reviewed and found satisfactory on the following key control matrices:

a. Entity level controls

b. Financial controls

c. Operational controls

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

28. STATUTORY AUDITORS

At the 19th Annual General Meeting held on June 29, 2017, the Members of the Company approved the appointment of Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) to hold office from the conclusion of the 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting of the Company. Consequent to an amendment to Companies Act, 2013, ratification of Statutory Auditor's appointment is not required at every Annual General Meeting.

29. AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report on the Financial Statements of the Company for the Financial Year ended March 31, 2021.

30. SECRETARIAL AUDIT REPORT

Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report for the Financial Year ended March 31, 2021 given by Makarand M. Joshi & Co., Practising Company Secretaries, is annexed as **'Annexure 8'** to this Report. The same does not contain any qualifications.

31. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 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 Mr. Bhalchandra C. Desai, Cost Auditor (Membership No. M-1077), to audit the cost accounts of the Company for the financial year 2021-2022 on agreed remuneration of ₹5,00,000/-.

As required under the Companies Act, 2013, necessary resolution seeking Members' ratification for the remuneration payable to Mr. Desai is included as item No. 7 of the Notice convening the 23rd Annual General Meeting. The Cost Audit Report in respect of financial year 2020-21 will be filed within the statutory timeline.

32. STATUTORY DISCLOSURES

a) The Company has not accepted any deposit from the public pursuant to Section 73 of the Companies Act, 2013 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 and Whole-time Director 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) 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 Companies Act, 2013;

g) 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;

h) 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 unless otherwise stated in this Report.

33. APPRECIATION

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

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Dated: May 7, 2021

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in;
CIN: L24110MH1998PLC115499

ANNEXURE 1

Management Discussion and Analysis Report

GLOBAL ECONOMIC OVERVIEW

The global economy reported de-growth of 3.3% in 2020 compared to a growth of 2.9% in 2019, largely due to the outbreak of the novel coronavirus and the suspension of economic activities across the world. Consequently, global FDI reported a significant decline from $1.5 trillion in 2019 to $859 billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

Regional growth %	2020	2019
World output	(3.3)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

PERFORMANCE OF MAJOR ECONOMIES

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009. (Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

INDIAN ECONOMIC REVIEW

The Indian economy passed through one of its most volatile periods in 2020-21.

At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.38 bn was the second largest in the world.

The Indian Government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world. The Indian economy de-grew 23.9 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

Following the lifting of social distancing controls, there was a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5 per cent in the July-September quarter and reported 0.4 per cent growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

India's GDP contracted 7.3% during 2020-21, largely on account of the sharp depreciation of the first two quarters. The sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-O-Y GROWTH OF THE INDIAN ECONOMY

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	(7.3)

GROWTH OF THE INDIAN ECONOMY, 2020-21

	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

The outlook for the country appears to be positive in view of the possibility that three down cycles – long-term, medium-term and short-term – could well be reversing at the same time, which could lead to a multi-year revival in capital investments.

GLOBAL FLUOROCHEMICAL INDUSTRY OVERVIEW

Compounds that contain flourine are known as fluorochemicals. Fluorochemicals are derived from substances like fluorite (fluorspar), fluorapatite, and cryolite. It possesses chemical properties like reactivity, high electro-negativity and a tendency to form stable compounds. Fluorine is incombustible, water-resistant as well as oil-persistent, making it a viable component in the manufacture of electronics, medicines, refrigerants and dyes.

The global market for fluorochemicals was estimated at US$19 billion in 2020. The fluoro-elastomer segment is estimated to grow at 2.7% CAGR from 2020 to 2027. Fluorocarbon is expected to grow at 4.3% CAGR from 2020 to 2027 and reach US$10.1 billion by 2027. Growing at a CAGR of 3.7% between 2020 and 2027, the global fluoro-chemicals market is projected to grow to US$24.5 billion by 2027.

The US fluorochemicals market was estimated at US$5.1 billion in 2020. Markets like Japan, Canada and Germany are forecast to grow at a CAGR of 1.1%, 2.8%, and 1.9% respectively from 2020 to 2027.

The Asia-Pacific market is estimated to reach a value of US$ 3.5 billion by 2027, while Latin America is estimated to grow at a 3.8% CAGR from 2020 to 2027.

Fluorochemicals are used in the manufacture of fluoropolymers like perfluoroalkoxy alkanes, polytetrafluoroethylene (PTFE) and Ethylene tetrafluoroethylene (ETFE). These are largely used in the manufacture of medical hoses, tubes, gaskets, films, ventilator components and other products. Due to the COVID-19 pandemic, the demand for medical equipment strengthened, which catalysed the demand for fluorochemicals in the healthcare sector. Global R&D spending in pharmaceuticals is expected to exceed US$ 200 billion in 2024, catalysing a novel product range.

OPPORTUNITIES

- Growing demand for consumer appliances and lifestyle-enhancing products like air conditioners, refrigerators and cars that utilise fluorochemicals
- Increasing use of fluorine compound in the manufacture of pharmaceutical therapies
- Growing preference for electric vehicles where fluorochemicals are used to manufacture electric components

CHALLENGES

- Low availability of fluorospar mineral, the production source for fluorochemicals
- Government regulations and restrictions on the sector
- Growing environmental concerns

GROWTH DRIVERS

Growing demand and consumption: In 2024, the global refrigerant market is estimated at US$ 19.57 billion, with a CAGR of 5.20% from 2020 to 2024. Factors such as high sales of refrigerators, growing production of vehicles and commercial air-conditioners as well as the rapid industrialization of emerging economies are expected to sustain growth. China is expected to reach an estimated market size of US$ 5.2 billion by 2027, growing at a CAGR of 6.8% from 2020 to 2027. China is one of the largest producers and consumers of refrigerant gases, exporting raw materials to most countries (India and U.S.), catalysing the growth of the refrigerants market.

Auto industry: The global auto industry is poised to make a comeback in 2021 with various brands likely to launch their electric vehicle lines, strengthening the demand for fluorochemicals used in the production of aluminum, semiconductors and other electric components.

Construction industry: Owing to rapid urbanization and a growing population, the global construction industry is estimated to grow to US$ 10.5 trillion by 2023. The fluoropolymers segment is expected to grow at 3.6% CAGR from 2020 to 2027. Fluoropolymers are used in the construction of large roofs that are light, durable and weather-resistant. The APAC region is expected to be the highest contributor to this value due to affordable housing and infrastructure projects leading to an increase 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 CHEMICAL SECTOR OVERVIEW

The Indian chemical industry is the sixth largest in the world constituting ~4% of the global production. The chemical industry contributes about 6.6% of India's GDP and forms around 15-17% of India's manufacturing sector. The specialty chemicals segment accounted for 47% of the Indian chemicals market. The Indian specialty chemicals industry, estimated at US$ 32 billion, is estimated to grow at ~12% CAGR over 2019-2025.

The lockdowns imposed due to the COVID-19 pandemic disrupted manufacturing activity. The specialty chemical industry was among the first few to return to normalcy as a majority of the operations were restored in June 2020. During the lockdown, companies faced challenges like non-availability of labour, stock pile-up at ports and logistic-related issues. Since the performance of specialty chemicals is largely dependent on the prospects of end-user industries, the offtake of fluorochemicals used in personal care, agrochemicals and pharmaceuticals industries was good. However, companies catering to automobiles, construction and textiles faced near-term challenges.

GROWTH DRIVERS

Alternate market: Over the years, the Indian chemical industry reported significant demand growth as the global focus shifted to the Asian and South Asian countries for manufacturing and consumption across almost all sectors. To global manufacturers looking to de-leverage their supply chains largely dependent on China, India is emerging as an attractive alternative.

Contract Research and Manufacturing Services (CRAMS): The Indian chemical sector has the potential to emerge as a global leader in CRAMS with more than 300 manufacturing sites approved by USFDA. The execution of mandates like Schedule M (Good Manufacturing Practises for Premises & Materials and Requirements of GMP in Plant and Equipment) pointing out different requirements to manufacture good quality drugs and pharmaceuticals through the implementation of Current Good Manufacturing Practise (cGMP) guidelines, stood India in good stead.

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.

Government support: The Government of India permitted FDI up to 100% in this sector. It reduced basic customs duty on several imported products. The Government recognizes the growth potential of the chemical industry and aspires to increase its contribution to ~25% of the manufacturing GDP by 2025. The Government announced '2034 Vision' to improve domestic production, reduce imports and attract chemical sector investments. A Production-Linked Incentive (PLI) system with 10-20% output incentives established a clusterwise production ecosystem for the agrochemical sector.

Emerging export hub: According to Ministry of Commerce, for the first time in a decade, India became a net exporter of chemicals in FY20. Chemicals and related product exports grew from US$ 20.8 billion in FY11 to US$ 45 billion in FY20, leading goods exports that increased from US$ 250 billion to US$ 313 billion during FY11-FY20. The chemical sector's contribution in the country's merchandise exports rose from 8.3% in FY11 to 14.4% in FY20, emerging as a key player in the country's export growth.

(Source: Financial Express, Nirmal Bang, FICCI, Frost and Sullivan)

INDIAN FLUOROCHEMICALS MARKET OVERVIEW

The Indian fluorochemical market was estimated at US$ 405 million in 2019. Around 20% pharmaceuticals and clinical development products in India carry a fluorine atom, while approximately 50% of the recently developed agrochemical molecules contain a fluorine atom. Organic and inorganic chemical products are gaining traction in India as 33% of every new active pharmaceutical component will be pivoted around fluorine chemistry.

The performance of the Indian fluorochemical market is largely dependent on the performance of user industries like automobiles, real estate, pharmaceuticals and electronics. Growing urbanization and higher disposable incomes have enhanced standards of living.

GROWTH DRIVERS

Automobile sector: The Indian auto industry is expected to grow from around US$113 billion to US$ 300 billion by 2026 owing to a growing demand coming from its young spending population. The Government catalysed demand by introducing a landmark Vehicle Scrappage Policy in Union Budget 2021, where old vehicles will be removed from Indian roads.

Agrochemical sector: The dramatic effect of fluorine on the biological activity of agrochemicals such as herbicides, insecticides, fungicides and plant growth regulators has earned fluorine a unique place in the agrochemical industry. India's agrochemicals market size was valued at US$ 4.5 billion in 2020 and is expected to grow at a CAGR of 8.6% between 2021 and 2026 to reach ~US$ 7.4 billion by 2026.

Pharmaceuticals industry: India is the largest supplier of general drugs; its pharmaceutical sector caters to over 50% of the global vaccines demand. In 2019-20, India's pharmaceutical export was US$ 16.3 billion. Driven by the domestic market, the Indian pharmaceutical industry could witness 4-6% growth in FY21. Indian pharmaceutical sales grew 9% year-on-year in May 2020. Continued investment in R&D and cost-efficient production are expected to drive demand growth. In Union Budget 2021, the Government proposed ₹6,940 cr. PLI between 5-20% of incremental sales. It planned to set up three mega drug parks to attain sustainable competitiveness.

Air-conditioners: India experiences hot and humid weather for much of the year. In FY20, the air-conditioner market in India was estimated to be around ₹12,568 cr. Out of the 53.3 Indian million middle-class households, a small fraction owned ACs, leaving adequate room for growth. The growing number of malls and high-rise buildings in Tier II cities are expected to drive AC demand. Rising electrification and increased disposable incomes are expected to catalyse demand growth. Compared to other countries, the market penetration for electronic components and appliances in India is relatively low. The market size of air conditioners is expected to reach 165 lakh units in 2024-25 from 65 lakh units in 2018-19, indicating exciting prospects for sectorial eco-system.

(Source: ibef.org, Frost and Sullivan, Economic Times, The Indian Express Business Today, PRnewswire, FDI India)

BUSINESS PERFORMANCE OF THE COMPANY

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

OUR FINANCIAL OVERVIEW

Analysis of the Profit and Loss Statement

Revenues: Revenues from operations reported a 11% growth from ₹1,022 cr in 2019-20 to reach ₹1,133 cr in 2020-21. Other income of the Company was higher by 138% and accounted for 6% share of the Company's Total Income, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company increased by 8% from ₹797 cr in 2019-20 to ₹864 cr. Raw material costs, accounting for a 46% share of the Company's revenues, increased by 7% from ₹488 cr in 2019-20 to ₹520 cr in 2020-21 owing to increase in the operational scale of the Company. Employee expenses, accounting for a 11% share of the Company's revenues, increased 7% from ₹117 cr in 2019-20 to ₹125 cr in 2020-2021.

ANALYSIS OF THE BALANCE SHEET

Sources of funds

The capital employed by the Company increased by 22% from ₹1,370 cr as on March 31, 2020 to ₹1,667 cr as on March 31, 2021 owing to a strong performance by the Company. Return on capital employed, a measurement of returns derived from every rupee invested in the business was at 23%.

The net worth of the Company increased by 19% from ₹1,389 cr as on March 31, 2020 to ₹ 1,650 cr as on March 31, 2021.

Applications of funds

Fixed assets (gross) of the Company increased by 11% from ₹430 cr as on March 31, 2020 to ₹477 cr as on March 31, 2021, majorly on account of capitalisation of various projects at Surat and Dewas sites.

INVESTMENTS

Total investments (non-current and current) of the Company reduced from ₹154 cr as on March 31, 2020 to ₹97 cr as on March 31, 2021. Amid the sustained implications of COVID-19, the Company continued to keep away from debt instruments with its strategy of staying invested in more reliable and safer instruments like Fixed Deposits. The cash and bank balances of the Company increased from ₹258 cr as on March 31, 2020 to ₹389 cr as on March 31, 2021.

WORKING CAPITAL MANAGEMENT

Inventories, including raw materials, work-in-progress and finished goods, among others, increased by 13% from ₹136 cr as on March 31, 2020 to ₹154 cr as on March 31, 2021. The inventory cycle was at 50 days of turnover equivalent in 2020-21 compared to 49 days in 2019-20. Growing business volumes resulted in an increase of 32% in trade receivables from ₹209 cr as on March 31, 2020 to ₹276 cr as on March 31, 2021. The debtor turnover cycle was at 89 days of turnover equivalent in 2020-21 compared to 75 days in 2019-20. The receivables and inventories management have been an area of key management attention and are in line with the scope and scale of operations and the levels were well within acceptable industry norms.

MARGINS

Revenue increased by 11% in FY20-21. The EBITDA margin (before exceptional items) of the Company increased by 420 basis points from 27.7% in 2019-20 to 31.9% while PBT (before exceptional items) increased by 400 basis points.

KEY FINANCIAL RATIOS

	2020-21	2019-20
EBITDA/Turnover (%) (before exceptional items)	32%	28%
Return of networth (%)	20%	33% *
Book value/share (₹)	333.33	280.68
Earnings per share (₹)	60.46	80.83
Debtors turnover (days)	89	75
Inventory turnover (days)	50	49
Current Ratio	3.12	3.21
Operating profit margin (%)	24%	22%
Net profit margin (%)	25%	38% *

** The ratios include impact of recognition of MAT credit entitlement and write back of excess tax provision for earlier years (refer note 38.2 of Notes to Standalone Financial Statements).*

HOW WE MANAGE RISKS IN OUR BUSINESS

The subject of risk management is increasingly relevant in every business in view of the uncertainties affecting economies and businesses. At Navin Fluorine, business sustainability is derived through the identification of probable business downsides and their proactive de-risking. This aspect is gaining increased relevance in a world where businesses and realities are marked by a larger number of uncertainties (Black Swans). The more competently we manage these risks, the stronger our capability to weather market cycles and the various unforeseens. The 'how' influences the 'what': the process influences the effectiveness of risk mitigation at our Company.

This is particularly critical in the chemicals industry warranting technology intensity and process consistency. At Navin Fluorine, we believe that this consistency is derived from a corporate consistency: the enunciation of a stable corporate strategy, focus on long-term business sustainability over short-term profitability and a clear understanding across all stakeholders of the doables and non-doables within the company's operating matrix.

At Navin Fluorine, our risk management practices are founded on our guiding principles, which we consistently strive to apply across all our risk categories. The purpose of Company's Risk Management Committee is to ensure that the executive management team has a risk management framework in place that includes policy, procedures and assessment methodologies that helps the Company monitor and manage organizational risks effectively.

This predictability has enhanced process stability, effort outcomes and strengthened corporate sustainability. In view of this, risk management is not peripheral to the Company's existence but integral to it; it is not just a short-term priority but a long-term essential.

RISK MANAGEMENT ORGANIZATION, ROLES AND RESPONSIBILITIES

At Navin Fluorine, the corporate policy (and in effect our ability to manage organizational risk) is framed by our Board of Directors, comprising of esteemed professionals with vast industry experience. Our governance principles, including overall risk tolerance, are directed by the Board of Directors. Our Board is assisted by various committees with specific functions like Risk Management Committee, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee which also includes Board Member(s) who 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. Our risk governance boosts the development and maintenance of an effective risk and control culture.

STRATEGIC IMPLEMENTATION AND THE RISK MANAGEMENT CYCLE

The Company has 9 Functional Risk Management Committees across the organisation for successful implementation of risk management at the operational level - risk identification, measurement, analysis and assessment; our risk reporting, limitation (reduction to a level we have deemed appropriate) and monitoring enables us to closely follow all major risks.

Risk identification: At Navin Fluorine, risks are identified with the help of relevant systems and indicators (quantitative component). Besides, our intrinsic reporting protocol makes it possible for our executives to report new risks as and when they recognize.

Risk measurement: We consistently reinforce our risk measurement tools for each business function. The risks are measured at organizational and functional levels based on the risk perception of the functional teams.

Analysis and assessment: At Navin Fluorine, it is vital that our risk management practices are efficient enough to enhance our financial performance. In this way, our financial performance is a testimony of the efficiency of our risk management and operating model.

Risk reporting: At Navin Fluorine, we periodically evaluate and report the effectiveness of our risk management to the Risk Management and other Committees covering category-wise risk and the overall risks. This potentially generates early alerts that make it possible to engage proactively in initiatives to counter the risks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCE MANAGEMENT

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

The HR team drives employee engagement and employee connect meetings, chaired by site heads and site HR heads. In these interactions, there is free flow of dialogues wherein the Company's vision and future plans are discussed, employee concerns are addressed, new intiatives are planned, suggestions are shared and any other concerns are brought to a logical conclusion. The Company undertook regular training programs - mandatory safety and quality trainings (cGMP compliances), functional and technical skill enhancement trainings and statutory trainings covering POSH (Prevention of Sexual Harassment of Women at Workplace) to create awareness and enhance the skills of the employees. The Company has also undertaken leadership assessment trainings to prepare leaders and strengthen the succession pipeline for critical roles. The Company also participated in the Campus Connect and hired post graduates from premier institutes like IITs as part of a Future Leadership Program. The Company had 859 employees as of March 31, 2021.

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Dated: May 7, 2021

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail: 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 essence of Corporate Governance lies in its transparency and its efficiency lies in its ability to protect stakeholders' interest. This is precisely what your Company's governance process and practice ventured to achieve; transparency and professionalism in action as well as the implementation of code of conducts, policies and procedures to ensure high ethical standards as well as responsible management.

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

2. COMPOSITION OF THE BOARD OF DIRECTORS:

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

Names of Directors	DIN	Category (Executive / Non-Executive)	Number of Board Meetings attended	Whether last AGM held on August 21, 2020 attended
Mr. Vishad P. Mafatlal	00011350	Promoter Executive (Chairman)	6	Yes
Mr. Mohan M. Nambiar	00046857	Non-Executive Non-Independent	6	Yes
Mr. Pradip N. Kapadia	00078673	Non-Executive Independent	6	Yes
Mr. Sunil S. Lalbhai	00045590	Non-Executive Independent	6	Yes
Mr. Sharad M. Kulkarni (Resigned w.e.f. March 31, 2021)	00003640	Non-Executive Independent	4	Yes
Mr. Sudhir G. Mankad	00086077	Non-Executive Independent	6	Yes
Mr. Harish H. Engineer	01843009	Non-Executive Independent	6	Yes
Mr. Atul K. Srivastava	00046776	Non-Executive Independent	6	Yes
Mrs. Radhika V. Haribhakti	02409519	Non-Executive Independent	6	Yes
Mr. Ashok U. Sinha (w.e.f. October 28, 2020)	00070477	Non-Executive Independent	4	NA
Mr. Radhesh R. Welling	07279004	Professional Executive (Managing Director)	6	Yes

Note: Mr. Sujal A. Shah (DIN: 00058019) has been appointed as an Additional and Independent Director of the Company w.e.f. May 7, 2021.

Names of Directors	Directorships held#	Number of Committee Memberships / Chairmanships$		Names of other listed companies where he/she is a Director	
		Member@	Chairman	Name of the Company	Category of Directorship
Mr. Vishad P. Mafatlal	11	-	-	-	-
Mr. Mohan M. Nambiar	4	2	1	ION Exchange (India) Limited	Non-Executive - Independent
Mr. Pradip N. Kapadia	11	9	3	Gokak Textiles Limited	Non-Executive - Independent
				Mafatlal Industries Limited	Non-Executive - Independent

Names of Directors	Directorships held#	Number of Committee Memberships / Chairmanships$		Names of other listed companies where he/she is a Director	
		Member@	Chairman	Name of the Company	Category of Directorship
Mr. Sunil S. Lalbhai	8	4	1	Amal Limited	Non-Executive and Non-Independent
				Atul Limited	Executive Chairman
				Pfizer Limited	Non-Executive-Independent
				The Bombay Dyeing and Manufacturing Company Limited	Non-Executive-Independent
Mr. Sharad M. Kulkarni	1	1	1	-	-
Mr. Sudhir G. Mankad	6	3	1	Deepak Nitrite Limited	Non-Executive - Independent
				Swaraj Engines Limited	Chairman Non-Executive - Independent
Mr. Harish H. Engineer	4	2	1	-	-
Mr. Atul K. Srivastava	2	2	1	Mafatlal Industries Limited	Non-Executive - Independent
Mrs. Radhika V. Haribhakti	4	5	2	EIH Associated Hotels Limited	Non-Executive - Independent
				Rain Industries Limited	Non-Executive - Independent
				ICRA Limited	Non-Executive - Independent
Mr. Ashok U. Sinha	8	6	5	J. K. Cement Limited	Non-Executive - Independent
				Tata Power Co. Limited	Non-Executive - Independent
				Cipla Limited	Non-Executive - Independent
Mr. Radhesh R. Welling	5	-	-	-	-

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

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

@Includes total number of membership including the Committee in which he/she is a Chairperson.

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

During the year 2020-2021, six meetings of the Board of Directors were held on June 16, 2020, July 29, 2020, October 28, 2020, December 16, 2020, January 25, 2021 and March 17, 2021. The Company has thus observed the provisions of the Companies Act, 2013 and Listing Regulations allowing not more than one hundred and twenty days gap between two such meetings.

Personal shareholding of Non-Executive Directors in the Company as on March 31, 2021 is as follows:

Name of the Directors	Number of equity shares of ₹2/- each
Mr. Mohan M. Nambiar	5,000
Mr. Pradip N. Kapadia	6,925
Mr. Sunil S. Lalbhai	5,000
Mr. Sharad M. Kulkarni	NIL
Mr. Sudhir G. Mankad	NIL
Mr. Harish H. Engineer	NIL
Mrs. Radhika V. Haribhakti	NIL
Mr. Atul K. Srivastava	11,000
Mr. Ashok U. Sinha	NIL

The Company has not issued any convertible instruments to any Directors. None of the Directors are related to each other. Mr. Sharad M. Kulkarni has resigned w.e.f. close of business hours of March 31, 2021 due to ill health. He has confirmed that there is no other material reason for his resignation other than that which is stated in his letter of resignation i.e due to ill health.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has a detailed familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights and responsibilities 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 http://nfil.in/investor/bod.html.

SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD:

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

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

3. AUDIT COMMITTEE:

As required under Section 177 of the Companies Act, 2013 ("the Act") read with the provisions of Regulation 18 of the Listing Regulations, the Board of Directors has constituted an Audit Committee.

Mr. Sharad M. Kulkarni, Chairman of the Committee resigned as a Director of the Company w.e.f. close of business hours of March 31, 2021 due to ill health. Consequently, he has ceased to be a Member of the Committee. Mr. Sunil S. Lalbhai, an existing Member of the Committee, has been appointed as the Chairman of the Committee with effect from April 1, 2021. Mr. Mohan M. Nambiar, Mr. Pradip N. Kapadia and Mrs. Radhika V. Haribhakti are the other members of the Audit Committee.

The terms of reference of the Audit Committee are as outlined in the Act and the Listing Regulations.

During 2020-2021, four meetings of the Committee were held on June 16, 2020, July 29, 2020, October 28, 2020 and January 25, 2021 with attendance of all the members of the Committee, except Mr. Sharad M. Kulkarni, who was granted leave of absence from attending the Meeting held on January 25, 2021.

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

4. NOMINATION AND REMUNERATION COMMITTEE:

As required under Section 178(1) of the Act, read with Regulation 19 and Part D(A) of Schedule II of the Listing Regulations, the Board has constituted a Nomination and Remuneration Committee.

Mr. Sunil S. Lalbhai is the Chairman of the Committee. Mr. Sharad M. Kulkarni resigned as a Director of the Company w.e.f. close of business hours of March 31, 2021 due to ill health. Consequently, he has ceased to be a Member of the Committee. Mr. Harish H. Engineer has been inducted as a Member of the Nomination and Remuneration Committee with effect from April 1, 2021. Mr. Mohan M. Nambiar is the other Member of the Committee.

The Committee is, inter alia, authorized for identifying persons who are qualified to become Directors and who may be appointed in Senior Management, evaluating Directors performance, formulating criteria for determining qualifications, positive attributes and independence of a director and recommending policy relating to the remuneration for the Directors, key managerial personnel and other employees and granting of stock options to the eligible employees of the Company.

During 2020-2021, two meetings of the Committee were held on June16, 2020 and October 28, 2020 with the attendance by all the members of the Committee.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Each Independent Director's performance was evaluated as required by Schedule IV of the Companies Act, 2013 having regard to the following criteria of evaluation viz. (i) qualification, (ii) experience, (iii) availability and attendance, (iv) integrity, (v) commitment, (vi) governance, (vii) independence, (viii) communication, (ix) preparedness, (x) participation and (xi) value addition.

In the opinion of the Board, the Independent Directors fulfill the conditions of independence as specified in Regulation 16 of the Listing Regulations along with Section 149(6) of the Companies Act, 2013; 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, the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees which was approved and adopted by the Board and the same is available on the weblink http://nfil.in/policy/index.html

DETAILS OF REMUNERATION TO DIRECTORS:

Details of remuneration paid to the Executive Directors and Non-Executive Directors: (₹ in lakhs)

Sr. No.	Name	Salary and Perquisites	Commission*	Sitting Fees
1	Mr. Vishad P. Mafatlal	330.70	531.00	-
2	Mr. Mohan M. Nambiar	-	22.00	4.20
3	Mr. Pradip N. Kapadia	-	22.00	4.55
4	Mr. Sunil S. Lalbhai	-	22.00	4.55
5	Mr. Sharad M. Kulkarni	-	22.00	3.15
6	Mr. Sudhir G. Mankad	-	22.00	3.50
7	Mr. Harish H. Engineer	-	22.00	3.50
8	Mr. Atul K. Srivastava	-	22.00	3.85
9	Mrs. Radhika V. Haribhakti	-	22.00	4.55
10	Mr. Ashok U. Sinha (w.e.f. October 28, 2020)	-	11.00	1.75
11	Mr. Radhesh R. Welling	362.68	354.00	-

*Payable in financial year 2021-2022

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

The remuneration to Executive Directors includes Provident Fund, Superannuation Fund, perquisites, allowances etc. and is in accordance with the Remuneration Policy.

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

The 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 is stated in the Remuneration Policy available on the weblink http://nfil.in/policy/index.html.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

As required under Section 178(5) of the Act and Regulation 20 of the Listing Regulations, the Company has constituted Stakeholders' Relationship Committee. Mr. Pradip N. Kapadia is the Chairman of the Committee. Mr. Atul K. Srivastava and Mrs. Radhika V. Haribhakti are the other members of the Committee.

The Committee inter-alia, looks into redressing the grievances of the security holders of the Company viz. non-receipt of transferred shares and non-receipt of dividend. During 2020-2021, two meetings of the Stakeholders' Relationship Committee were held on June15, 2020 and October 27, 2020 with the attendance by all the members of the Committee.

Mr. Niraj B. Mankad, Company Secretary of the Company is the Compliance Officer of the Company and also acts as Secretary of the Committee.

Details of investor complaints received and redressed during the Financial Year 2020-2021 are as follows:

a)	Number of Investor complaints pending as on April 1, 2020	0
b)	Number of complaints received from investors from April 1, 2020 to March 31, 2021 (both days inclusive)	26
c)	Number of complaints resolved	26
d)	Number of complaints remaining unresolved as on March 31, 2021	0

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required under Section 135(1) of the Act, the Board has constituted a Corporate Social Responsibility Committee. Mr. Sudhir G. Mankad is the Chairman of the Committee. Mr. Vishad P. Mafatlal and Mr. Harish H. Engineer are the other Members of the Committee. The Committee is inter alia authorized to formulate and recommend to the Board a CSR Policy, the amount of expenditure to be incurred on the permissible activities, monitoring the CSR Policy from time to time and formulating and recommending to the Board, an annual action plan in pursuance of the CSR policy. During 2020-2021, three meetings of the Corporate Social Responsibility Committee were held on June 15, 2020, October 27, 2020 and December 10, 2020 with the attendance by all the members of the Committee.

8. RISK MANAGEMENT COMMITTEE:

Pursuant to an amendment to the Listing Regulations, the Company has constituted a Risk Management Committee with effect from April 1, 2019. Mr. Vishad P. Mafatlal, Executive Chairman of the Company, is the Chairman of the Committee. Mr. Radhesh R. Welling - Managing Director, Mr. Atul K. Srivastava–Independent Director, Mr. Ketan Sablok - Chief Financial Officer and Mr. Lalit Soni– General Manager, Corporate Treasury, are the other Members of the Committee.

During 2020-21, two meetings of the Risk Management Committee were held on January 19, 2021 and March 8, 2021 with the attendance of all the members of the Committee.

The scope of the Risk Management Committee is as under:

1. To periodically monitor and review the Risk Management plans and procedures (including plan for cyber security)
2. To monitor and review the process and progress of:
    a) risk identification and definition
    b) risk classification
    c) risk assessment and prioritization
    d) risk mitigation
    e) risk tracking / reporting mechanism
3. To carry out any other function as may be required by relevant laws or delegated by the Board.

9. INDEPENDENT DIRECTORS' MEETING:

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the management. Pursuant to Regulation 25 of the Listing Regulations and Schedule IV to the Act, during the year, one meeting of Independent Directors was held on March 17, 2021. All the Independent Directors attended the Meeting, except Mr. Sharad M. Kulkarni, who could not attend the Meeting due to ill health. 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 their duties.

10. GENERAL BODY MEETING:

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

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed
22nd	2019-2020	Via Video Conferencing / Other Audio Visual Means	August 21, 2020	3.00 p.m. (IST)	1
21st	2018-2019	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400020	June 21, 2019		8
20th	2017-2018		July 24, 2018		2

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

None of the businesses proposed to be transacted at the ensuing AGM requires passing of special resolution through postal ballot.

11. MEANS OF COMMUNICATION:

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

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

12. GENERAL SHAREHOLDERS INFORMATION:

A. 23rd Annual General Meeting

Date and Time	:	July 26, 2021 at 3.00 PM (IST)
Venue	:	Through Video Conferencing / Other Audio-Visual Means
B. Financial Calendar	**:**	**April 1, 2021 to March 31, 2022 (tentative)**
First quarterly results	:	End of July, 2021
Second quarterly results	:	End of October, 2021
Third quarterly results	:	End of January, 2022
Audited yearly results	:	End of May, 2022
C. Date of Book Closure (both days inclusive)	:	July 13, 2021 to July 16, 2021
D. Dividend payment date	:	On or after July 30, 2021
E. Listing	:	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 The Listing Fees for FY 2021-22 have been paid to both the Stock Exchanges.
F. Stock Code	:	BSE: 532504 NSE: NAVINFLUOR EQ
G. ISIN Number	:	INE048G01026

H. Monthly high and low during each month of the financial year 2020-2021 :

BSE:

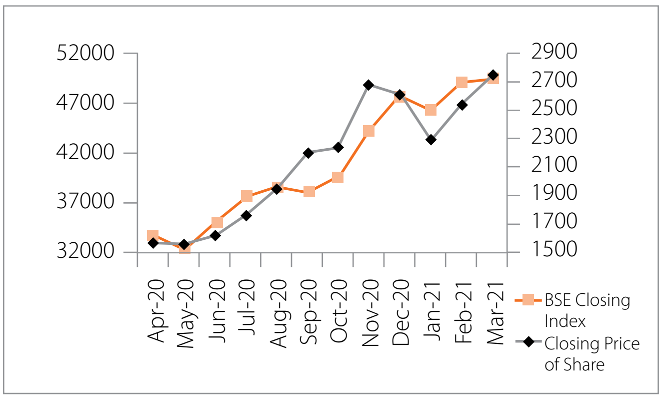
Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	No. of shares traded
April, 2020	1,694.00	1,190.00	33,887.25	27,500.79	3,29,880
May, 2020	1,598.50	1,389.95	32,845.48	29,968.45	1,78,679
June, 2020	1,689.00	1,475.05	35,706.55	32,348.10	2,10,108
July, 2020	1,914.20	1,612.85	38,617.03	34,927.20	3,03,673
August, 2020	2,205.00	1,720.00	40,010.17	36,911.23	2,80,846
September, 2020	2,248.50	1,800.00	39,359.51	36,495.98	1,64,563
October, 2020	2,339.00	1,957.30	41,048.05	38,410.20	1,55,057
November, 2020	2,758.00	2,156.75	44,825.37	39,334.92	2,68,938
December, 2020	2,750.00	2,383.95	47,896.97	44,118.10	1,67,016
January, 2021	2,847.95	2,219.00	50,184.01	46,160.46	2,86,397
February, 2021	2,669.00	2,257.65	52,516.76	46,433.65	2,71,750
March, 2021	2,930.45	2,337.80	51,821.84	48,236.35	5,55,361

NSE:

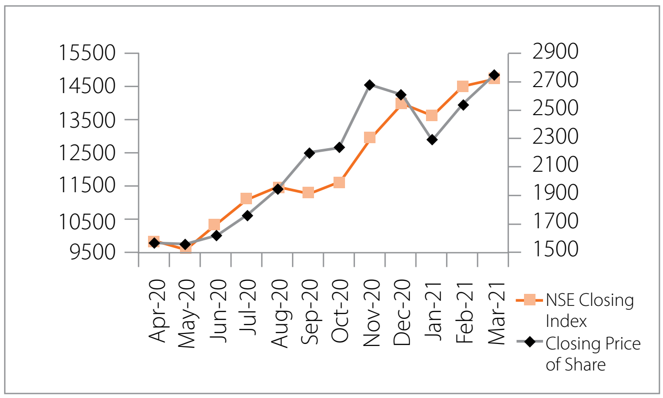
Month	Highest	Lowest	NSE Nifty Highest	NSE Nifty Lowest	Number of shares traded
April, 2020	1,693.65	1,190.00	9,889.05	8,055.80	3,05,619
May, 2020	1,599.50	1,394.00	9,598.85	8,806.75	2,13,602
June, 2020	1,690.90	1,470.00	10,553.15	9,544.35	2,68,030
July, 2020	1,915.00	1,610.00	11,341.40	10,299.60	2,32,822
August, 2020	2,207.10	1,742.30	11,794.25	10,882.25	3,48,523
September, 2020	2,250.00	1,880.00	11,618.10	10,790.20	2,86,149
October, 2020	2,343.40	1,970.00	12,025.45	11,347.05	2,31,725
November, 2020	2,759.95	2,156.40	13,145.85	11,557.40	3,91,281
December, 2020	2,750.00	2,390.35	14,024.85	12,962.80	2,96,239
January, 2021	2,850.00	2,217.40	14,753.55	13,596.75	3,85,750
February, 2021	2,669.95	2,256.05	15,431.75	13,661.75	2,55,835
March, 2021	2,932.20	2,389.45	15,336.30	14,264.40	5,20,386

I. Performance in comparison to broad based indices:

Company's share price and BSE Sensex



Company's share price and NSE Nifty



J. Registrar and Share Transfer Agent:

KFin Technologies Private Limited is the Registrar and Share Transfer Agent of the Company. The address for correspondence is as under:

KFin Technologies Private Limited
Selenium Tower "B", Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500032
Tel No.: 1800 309 4001 and + 9140 67162222
Fax No.:+ 9140 - 2342 0814
E mail ID: einward.ris@kfintech.com
Website: www.kfintech.com

Mumbai Office:	Ahmedabad Office:
24B, Rajabahadur Mansion, Ambalal Doshi Marg, Ground Floor, Fort, Mumbai 400023 Tel: +91 22-6623 5454 Fax:+91 22-6633 1135	Office No. 401, 4th floor, ABC-1, Off C.G. Road, Ahmedabad 380009 Cont. No.:9081903021, 9081903022, E mail: ahmedabadmfd@kfintech.com

K. Share Transfer System:

All the share related work is being undertaken by our R&T Agent, KFin Technologies Private Limited. Any two Directors of the Share Transfer Committee approves the share transfer, split and consolidation, among others. The share transfers are registered and returned within 15 days from the date of receipt if relevant documents are complete in all respects. The shareholders'/investors' grievances are also taken up by our R&T Agent.

L. Distribution of Shareholding as on March 31, 2021:

Slab	Total number of shareholders	% of shareholders	Number of Shares	% of total share capital
Less than 500	1,26,194	97.28	46,56,918	9.41
501-1000	1,550	1.19	11,67,119	2.36
1001-2000	976	0.75	14,45,664	2.92
2001-3000	304	0.23	7,55,412	1.53
3001-4000	123	0.09	4,32,693	0.87
4001-5000	119	0.09	5,56,426	1.12
5001-10000	174	0.13	12,70,124	2.57
10001 & above	279	0.22	3,92,18,864	79.22
Total	**1,29,719**	**100.00**	**4,95,03,220**	**100.00**

M. Shareholding Pattern as on March 31, 2021:

Sr. No.	Category	Number of shares held	% of holding
1.	Promoters' holding	1,49,59,724	30.22
2.	Mutual Funds/AIFs and UTI	69,61,274	14.06
3.	Banks, Financial institutions, insurance companies, central / state government institutions	22,729	0.04
4.	FPIs	1,24,24,108	25.10
5.	Private Corporate Bodies	14,66,353	2.96
6.	Indian Public	1,16,72,371	23.58
7.	NRIs / OCBs	4,71,924	0.95
8.	Others:		
	Trust	3,517	0.01
	Clearing Members	1,72,384	0.35
	Qualified Institutional Buyers	8,66,116	1.75
	IEPF	4,82,720	0.98
	Total	**4,95,03,220**	**100**

N. Dematerialization of Shares and Liquidity:

The equity shares of our Company are regularly traded on BSE Ltd. and National Stock Exchange of India Ltd. As on March 31, 2021, 1,00,417 shareholders were holding 4,85,10,847 equity shares in demat form which constitute 98% of the total share capital of the Company.

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

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

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

Q. Plants / Factories Location:

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

R. Address for Correspondence:

Navin Fluorine International Limited
2nd Floor Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057
Tel.: +91 22 6650 9999, Fax:+91 22 6650 9800
Website: www.nfil.in, E-mail: investor.relations@nfil.in

S. Credit Ratings:

The Company has maintained its credit rating at 'CARE AA', indicating high degree of safety with respect to timely servicing of financial obligations and very low credit risk, for borrowings with a tenure of more than one year. The rating for short-term facilities of tenure less than one year, has been maintained at 'CARE A1+', indicating very strong degree of safety with respect to timely servicing of its short term financial obligations and lowest credit risk. During the year the Company maintained 'CARE A1+' rating for issuance of Standalone Commercial Papers, to the extent of ₹ 3000 lakhs.

13. OTHER DISCLOSURES:

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

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

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

The objectives of the policy are:

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

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

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

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

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

The following non-mandatory requirement as specified in Part E of Schedule II of Listing Regulations has 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 policy for determining 'material' subsidiaries of the Company is available on the weblink: http://www.nfil.in/policy/index.html.

vi) The policy on dealing with related party transactions of the Company is available on the weblink http://www.nfil.in/policy/index.html.

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

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

ix) The Company has obtained a certificate from Mitesh Dhabliwala & Associates, Practicing 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.

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

xi) During 2020-2021, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Price Waterhouse Chartered Accountants LLP (PWC) and all entities in the network firm/network entity of PWC was ₹52.50 lakhs.

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

xiii) The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

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

14. RISK MANAGEMENT:

The Company has 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. The Company has also constituted a Risk Management Committee which regularly evaluates the risk framework.

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 also placed on the Company's website – www.nfil.in.

A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this Report.

16. CEO / CFO CERTIFICATION:

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

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

Vishad P. Mafatlal
Chairman
DIN:00011350

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd Floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057.
Tel.: 91 22 6650 9999; Fax: 91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN:L24110MH1998PLC115499

ANNEXURE TO CORPORATE GOVERNANCE REPORT

DECLARATION REGARDING AFFIRMATION OF 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 year ended March 31, 2021.

For **Navin Fluorine International Limited**

Radhesh R. Welling
Managing Director
(DIN: 07279004)

Place: Mumbai
Date: May 7, 2021

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Navin Fluorine International Limited

We have examined the compliance of conditions of Corporate Governance by Navin Fluorine International Limited, for the year ended March 31, 2021 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

Jeetendra Mirchandani
Partner
Membership Number: 48125
UDIN: 21048125AAAACH6181

Place: Pune
Date: May 7, 2021

ANNEXURE 3

Business Responsibility Report

INTRODUCTION:

The Company consistently endeavors to fulfill its duties as a responsible corporate citizen. This Business Responsibility Report, prepared as per Regulation 34 of the Listing Regulations, details the various initiatives taken by the Company on the environmental, social and governance front. This Report is in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

SECTION A: GENERAL INFORMATON ABOUT THE COMPANY

1.	Corporate Identity Number of the company	L24110MH1998PLC115499
2.	Name of the Company	Navin Fluorine International Limited (hereinafter referred to as 'NFIL' or 'the Company')
3.	Registered address	2nd Floor, Sunteck Centre, 37/ 40 Subhash Road, Vile Parle (E) Mumbai – 400057
4.	Website	www.nfil.in
5.	E-mail ID	info@nfil.in
6.	Financial Year reported	2020-2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	2411 - Hydrofluoric acid and other fluorine chemicals 2411 - Synthetic cryolite, fluorocarbon gases 2411 – Others
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	NFIL is one of the largest and the most respected Indian manufacturers of specialty fluorochemicals comprising of: 1) Synthetic cryolite, fluorocarbon gases; 2) Hydrofluoric acid and other fluorine chemicals; and 3) Other Chemicals
9.	Total number of locations where business activity is undertaken by the Company	**1. International Locations** • 3 Development units at Manchester, Shanghai and New Jersey **2. National Locations** • 2 manufacturing locations at Surat in Gujarat and Dewas in Madhya Pradesh • 1 manufacturing unit being developed by Navin Fluorine Advanced Sciences Limited, wholly owned subsidiary of the Company, at Dahej in Gujarat • 5 sales offices in New Delhi, Mumbai, Surat, Chennai and Hyderabad • Head office in Mumbai
10.	Markets served by the Company	Domestic markets and markets across the globe

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2021

1.	Paid up Capital	₹ 989.92 lakhs
2.	Total Turnover	₹ 1,13,311 lakhs
3.	Total profit after taxes	₹ 29,921 lakhs

4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	The Company was statutorily required to spend ₹435.40 lakhs towards CSR. The Company has spent ₹568.00 lakhs. This is more than 2% of the average profit after taxes as calculated in terms of Section 198 of the Companies Act, 2013, in the previous three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	This is enumerated in detail in Annexure 4 to the Directors' Report which pertains to Report on CSR.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies?	Yes, details of the same are available at the weblink https://www.nfil.in/about_us/hsac21.pdf
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies do not participate in the Company's BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]	Yes, less than 30%. The Company has a thorough selection process to ensure it engages with the right value chain partners. The Company has adopted a Vendor Evaluation Policy and prospective vendors are evaluated on parameters like quality, safety, manufacturing process, capabilities, delivery and commitment. Also, post on boarding, compliance parameters are checked for selected vendors.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/ Directors responsible for BR

a.	Details of Director / Directors responsible for BR	1. DIN: 07279004 2. Name: Mr. Radhesh R. Welling 3. Designation: Managing Director
b.	Details of the BR Head	1. DIN (if applicable): N.A. 2. Name: Mr. Gyanchand B. Jain 3. Designation: President-Operations 4. Telephone No.: +91 0261 6715303 5. E-mail ID: gyanchand.jain@nfil.in

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/Policies

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

A) DETAILS OF COMPLIANCE (REPLY IN Y/N)

<table>
<tr><th>Sr. No.</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Do you have policy/policies for..</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">P1: Code of Conduct, Whistleblower Policy, Policy for determination of materiality of events or information
P2: Sustainable Development Policy, Integrated Management Systems Policy
P3: Health Safety and Environment (HSE) Policy, Prevention of Sexual Harassment Policy, Internal HR Policies for Employees, Integrated Management Systems Policy
P4: CSR Policy, Sustainable Development Policy
P5: Human Rights Policy
P6: Sustainable Development Policy, Integrated Management Systems Policy, HSE Policy
P7: Sustainable Development Policy
P8: CSR Policy
P9: Quality Policy, Sustainable Development Policy</td></tr>
<tr><td>2</td><td>Has the policy been formulated in consultation with relevant stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Does the policy conform to any national / international standards? If yes, specify. (50 words)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The policies that the Company has adopted are in conformity with relevant national and international standards, wherever statutorily applicable. The policies are compliant with the NVGs issued by the Ministry of Corporate Affairs and are drafted after taking into consideration, the best practices adopted across the industry.</td></tr>
<tr><td>4</td><td>Has the policy been approved by the Board? If yes, has it been signed by the MD /owner/CEO/ appropriate Board Director?</td><td colspan="9">All policies have been approved by the Board, wherever statutorily required. All policies have been signed by the MD.</td></tr>
<tr><td>5</td><td>Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?</td><td colspan="9">Mr. Radhesh R. Welling, Managing Director, is responsible for implementation of BR policies and monitoring the BR performance.</td></tr>
<tr><td>6</td><td>Indicate the link to view the policy online?</td><td colspan="9">http://www.nfil.in/policy/index.html
http://www.nfil.in/about_us/code_conduct.html</td></tr>
<tr><td rowspan="2">7</td><td rowspan="2">Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">All the policies have been communicated to relevant stakeholders (Internal/External) of the Company.
Many of these policies are available on the Company's website.</td></tr>
<tr><td>8</td><td>Does the Company have in-house structure to implement its policy / policies?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>9</td><td>Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy / policies?</td><td colspan="9">Yes, queries regarding BR polices can be sent to info@nfil.in</td></tr>
<tr><td rowspan="2">10</td><td rowspan="2">Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The Surveillance and recertification audits of the Company's Integrated Management System (IMS) are performed by TÜV SÜD. As part of these audits, polices are evaluated for its effective implementation.</td></tr>
</table>

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

3. Governance related to BR:

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

1.	List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company's mission includes "To innovate, build and operate chemical plants in the most safe and environment friendly manner". Accordingly, the Company strives to innovate and incorporate environmental concerns in its products, three of which are as under: a) HF b) KF c) DFBA
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional).: i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company's mission includes "To continuously enhance stakeholder value by optimum utilization of resources." This reflects the Company's dedication to improving operational efficiency and optimizing resource utilization. The details of the reductions achieved through the above products are mentioned in Note 1.
3.	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company is dedicated on working with its vendors and suppliers to reduce the environmental impacts of sourcing. Measures adopted towards Green procurement, amongst others, include procurement of certain recycled solvents, catalysts & raw materials. More than 30% of raw materials are procured from ISO 9001, ISO 14001 certified and socially responsible sources. Further, the Company utilizes packaging materials that are sustainable and can be reused on regular basis.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	With the help of R&D and the Company's technical team, it is endeavored to encourage sourcing and initiate action to develop domestic sources. The Company recognizes that local sourcing has various benefits like reduced costs, leadtime, provision of local employment and reduced environmental footprint in sourcing. Due to local unavailability of particular material suppliers, those materials are outsourced.

5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	As mentioned above, the Company's constant effort is in the direction of improving operational efficiency and optimizing resource utilization. It aims to improve waste management practices from time to time. The by-products are partly recycled within site and recovery mechanism of raw material and solvent are methodically followed. Manufacturing site has saved around 50% of fresh water consumption during this financial year by creating awareness among workmen, optimizing the consumptions and following the 3 R principle.

Note 1:

List the Products whose design has incorporated environmental/ social concerns, risks and opportunities	Details of how the product has incorporated the environmental / social concern	Reduction in resource use (raw material, energy, water, any other) per unit of production achieved throughout the value chain with respect to the previous year		
		Raw Material (MT)	Energy (MWH)	NG (Sm3)
HF	Sulphuric acid and NG norms improved	0.116	-	0.002
KF	Power and NG norms improved	-	0.017	0.025
DFBA	DCBN and NG norms improved	0.027	1.312	-
Para Fluoro Phenol	Power norms improved	-	0.104	-
FTFP	CTCP and Power norms improved	0.013	0.607	-

P3: Businesses should promote the well being of all employees.

1.	Please indicate the total number of employees.	NFIL views employees as a key stakeholder. Their well-being is a core component of the Company's philosophy and the same is reflected in the approach towards health and safety of employees at the workplace. The total number of employees as on March 31, 2021 was 1,779 (including contractual employees).
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis.	We do not hire temporary staff, our count for contractual employees is 920.
3.	Please indicate the number of permanent women employees.	35
4.	Please indicate the number of permanent employees with disability.	4
5.	Do you have an employee association that is recognized by Management?	Yes, we have Management recognized internal union "Navin Fluorine International Employees Union" bearing Registration No. G6461.
6.	What percentage of your permanent employees are a member of this recognized employee association?	20.02%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	As per Note 1

Note 1:

Employee Category	Surat site		Dewas site		Dahej site		Average	
	Safety Training	Skill Upgradation Training	Safety Training	Skill Upgradation Training	Safety Training	Skill Upgradation Training	Safety Training	Skill Upgradation Training
Permanent Employees	96%	100%	100%	100%	100%	100%	99%	100%
Permanent women employees	96%	100%	100%	100%	N/A	N/A	98%	100%
Casual/temporary/ Contractual employees	96%	100%	100%	100%	100%	100%	99%	100%
Employees with disability	96%	100%	N/A	N/A	N/A	N/A	96%	100%

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

1.	Has the company mapped its internal and external stakeholders?	Yes. The Company has identified all the key internal and external stakeholders.
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company has identified the disadvantaged, vulnerable & marginalized stakeholders. As a responsible corporate citizen, the Company always attempts to support such stakeholders by means of its CSR projects / programs. During FY 2020-21, the Company had directed its CSR activities towards aiding the below marginalized groups: a) People from rural areas: This has been attempted by multiple projects of the Company which include provision of mobile health services in villages of Gujarat and Madhya Pradesh and facilitating rain water harvesting in villages. b) Children: CSR Projects of the Company that benefited children include supporting nutrition for under-privileged children through Salaam Balak. c) Visually impaired: The Company has worked with Blind People's Association to provide mobile phones with braille keypad to visually impaired students.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	As mentioned in our CSR policy, fulfilling CSR is a way of life at Navin Fluorine International Limited. The Company has always worked towards initiating activities for the betterment of the disadvantaged, vulnerable and marginalized stakeholders in the society. This is reflective from the fact that the Company had undertaken CSR activities even before the concept of CSR received statutory recognition under Companies Act, 2013. The details of the CSR activities undertaken by the Company are a part of Annexure 4 to the Directors' Report which pertains to Report on CSR.

P5: Businesses should respect and promote human rights.

1.	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company attaches due importance to human rights specified in the Constitution of India, national laws and its policies. The Company's policy on human rights is extended to its suppliers, contractors and all relevant business associates.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	For FY 2020-21, the Company has not received any stakeholder complaint related to violation of Human rights.

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

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/others?	The Sustainable Development Policy extends to all employees in the management and non-management cadre and other relevant business associates including the suppliers and contractors.
2.	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.	The Company believes in adopting practices which are clean, green, healthy, safe and more resilient. Few of the initiatives in this direction include: A) Reduction in GHG emissions: We are operating a thermal oxidizer to incinerate HFC 23 chemical which is generated as a by-product during the production process. B) Reduction in Effluent & Air Pollution: a. R&D has developed greener processes of HALEX for specialty molecules, which avoids uses of ~ 26 ton of solvents & hence reduces effluent & air pollution. b. Site recycled around 2000m3/day treated waste water from community STP (Sewage Treatment Plant) and thereby saved freshwater consumption and made available for irrigation by the Canal division. c. By refining the waste water residence time in bromine recovery system, site has eliminated generation of 20 tons of waste water load for further treatment d. Installed automatic DHF drum filling system with in-built scrubbing system to curb emissions and reduce air pollution. C) Reduction in resource consumption: a. Replaced furnace oil with natural gas in boiler, electric lights with solar power lights etc. b. Reduced the natural gas consumption in few products by 8% through recycling of flue gas. c. Reduced power consumption by 4% in few of the products during the year. D) Reduction in solvent emissions: a. Installed chilled water vent condensers on solvent storage tanks and reactors. b. Process vents have been connected to scrubbers. c. Installed a closed system for solvent handling in process area.
3	Does the company identify and assess potential environmental risks?	Yes, the Company identifies potential environmental risks through a robust Quantitative Risk Assessment (QRA) process. QRA assesses all the hazardous chemicals that are stored in bulk quantity at the Company's sites and provides direction in case of any mishap with safe handling of chemicals.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, NFIL has a clean development mechanism for elimination of R-23 through incineration in a thermal oxidizer. Audit is carried out by GPCB approved Environmental Auditor and audit reports are submitted to the concerned authorities.

5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.	NFIL has always been devoted to adopting newer ways to enhance the existing practices across manufacturing facilities so that they are more and more environment friendly. Steps in this direction include usage of renewable energy, development and optimization of waste generation by recycling solvents, conversion of waste into by-products, wherever possible and adoption of novel technology for energy conservation. Broadly the key initiatives taken by the Company include: - Work upfront during PR&D stage to reduce usage of solvents, have recycling options (in-house or third party) and appropriate treatment of effluent at prescribed COD/BOD levels - Continue to look for efficient ways to reduce water usage and lessen the load on ETP for treatment - Preventive maintenance practices and upkeep of assets to continue efficiencies - Systematically planning solar lighting at site for energy savings - Internal balancing of utilities for full utilization minimizing losses - Invest in green belt and maintain utmost hygiene and up keep of site
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Emissions and wastes generated at NFIL sites are well within the permissible limits specified by the Pollution Control Boards - CPCB & SPCB.
7.	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No show cause or legal notices have been received for NFIL sites from CPCB/SPCB during FY 2020-21.

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

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

P8: Businesses should support inclusive growth and equitable development.

1.	Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company has specific programmes to support inclusive growth and equitable development. Driven by its CSR policy, the Company engages in various activities which support inclusive growth and development of all. The broad areas of work include health care, education, supporting the visually impaired and aiding budding athletes.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The Company evaluates each cause on case to case basis and decides on the suitable mode of project implementation. Hence, there could be activities which are undertaken through in-house team/external NGO/government structures/any other organization.

3.	Have you done any impact assessment of your initiative?	Yes. Impact assessment is undertaken internally or through implementing agency at intervals.
4.	What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken	During FY 2020-21, the Company spent ₹568 lakhs towards CSR initiatives. Details of the projects are available as Annexure 4 to the Director's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, regular reports and follow-up field visits, telephonic and email communications are regularly carried out, wherever possible.

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

1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	100% resolution of consumer complaints has been achieved.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A./Remarks (additional information)	NFIL abides to all the applicable laws with respect to product labelling. Relevant labeling on packaging is also done indicating nature of hazards as per the defined format identified in domestic / international laws. NFIL practices an internationally recognised standard in which product details are always displayed by providing MSDS and TREM card along with products. MSDS is sent with each consignment for exports whereas for domestic customer, it is sent as and when asked. However, TREM card is sent with all consignments.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	The Company has not received any such complaints during the last five years and as at the end of FY 2020-21.
4.	Did your company carry out any consumer survey / consumer satisfaction trends?	The Company is customer focused. It undertakes regular customer satisfaction survey which enables it to improve. The survey indulges with external and internal customers. The external customers respond to this feedback annually while the internal customers are surveyed four times a year. Based on the ratings or inputs received, the concerned departments work to improve their performance. During FY 2020-21, the total customer satisfaction index score was 97.87%.

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

Vishad P. Mafatlal
Chairman
DIN:00011350

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd Floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057.
Tel.: 91 22 6650 9999; Fax: 91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN:L24110MH1998PLC115499

ANNEXURE 4

Annual Report on CSR initiatives

1. Brief outline on CSR Policy of the Company

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

2. The Composition of the CSR Committee

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

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

   Composition of CSR Committee - https://www.nfil.in/investor/bod/NFIL_Committee_Composition_01-04-2021.pdf

   CSR Policy - https://www.nfil.in/policy/NFIL_CSR_Policy_1.pdf

   CSR Projects - https://www.nfil.in/csr/index.html

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

   N. A.

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

   N. A.

6. Average net profit of the Company as per Section 135(5) – ₹21,770.20 lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) – ₹435.40 lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – N. A.

   (c) Amount required to be set-off for the financial year, if any – N. A.

   (d) Total CSR obligation for the financial year (7a+7b-7c) – ₹435.40 lakhs

8. (a) CSR amount spent or unspent for the financial year: Spent – ₹568 lakhs; Unspent - NIL

   (b) Details of CSR amount spent against ongoing projects for the financial year: No amount has been spent on any Ongoing Projects after the introduction of this concept by notification of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 on January 22, 2021.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (₹ In lakhs)

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Purchase of equipments for meeting cost of free eye surgeries	Health Care	No	Madhya Pradesh	Satna	200.00	No	Shri Sadguru Seva Sangh Trust	N. A. for FY 2020-21

(₹ In lakhs)

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration number
2	Mobile health services in villages for medical care including routine check-up and medicines	Health Care	Yes	Gujarat	Surat	25.28	Yes	N. A.	N. A.
3	Olympic Sports Promotion	Promoting Olympic Sports	No	Pan India	Pan India	30.00	No	Foundation for promotion of sports	N. A. for FY 2020-21
4	Mobile health services in villages for medical care including routine check-up and medicines	Health Care	Yes	Madhya Pradesh	Dewas	10.93	Yes	N. A.	N. A.
5	COVID-19 Support for additional beds & 2 dialysis machines	Health Care	No	Gujarat	Karamsad	30.00	No	Charutar Arogya Mandal Hospital	N. A. for FY 2020-21
6	Purchase of Stretchers and Plastic Sheets for wrapping human remains and part payment for purchase of new Ambulance for COVID-19 patients	Health Care	Yes	Gujarat	Surat	3.00	No	Ekta Trust	N. A. for FY 2020-21
7	Medical Vans to Surat Municipal Corporation Health Dept. for catering to remote villages for COVID-19 rapid test	Health Care	Yes	Gujarat	Surat	7.03	No	Surat Municipal Corporation	N. A. for FY 2020-21
8	Animal Welfare, bird rescue and rehabilitation	Animal Welfare	Yes	Gujarat	Surat	4.00	No	Prayas (Green NGO)	N. A. for FY 2020-21
9	Nutrition to under privileged children	Eradicating Malnutrition	Yes	Maharashtra	Mumbai	3.63	No	Salaam Baalak Trust	N. A. for FY 2020-21
10	Food supply to needy during lockdown	Eradicating hunger, poverty and malnutrition	Yes	Gujarat	Surat	0.40	Yes	N. A.	N. A.
11	Food supply to needy during lockdown	Eradicating hunger, poverty and malnutrition	Yes	Madhya Pradesh	Dewas	0.25	Yes	N. A.	N. A.
12	PM CARES Fund to support COVID-19 relief initiative	PM CARES Fund	-	-	-	200.00	No	PM CARES Fund	N. A. for FY 2020-21
13	Rain water Harvesting projects in 6 villages	Environmental sustainability	Yes	Gujarat	6 Villages	28.23	No	Piramal Sarvajal	N. A. for FY 2020-21
14	Health care products to Women	Promoting Health Care and sanitation	Yes	Gujarat	Surat	9.05	No	Shakti Foundation	N. A. for FY 2020-21
15	Blind People's Association	Education for differently abled	Yes	Gujarat	Surat	15.60	No	Blind People's Association	N. A. for FY 2020-21

(₹ In lakhs)

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District			Name	CSR Registration number
16	Miscellaneous Provisions	Livelihood enhancement, Promoting Education etc.	-	-	-	0.60	Yes	N. A.	N. A.
						568.00			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - N. A.

(f) Total amount spent for the Financial Year - ₹568 lakhs (8b+8c+8d+8e)

(g) Excess amount for set-off, if any

Sl. No.	Particulars	(₹ in lakhs)
i.	Two percent of average net profit of the company as per Section 135(5)	435.40
ii.	Total amount spent for the Financial Year	568.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	132.60
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N. A.
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	132.60

9. (a) Details of Unspent CSR amount for the preceding three financial years: N. A.

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N. A.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): No amount has been spent on creation or acquisition of capital assets after the notification of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 on January 22, 2021.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N. A.

Radhesh R. Welling
Managing Director
(DIN: 07279004)

Sudhir G. Mankad
Chairman-CSR Committee
(DIN: 00086077)

Place: Mumbai / Gandhinagar
Date: May 6, 2021

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
Tel: +91 22 6650 9999; Fax: +91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN: L24110MH1998PLC115499

ANNEXURE 5

Details of ESOPs as per SEBI (Share Based Employee Benefits) Regulations, 2014

Disclosures with respect to Employees' Stock Option Scheme, 2007 and Employees' Stock Option Scheme, 2017 of the Company pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2021:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time

Members may refer to the audited financial statements prepared as per Indian Accounting Standard (Ind-AS) for the year 2020-21.

B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33

Diluted EPS for the year ended March 31, 2021 is ₹ 60.37 calculated in accordance with Ind-AS 33 (Earnings per Share).

C. Details related to Employees' Stock Option Scheme, 2007 ("ESOS - 2007") and Employees' Stock Option Scheme, 2017 ("ESOS-2017")

1) The description including terms and conditions of 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)	As may be determined by the Nomination and Remuneration Committee subject to maximum of 5% of issued and paid-up share capital of the Company from time to time.
(c)	Vesting requirement	As may be determined by the Nomination and Remuneration Committee subject to minimum vesting period of 1 year from the date of grant of options.	As may be determined by the Nomination and Remuneration Committee subject to minimum vesting period of 1 year from the date of grant of options and shall end over a maximum period of 5 years from the date of grant of the options.
(d)	Exercise Price or pricing formula	The exercise price shall be the market price of equity shares of the Company on the date prior to the date on which the Nomination and Remuneration Committee finalizes the specific number of options to be granted to the designated employees.	The exercise price shall be decided by the Nomination and Remuneration Committee and shall not be less than the face value per share per option.
(e)	Maximum term of option granted	10 years from the date of grant.	10 years from the date of grant.
(f)	Source of shares (Primary, secondary or combination)	Primary	Primary
(g)	Variation in terms of options	None	None

2) **Method used to account for ESOS** – Fair value

3) **Option movement during the year:**

Sr. No.	Particulars	ESOS – 2007	ESOS - 2017
(a)	Number of options outstanding at the beginning of year	45,670	63,115
(b)	Number of options granted during the year	-	-
(c)	Number of options forfeited / lapsed during the year	-	-
(d)	Number of options vested during the year	-	15,040
(e)	Number of options exercised during the year	8,250	10,650
(f)	Number of shares arising as a result of exercise of options	8,250	10,650
(g)	Money realized by exercise of options	₹38.55 lakhs	₹83.07 lakhs
(h)	Number of options outstanding at the end of the year	37,420	52,465

4) Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options :

a) Weighted average exercise price – ₹585.92

b) Weighted average fair value (Black Scholes model) - ₹230.30

5) Employee wise details of options granted during the year:

a) Key managerial personnel and senior managerial personnel – NIL

b) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant – NIL

6) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following information:

a) No Stock options were granted during the year.

b) The options are granted at market price and the Company uses intrinsic value method of accounting for options vested till March 31, 2016. Post implementation of IndAS, i.e. from April 1, 2016, the Company adopts fair value method of accounting for options not vested till March 31, 2016.

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd Floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057.
Tel.: 91 22 6650 9999; Fax: 91 22 6650 9800
E-mail: 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 norms by improving the gas burner technology in natural gas fired boiler
2. Improvement in natural gas consumption norms by recycling optimum quantity of the flue gases escaping from stack back into the HAG system and also increasing the recycling of flue gas, reducing the insulation losses by replacement of heating system with high efficiency version, thus improving the productivity
3. Replacement in the design of cooling tower fan has resulted in improvement in power consumption by keeping the capacity same. Also, shifted the cooling tower to elevated height of around 20 meter from ground floor, in one of the plant, resulting in improved power consumption
4. Improvement in Power and steam consumption norms in organic plant by improving the productivity through debottlenecking the capacity and reduction in heating cycle with larger batch size
5. Optimization in raw water consumption at site by means of below activities:
   i. Water balance performed over the site to identify possible sources to reduce/optimize process and utility water consumptions.
   ii. Flow meter installed to monitor consumption.
   iii. Damaged pipelines were replaced with new ones.
   iv. Auto cut-off valve installed to overhead water tanks.
6. Using DM and RO reject water for cooling tower make up and gardening purpose effectively reducing raw water intake and further treatment of 20 KLD of waste water
7. Use of available 1 MW solar power equivalent to the existing day time consumption capacity
8. PSA tower is being used for generation of nitrogen as well as process air.

B. Additional investment and proposal, if any being implemented for reduction in consumption of energy :

1. Use of solar power equivalent to the existing day time consumption of electricity is proposed. Options of either captive generation of Solar Power or procurement through Open Access Scheme are being explored.
2. Replacement of old cooling tower fan with new technology light weight fans for reduction in power consumption in all areas.
3. Replacement of old centrifugal compressors with energy efficient screw compressors
4. Replacement of high power consumption centrifugal cooling water pump with new technology energy efficient pump.

C. Impact of the measures at (A) and (B) above for the reduction of energy consumption and consequent impact on the cost of production of goods :

1. The power consumption of key products has shown improvement with increase in batch size and reduction in process consumption norms.
2. Above points will lead to savings of about 3 million KWH of power per year at present rate of production from this year onwards.
3. Above points will lead to savings of about 2.02 lakhs SM3/Annum of natural gas at present rate of production
4. The water conservation led to an overall optimization of 60 KLD intake of raw water, effectively decreasing treatment cost for 20 KLD reject water
5. Enhancing the open access solar power will lead to estimated savings of about ₹ 60 lakhs per annum at present rate of production from next year onwards

D. Total energy consumption and energy consumption per unit of production:

The particulars are furnished in the prescribed Form A annexed hereto.

2. Technology absorption:

Efforts made in technology absorption are furnished in prescribed Form B annexed hereto.

3. Foreign Exchange earnings and outgo:

A. Activities relating to export initiatives taken to increase exports, developments to new export markets for products and services and export plans:

About 50% of the Company's revenue came from international markets across all the business verticals. International business has continued to grow year-on-year with addition of global customers across all lines of business. The Company continues its focus on building long term partnerships with customers across different geographies. Going forward, the Company will continue to increase its overall international business pie. The Company underpins its global presence by working closely with its foreign subsidiaries - Manchester Organics Limited, NFIL USA Inc. and Navin Fluorine (Shanghai) Co. Ltd. The technical, R & D and business development teams regularly attend international science conferences, exhibitions, customer meets, conduct R & D seminars on fluorination strengths and capabilities, thus improving presence in various geographies and increasing customer visibility. Dedicated business development teams in various geographies like USA, Europe and Japan cater to the needs of the global life science and crop science majors, explore new opportunities in fluorine chemistry and develop new customer connects.

B. Total foreign exchange used and earned

(₹ in lakhs)

	Current Year	Previous Year
Total foreign exchange used	32,189.55	32,128.35
Total foreign exchange earned	55,691.58	45,303.95

Annexure to Directors' Report

FORM A

Disclosure with respect to Conservation of Energy

				2020-21	2019-20
(A)	POWER & FUEL CONSUMPTION:				
	(1)	Electricity			
		(a)	Purchased		
			Units (in Kwh)	4,29,96,236	4,04,08,696
			Total Cost (₹)	30,73,20,822	30,51,97,841
			Rate/Unit (₹)	7.15	7.55
		(b)	Own Generation		
		(i)	Through Captive Power Plant		
			Units (in Kwh)	14,43,560	19,99,748
			Unit per M3 of Natural Gas (Kwh)	3.18	3.23
			Cost/Unit (₹)	11.63	11.04
		(ii)	Through Diesel Generator		
			Units (in Kwh)	1,98,408	92,073
			Unit per litre of diesel oil (Kwh)	2.90	3.04
			Cost/Unit (₹)	24.20	22.84
	(2)	Others			
		(a)	High Speed Diesel (HSD)		
			Quantity (K.Ltrs)	17	22
			Total Cost (₹)	11,56,338	14,68,830
			Rate/Unit (Per K.Ltr.)	68,491	67,920
		(b)	Natural Gas		
			Quantity (Cub. Mtrs.)	59,84,160	53,35,382
			Total Cost (₹)	20,88,21,954	18,21,52,474
			Rate (₹ /Cub Mtrs.)	34.90	34.14
		(c)	Water		
			Quantity (K. Ltrs.)	6,05,260	7,22,667
			Total Cost (₹)	2,10,90,443	2,26,60,675
			Rate (₹ /K.Ltrs)	34.85	31.36
(B)	CONSUMPTION PER UNIT OF PRODUCTION:				
		(1)	Electricity (Kwh/Mt.)	1,250	1,074
		(2)	Natural Gas (Cub.Mtrs/Mt.)	168	135
		(3)	Others (K Ltrs/Mt.)	17	18
Production				MT	MT
	Synthetic Cryolite, Aluminium Fluoride & Fluorocarbon Gases			7,620	10,518
	Misc. Fluorides			28,103	28,959
			Total	**35,723**	**39,477**

FORM B

RESEARCH & DEVELOPMENT

A. Specific areas in which R & D is carried out by the Company

The Company has three state-of-the-art Research Centres located at Bhestan, Surat (Gujarat), Dewas (Madhya Pradesh) and Manchester Organics Limited (UK) to support the Research and Development activities across businesses.

- The Surat centre focusses on fluorinated intermediates, basic key raw materials and advanced intermediates contributing to organic, inorganic and specialty chemicals
- The R & D centres at Dewas and UK, focus on advanced fluoro-intermediates and their applications in the syntheses of pharmaceuticals at various stages utilizing a wide spectrum of chemistry

The research centers are predominantly focused on the following areas:

a) 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, halex, Balz-Schiemann etc. to develop safe, innovative, cost effective, scalable and robust processes aligned to market needs.

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 production of products.

c) 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

d) Work towards the long term vision of the Company by identifying, developing and employing innovative technology platforms and processes for selected products

e) 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 etc.

f) The activities mentioned so far can be broadly categorized into two types namely, application of technology developed in-house to the manufacture of selected products, and development of technology and processes for the manufacture of specific products of interest to customers.

B. Benefits derived as a result of the above R & D

Employing the expertise mentioned above, R&D has

a) Developed more than 18 new chemical products in line with organisational priorities

b) Several new process development initiatives to build pipe line of products with applications in life sciences, crop sciences and material sciences

c) Identified newer applications of fluorine containing products such as BF_3, HF and their adducts

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) Continuous support to commercial manufacturing activities for process improvement, cost reduction and sustainability of key specialty products, resulting in enhanced process efficiencies and significant reduction in cost to sustain market leadership

f) Focus on customer approach resulted in strengthened relationships with customers through participation in the value chain for their future product pipeline resulting in long-term opportunities for organization as a strategic vendor both in national and international markets

g) 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

C. Future plan of action

With the new manufacturing facility coming up in Dahej, R&D at Surat has seen increase in investment in manpower, equipment and tools to handle newer technologies and more projects. This in turn has prompted to take initiatives to expand laboratory space to cater to the growing needs of our organization. Further, with the stage-gate system being introduced, a smoother work flow leading to an enhanced success rate of projects is expected.

Our endeavor is to enhance capabilities in the areas of research and development and invest in people and equipment to effectively carry on research and development projects, support the growth of our internal company needs, and strengthen our capabilities. This financial year, we have expanded research capacities in Dewas by adding analytical validation laboratory facility along with increase in team of scientists. R&D is also continuing efforts to leverage its capabilities with research based subsidiary company Manchester Organics Limited to widen its scope wherever necessary to manufacture value added niche chemicals in the future. Plans are underway to further expand our capabilities by increasing our laboratory space and enhancing the team of our experts. The role is not limited to just developing new processes but also to support the technical services, production and manufacturing teams including trouble shooting for existing products.

D. Expenditure on R&D: (₹ in lakhs)

	Current Year	Previous Year
Capital Expenditure	92.18	228.44
Recurring Expenditure	2,076.17	2,152.37
Total Expenditure	2,168.35	2,380.81
Total R&D Expenditure as percentage of total turnover	1.91%	2.33%

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

a. Efforts in brief made towards technology absorption, adaptation & innovation

The R & D Center continues to be focused on utilizing its years of experience and knowledge base along with its technical capabilities to handle difficult and complex chemistries, especially in fluorination. This has now been globally accepted and has created a niche area of expertise, which is increasingly finding its uses in life science, crop science, non-conventional and refrigerant and related industries worldwide. Further, to stay abreast with science and technology, R&D has ventured into new areas such as continuous flow reactions and electrochemical fluorinations. While the former would be an alternative to batch process, with an improved yield and lower cost, the later would help synthesize per fluorinated compounds having novel applications. The R & D team provides modern tools, its customer networks and advanced online literatures to all its scientists to look for global techniques, to introduce required fluorine atom in a desired position in a molecule in more than one way in selected chemical entities.

b. Benefits derived as a result of above efforts

The efforts made thus far will translate to and have resulted in:

a) Making Navin Fluorine a long term strategic supplier and partner of choice of customers in the areas of crop protection, life sciences, specialties chemicals etc.

b) Making Navin Fluorine a preferred technology partner of multinational companies to manufacture their pipeline of products

c) Increase in revenue and profitability of all the business units within the Company

d) Sustainable business growth of organization by virtue of organizational edge in technology adoption and development

c. Information regarding technology imported during the last five years

NIL

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd Floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057.
Tel.: 91 22 6650 9999; Fax: 91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN:L24110MH1998PLC115499

ANNEXURE 7

Disclosure under Section 197(12) and 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, 2021 and percentage increase in remuneration of each Director in the financial year:

Director	Remuneration (₹ in lakhs)	Ratio	% Increase
Mr. Vishad P. Mafatlal	861.70	135.45	26.03
Mr. Radhesh R. Welling	716.68	112.66	32.12
Mr. Mohan M. Nambiar	26.20	4.12	7.38
Mr. Pradip N. Kapadia	26.55	4.17	7.27
Mr. Sunil S. Lalbhai	26.55	4.17	7.27
Mr. Sharad M. Kulkarni	25.15	3.95	1.62
Mr. Atul K. Srivastava	25.85	4.06	9.07
Mr. Sudhir G. Mankad	25.50	4.01	10.87
Mr. Harish H. Engineer	25.50	4.01	20.00
Mrs. Radhika V. Haribhakti	26.55	4.17	12.03
Mr. Ashok U. Sinha (w.e.f. October 28, 2020)	12.75	2.00	N. A.

The percentage increase in remuneration of the Company Secretary was 10% and of the Chief Financial Officer was 25%.

2. Percentage increase in median remuneration of employees in the financial year: 11.91%
3. The number of permanent employees on the rolls of the Company as on March 31, 2021: 859
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 grade is 25% for a period of 3 years (8.33% p.a.); Non managerial employees also get increase in Dearness Allowance as per Consumer Price Index; Average increase in total remuneration is approx. 10% (Including KMPs), while average increase for managerial personnel is approx. 15%. The same is on account of increase which was in line with market standards.
5. It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

Vishad P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: May 7, 2021

Registered Office:
2nd Floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057.
Tel.: 91 22 6650 9999; Fax: 91 22 6650 9800
E-mail: info@nfil.in; Website: www.nfil.in
CIN:L24110MH1998PLC115499

ANNEXURE 8

Form No. MR.3
Secretarial Audit Report

For The Financial Year Ended 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Navin Fluorine International Limited,
2nd Floor, Sunteck Centre,
37-40 Subhash Road, Vile Parle (East),
Mumbai 400057

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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable to the Company during the Audit Period

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable to the Company during the Audit Period

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable to the Company during the Audit Period

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 I and Secretarial Standard II 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;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

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
- Explosive Act, 1884 and Explosive Rules, 2008

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 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 allotted 18,900 Equity Shares of the 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.

BSE Limited has levied a fine of ₹12,980/- (including GST) for a short delay during pandemic period in redressing one shareholder's complaint.

For **Makarand M. Joshi & Co.**

Kumudini Bhalerao

Partner

FCS No. 6667
CP No. 6690
UDIN: F006667C000255355
Peer Review No: P2009MH007000

Place: Mumbai
Date: 07/05/2021

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,
2nd Floor, Sunteck Centre,
37-40 Subhash Road, Vile Parle (East),
Mumbai 400057

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**

Kumudini Bhalerao
Partner

FCS No. 6667
CP No. 6690
UDIN: F006667C000255355
Peer Review No: P2009MH007000

Place: Mumbai
Date: 07/05/2021

Dividend Distribution Policy

(A) OBJECTIVE:

This Policy is framed pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which was introduced by SEBI on July 8, 2016 pursuant to Notification of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

The aforesaid Regulation requires top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy. Accordingly, the Board of Directors of the Company has approved this Dividend Distribution Policy (Policy).

The Policy shall comply with all the prevailing laws, rules and regulations as may be prescribed from time to time.

(B) EFFECTIVE DATE:

The Policy shall come into effect from the financial year 2016-17 and shall apply to the interim dividends which may be declared by the Board of Directors from time to time and the final dividend which will be recommended by the Board of Directors for approval by the Members of the Company.

(C) CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:

The Company shall endeavor to pay dividend to its shareholders in a steady and consistent manner.

Dividend shall be declared or paid out of:

(i) Profits of the current year after providing for depreciation in accordance with law and after transferring to reserves such amount of profits as may be prescribed under Companies Act, 2013, the Rules framed thereunder or under any other Laws or Statutes;

(ii) Out of profits for any previous financial years after providing for depreciation in accordance with law and out of the amounts available for dividend after prescribed appropriations;

(iii) Out of (i) or (ii) above or both.

The Shareholders of the Company may not expect dividend under the following circumstances:

(i) Whenever significant expansion proposal is undertaken requiring higher allocation of capital;

(ii) Whenever any acquisitions or joint ventures are undertaken requiring significant allocation of capital;

(iii) Requirement of higher working capital thereby adversely impacting free cash flows;

(iv) Whenever it is proposed to utilize surplus cash for buy back or other corporate actions;

(v) In the event of inadequacy of profits or incurring of losses;

(D) FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND (INCLUDING INTERNAL AND EXTERNAL FACTORS):

The following financial parameters (internal factors) would be considered before declaring or recommending dividend to shareholders:

(i) Income and Profitability parameters like operating profit, profit after tax, return on equity, dividend payout ratio etc.

(ii) Working capital requirements

(iii) Capital expenditure requirements

(iv) Resources required to fund acquisitions and/or new businesses

(v) Outstanding borrowings

(vi) Likely crystallization of contingent liabilities

(vii) Growth opportunities including inorganic growth.

External factors:

(i) Economic and business environment

(ii) Capital market environment

(iii) Regulatory requirements, conditions or restrictions laid down under applicable laws including tax laws

However, all efforts will be made to maintain a Dividend Pay-out as per the historic trends of the Company.

(E) UTILIZATION OF RETAINED EARNINGS:

The retained earnings shall be utilized for all such activities that in the opinion of the Board of Directors shall enhance the shareholders' value keeping in mind the business objectives and requirements of the Company.

(F) PARAMETERS FOR VARIOUS CLASS OF SHAREHOLDERS:

The holders of equity shares of the Company, as on the Record Date, are entitled to receive dividends. Since, as of now, the Company has issued only one class of equity shares, this Policy shall be suitably revised at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

(G) AMENDMENTS TO THE POLICY:

The Board of Directors of the Company may review and alter, modify, add, delete or amend any of the provisions of this Policy from time to time.

Any or all provisions of this Policy would be subject to the revision/ amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

FINANCIAL SECTION

Independent Auditors' 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 Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the 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, 2021, 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 judgment, 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(k), 5A, 8, and 53 in the standalone financial statements) The carrying value of the investment in above mentioned subsidiaries and the property, plant and equipment (PP&E) relating to the Company's manufacturing facility at Dewas as at March 31, 2021 is ₹ 9,390.36 lakhs and ₹ 14,248.05 lakhs respectively, which in aggregate represents approximately 12.66% of the total assets of the Company. The said investments and PP&E are carried at cost less accumulated impairment losses, if any. The Company reviews their carrying values at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying value. As mentioned in the note 53, the Management considers these investments and the said PP&E as part of one cash generating unit (CGU) for the purpose of assessment of their recoverable value.	**Our procedures included the following :** • Understood the management process for assessment of carrying values of investments and PP&E, and also evaluated the design and tested the operating effectiveness of the Company's internal controls surrounding such assessment. • Reviewed the Company's accounting policy in respect of impairment assessment of investments and PP&E. • Assessed whether the Company's determination of CGUs was consistent with our knowledge of the Company's operations. • Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting. • 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.

Key audit matter	How our audit addressed the key audit matter
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.	- Performed sensitivity analysis on the forecasts by varying the key assumptions within a foreseeable range. - Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Evaluated the adequacy and appropriateness of disclosures made in the standalone financial statements. Based on the above procedures performed, we noted that the management's assessment of the carrying value of the investments and the identified PP&E is reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

9. 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

10. 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 financial statements.

11. 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 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.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement 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, 2021 taken on record by the

Board of Directors, none of the directors is disqualified as on March 31, 2021 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, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 47 to the financial statements;

(ii) The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2021;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

17 The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 21048125AAAACD3919

Pune
May 7, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Navin Fluorine International Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to 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 financial statements of Navin Fluorine International Limited ("the Company") as of March 31, 2021 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 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.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (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 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls 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 controls 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 controls 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 Company has, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 21048125AAAACD3919

Pune
May 7, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Navin Fluorine International Limited on the standalone financial statements as of and for the year ended March 31, 2021.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets 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 fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, other than self constructed properties as disclosed in Note 5A and 6 on Property, Plant & Equipment and Investment Properties respectively to the standalone financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company, in earlier years, had granted interest bearing unsecured loan to a Joint venture Company(upto February 24, 2021) and an interest free unsecured loan to a wholly owned subsidiary (pursuant to a sanctioned scheme of rehabilitation) covered in the register maintained under Section 189 of the Act.

(a) During the year, the Company has not granted any loan, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) of the said Order is not applicable to the Company.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 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 from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 47(ii) to the 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 dues of income tax, service-tax, duty of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, duty of excise and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statue	Nature of dues	Amount unpaid (In ₹ lakhs) *	Period to which the amount relate	Forum where dispute is pending
Central Excise Act	Excise Duty	90.33	1993-94 to 2005-06	High Court
Central Excise Act	Excise Duty	0.17	2005-06 & 2006-07	Assistant Commissioner of Central Excise
Central Excise Act	Excise Duty	254.29	Aug 2015 to June 2017	Commissioner of GST and Central Excise
The Uttar Pradesh Value Added Tax	Value Added Tax	69.14	1998-99 and 2000-2001	Appellate Authority – Upto Commissioner's level
MP Commercial Tax Act	Entry Tax, Central Sales tax, Value Added Tax	14.48	1995-96,1996-97 & 2006-07	Appellate Board
MP Commercial Tax Act	Central Sales Tax	9.42	1990-91 to 1994-95	Madhya Pradesh High Court
The Gujarat Value Added Tax Act	Central Sales Tax	73.08	2010-11, 2014-15 and 2015-16	Appellate Authority – Upto Commissioner's level

*net of amount paid under protest

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. 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. Also refer paragraph 17 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

Jeetendra Mirchandani
Partner

Pune
May 7, 2021

Membership Number: 048125
UDIN: 21048125AAAACD3919

Standalone Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	34,779.81	35,906.26
b. Right-of-use assets	5B	1,343.89	1,043.63
c. Capital work-in-progress	5C	3,653.44	3,885.07
d. Investment properties	6	4,151.72	4,236.87
e. Other intangible assets	7	70.79	95.28
f. Investment in Subsidiaries and Joint Ventures	8	35,339.16	14,269.65
g. Financial assets			
i. Investments	9	1,237.16	8,608.81
ii. Loans	10	1,322.92	1,506.69
iii. Other financial assets	10A	929.62	765.42
h. Non-current tax assets (Net)	11	2,879.08	11,379.54
i. Deferred tax assets (Net)	24	-	1,941.31
j. Other non-current assets	12	427.15	959.37
Total non-current assets		**86,134.74**	**84,597.90**
Current assets			
a. Inventories	13	15,431.97	13,606.84
b. Financial assets			
i. Investments	14	8,453.89	6,754.10
ii. Trade receivables	15	27,594.25	20,933.43
iii. Cash and cash equivalents	16A	7,606.62	16,915.19
iv. Bank balances other than (iii) above	16B	31,284.60	8,904.16
v. Loans	17	452.59	666.63
vi. Other financial assets	18	6,020.24	589.79
c. Other current assets	19	3,664.70	4,428.68
Total current assets		**1,00,508.86**	**72,798.82**
Total assets		**1,86,643.60**	**1,57,396.72**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	989.92	989.54
b. Other equity	21	1,64,019.59	1,37,904.74
Total equity		**1,65,009.51**	**1,38,894.28**
Liabilities			
Non-current liabilities			
a. Other financial liabilities	22	1,031.44	711.20
b. Provisions	23	1,162.00	1,027.89
c. Deferred tax liabilities (Net)	24	1,670.42	-
d. Other non-current liabilities	25	1,350.37	1,352.04
Total non-current liabilities		**5,214.23**	**3,091.13**
Current liabilities			
a. Financial liabilities			
i. Trade payables	26		
a. Total outstanding dues of micro enterprises and small enterprises		1,365.96	887.84
b. Total outstanding dues other than (i)(a) above		8,900.18	8,335.72
ii. Other financial liabilities	27	2,461.63	3,174.99
b. Contract liabilities		303.44	209.09
c. Provisions	28	304.67	283.18
d. Current tax liabilities (Net)	11	773.96	-
e. Other current liabilities	29	2,310.02	2,520.49
Total current liabilities		**16,419.86**	**15,411.31**
Total liabilities		**21,634.09**	**18,502.44**
Total equity and liabilities		**1,86,643.60**	**1,57,396.72**
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
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	30	1,13,311.04	1,02,226.51
Other Income	31	7,452.88	3,133.85
Total Income		**1,20,763.92**	**1,05,360.36**
EXPENSES			
Cost of materials consumed	32	52,012.09	48,756.26
Changes in Inventories of finished goods, work in progress and stock-in-trade	33	(913.20)	(2,266.94)
Employee benefits expense	34	12,486.67	11,652.76
Finance costs	35	142.33	160.49
Depreciation and amortisation expense	36	4,066.51	3,374.10
Other Expenses	37	18,641.56	18,012.46
Total Expenses		**86,435.96**	**79,689.13**
Profit before exceptional items and tax		**34,327.96**	**25,671.23**
Exceptional items	50	6,622.73	-
Profit before tax		**40,950.69**	**25,671.23**
Tax expenses			
(1) Current tax	38.1	11,860.10	8,257.63
(2) Excess provision of tax for earlier years	38.2	-	(14,125.37)
(3) Deferred tax	24.1	(830.40)	(8,442.74)
Total Tax expenses		**11,029.70**	**(14,310.48)**
Profit for the year		**29,920.99**	**39,981.71**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement loss of the defined benefit obligations		(7.94)	(109.13)
Current tax relating to the above		2.51	38.13
Total other comprehensive income, net of tax		**(5.43)**	**(71.00)**
Total comprehensive income for the year		**29,915.56**	**39,910.71**
Earnings per equity share (of face value of ₹ 2.00 each)	40		
(1) Basic (in ₹)		60.46	80.83
(2) Diluted (in ₹)		60.37	80.75
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
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

Standalone Statement of Cash Flow for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	**40,950.69**	**25,671.23**
Adjustments for:		
Depreciation and amortisation expense	4,066.51	3,374.10
(Gain) / Loss on sale / write off of property, plant and equipment (Net)	(3,929.26)	434.45
Gain on sale of investments (Net)	(3,307.47)	(840.36)
Changes in fair value of financial assets at fair value through profit or loss	(805.72)	(647.72)
Employee Share-based payment expense	14.11	95.12
Provision for diminution in value of investment	152.33	-
Finance Costs	142.33	160.49
Interest income	(1,772.26)	(409.26)
Lease rental income on investment properties	(888.97)	(916.29)
Net (gain) / loss on foreign currency transactions	(136.00)	78.10
Dividend Income	-	(15.13)
Excess provision / liabilities written back	(15.02)	(96.64)
Provision for doubtful debts	12.72	57.65
Operating profit before changes in operating assets and liabilities	**34,483.99**	**26,945.74**
Adjustments for:		
Increase in trade receivables	(6,866.25)	(3,983.86)
Increase in inventories	(1,825.13)	(4,320.62)
Decrease / (Increase) in other assets	751.92	(1,063.51)
Increase in trade and other payables	1,171.28	2,530.53
Cash generated from operations	**27,715.81**	**20,108.28**
Income taxes paid (net of refunds)	1,858.97	(4,560.01)
Net cash generated from operating activities	**29,574.78**	**15,548.27**
Cash flows from investing activities		
Payments for property, plant and equipment	(4,629.37)	(10,704.03)
Proceeds from sale of property, plant and equipment	813.73	981.82
Increase in deposits with banks	(22,353.30)	(8,389.88)
Repayments of loans and advances from Subsidiaries and Joint ventures	626.82	288.87
Payments for purchase of investments	(3,171.00)	(31,985.15)
Amount invested in Subsidiaries	(24,652.33)	(924.18)
Proceeds from sale of investment in Joint Venture	6,510.00	-
Proceeds from sale of investments	9,876.54	57,438.03
Lease rental income on investment properties	744.51	779.14
Dividend received	-	15.13
Interest received	1,707.42	166.78
Net cash (used in) / from investing activities	**(34,526.98)**	**7,666.53**

Standalone Statement of Cash Flow for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from financing activities		
Principal elements of lease payments	(415.93)	(391.11)
Proceeds from allotment of Employee Stock Option Plan (ESOP)	144.81	123.47
Dividend paid (including tax)	(3,942.92)	(7,141.63)
Interest paid	(142.33)	(160.49)
Net cash used in financing activities	**(4,356.37)**	**(7,569.76)**
Net (decrease) / increase in cash and cash equivalents	**(9,308.57)**	**15,645.04**
Cash and cash equivalents at the beginning of the year	16,915.19	1,270.15
Cash and cash equivalents at the end of the year	**7,606.62**	**16,915.19**
Reconciliation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - note 16A	7,606.62	16,915.19
As per Cash flow statement	7,606.62	16,915.19

Notes:

(1) 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.

2) Previous year figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note (Refer note 55).

The above Standalone Statement of 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
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

Standalone Statement of Changes in Equity for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
Balance as at March 31, 2019	**989.00**
Shares issued on exercise of employee stock options during the year	0.54
Less: Calls in arrears	-
Balance as at March 31, 2020	**989.54**
Shares issued on exercise of employee stock options during the year	0.38
Less: Calls in arrears	-
Balance as at March 31, 2021	**989.92**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves & Surplus								Total other equity
	Capital Reserve 1	Capital Reserve 2	Capital redemption reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Call in arrears / share options pending for allotment	Retained Earnings	
Balance as at March 31, 2019	8,035.17	7,035.19	33.88	1,834.61	7,333.34	219.74	0.67	80,439.55	1,04,932.15
Profit for the year	-	-	-	-	-	-	-	39,981.71	39,981.71
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(71.00)	(71.00)
Total comprehensive income for the year	-	-	-	-	-	-		39,910.71	39,910.71
Shares issued on exercise of employee stock options during the year	-	-	-	167.55	-	-	-	-	167.55
Recognition of share-based payments (Net)	-	-	-	-	-	50.50	-	-	50.50
Calls in arrears received during the year	-	-	-	-	-	-	-	-	-
Payment of dividends (including tax)	-	-	-	-	-	-	-	(7,156.17)	(7,156.17)
Balance as at March 31, 2020	8,035.17	7,035.19	33.88	2,002.16	7,333.34	270.24	0.67	1,13,194.09	1,37,904.74
Profit for the year	-	-	-	-	-	-	-	29,920.99	29,920.99
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(5.43)	(5.43)
Total comprehensive income for the year	-	-	-	-	-	-		29,915.56	29,915.56
Shares issued on exercise of employee stock options during the year	-	-	-	169.26	-	-	-	-	169.26
Calls in arrears/share options received during the year	-	-	-	-	-	-	23.19	-	23.19
Recognition of share-based payments (Net)	-	-	-		-	(33.91)	-	-	(33.91)
Payment of dividends (including tax)	-	-	-	-	-	-	-	(3,959.25)	(3,959.25)
Balance as at March 31, 2021	8,035.17	7,035.19	33.88	2,171.42	7,333.34	236.33	23.86	1,39,150.40	1,64,019.59

The above Standalone Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Jeetendra Mirchandani

Partner

Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok

Chief Financial Officer

Mumbai, May 7, 2021

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

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 2nd floor, Sunteck Centre, 37/40, Subhash Road, Ville Parle (East), Mumbai 400057.

It's shares are listed on the Bombay and National stock exchanges. The Company belongs to the Padmanabh Mafatlal Group, with a legacy of business operations since 1967, having one of the largest integrated fluorochemicals complex in India. The Company primarily focuses on fluorine chemistry - producing refrigeration gases, inorganic fluorides, specialty organofluorines and offers Contract Research and Manufacturing Services. Its manufacturing facilities are located at Surat in Gujarat and Dewas in Madhya Pradesh.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation:

(i) Compliance with Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for certain financial instrument, financial assets and liabilities, defined benefit plans and share based payments which are measured at fair value.

(iii) New and amended standards adopted by the Company

Ind AS 116, Leases

The Company has applied the following amendment to Ind AS for the first time for their annual reporting period commencing April 1, 2020:

- COVID-19 related concessions – amendments to Ind AS 116

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Revenue recognition

(i) Sale of Goods

Revenue is generated primarily from sale of chemicals. Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer in accordance with the terms of customer contracts. In case of domestic customers, generally revenue recognition take place when goods are dispatched and in case of export customers when goods are shipped onboard based on bill of lading as per the terms of contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

(ii) Sale of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to render services to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the rendering of promised services to the customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(iii) Export Incentives

Export incentives are recognised for based on the eligibility and when there is no uncertainty in receiving the same.

c) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

d) Leases

(i) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term 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 Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

f) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plan such as gratuity and provident fund for certain employees

(b) defined contribution plans such as family pension fund, superannuation fund and provident fund for certain employees

(a) Defined benefit plan –

Gratuity Obligations

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

Provident fund liability

Provident Fund for certain employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognized by the Income Tax authorities where other entities are also the participant. Periodic contributions to the Fund are charged to the Statement of Profit and Loss and when services are rendered by the employees. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

(b) Defined contribution plans

The Company contributes towards family pension fund, superannuation fund and provident fund (for certain employees) which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

g) Employee share-based payment arrangements

Eligible employees of the Company and its subsidiary company receives remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to eligible employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

In respect of option granted to the employees of the subsidiary company, the amount equal to the expense for the grant date fair value of the award is recognised as an investment in subsidiary as a capital contribution and a corresponding increase in equity (Employee stock option reserve) over the vesting period.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

h) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less deprecation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment which are not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful life. The useful lives have been determined based on technical evaluation done by the management's expert which are equal to the useful lives as prescribed under schedule II of the Companies Act, 2013, except for few items in Plant & Machinery where the useful lives are lower than those prescribed in Schedule II to the Companies Act, 2013 as per below:

Assets	Useful Life
Plant and Machinery	5,6,8,10 and 12 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

i) Intangible assets

Computer Software are stated at cost, less accumulated amortization and impairments, if any.

Computer Software which are capitalised are amortised over a period of 3 years on straight-line basis.

The estimated amortisation method, useful life and residual value are reviewed at the end of each reporting period, with effect of any changes in the estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the intangible assets.

j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using straight line method over their useful lives specified in Schedule II to the Companies Act, 2013.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the investment properties.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

k) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset/cash generating unit exceeds its recoverable amount. The recoverable amount of the assets/ cash generating unit is fair value less costs of disposal or value in use, whichever is higher. A previously recognised impairment loss is reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

l) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on weighted average basis. Cost includes all charges in bringing the goods to their present location and condition. The cost of process stock and finished goods comprises of materials, direct labour, other direct costs and related production overheads and taxes as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

m) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements of the Company are presented in Indian Rupees ('₹'), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

n) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

o) Trade receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other income/expense.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

r) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant & equipments utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

t) Provisions and contingencies

Provisions are recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

u) Investment in subsidiaries and joint ventures

Investments in subsidiary companies and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

recoverable amount. On disposal of investments in subsidiary companies and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries and joint ventures recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost, except for an investment in a subsidiary, for which fair value at a transition date is considered as the deemed cost.

v) Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the Statement Profit and Loss.

a. Investment and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Company business model for managing the assets and cash flows characteristic. There are three measurement categories into which the group classifies its debt instruments.

i. Amortised Cost: Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. Fair value through other comprehensive Income (FVOCI): Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to Statement of Profit and Loss.

iii. Fair Value through profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss is recognised in the Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments

All investment in equity instruments other than subsidiary companies, associate and joint venture companies are measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

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 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 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.

w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3. CRITICAL ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Useful lives of property, plant and equipment

(b) Defined benefits plan

(c) Impairment loss on investments carried at cost

(d) Estimation of provisions and contingent liabilities

4. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

5A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Description of Assets	Freehold land	Buildings	Office Equipment	Vehicles	Plant and machinery	Leasehold Land	Furniture and Fixture	Total
I. Gross Block								
Balance as at April 1, 2019	37.13	5,839.53	822.62	236.46	24,818.39	2,564.50	793.94	35,112.57
Additions	-	1,102.34	634.34	-	10,358.25	-	52.27	12,147.20
Disposals/Adjustments	-	-	(19.71)	-	(1,647.69)	-	-	(1,667.40)
Balance as at March 31, 2020	**37.13**	**6,941.87**	**1,437.25**	**236.46**	**33,528.95**	**2,564.50**	**846.21**	**45,592.37**
II. Accumulated depreciation								
Balance as at April 1, 2019	-	703.62	292.37	59.86	5,819.19	79.39	197.92	7,152.35
Depreciation expense for the year	-	272.71	115.46	29.64	2,246.24	26.97	93.87	2,784.89
Disposals/Adjustments	-	-	(14.45)	-	(236.68)	-	-	(251.13)
Balance as at March 31, 2020	**-**	**976.33**	**393.38**	**89.50**	**7,828.75**	**106.36**	**291.79**	**9,686.11**
Net block (I-II)								
Balance as at March 31, 2020	**37.13**	**5,965.54**	**1,043.87**	**146.96**	**25,700.20**	**2,458.14**	**554.42**	**35,906.26**
I. Gross Block								
Balance as at April 1, 2020	37.13	6,941.87	1,437.25	236.46	33,528.95	2,564.50	846.21	45,592.37
Additions	-	405.01	155.29	-	4,258.46	-	3.44	4,822.20
Disposals/Adjustments	-	-	(109.58)	(5.20)	(55.10)	(2,564.50)	-	(2,734.38)
Balance as at March 31, 2021	**37.13**	**7,346.88**	**1,482.96**	**231.26**	**37,732.31**	**-**	**849.65**	**47,680.19**
II. Accumulated depreciation								
Balance as at April 1, 2020	-	976.33	393.38	89.50	7,828.75	106.36	291.79	9,686.11
Depreciation expense for the year	-	252.87	161.49	29.43	2,917.45	26.07	91.58	3,478.89
Disposals/Adjustments	-	-	(99.11)	(5.20)	(27.88)	(132.43)	-	(264.62)
Balance as at March 31, 2021	**-**	**1,229.20**	**455.76**	**113.73**	**10,718.32**	**-**	**383.37**	**12,900.38**
Net block (I-II)								
Balance as at March 31, 2021	**37.13**	**6,117.68**	**1,027.20**	**117.53**	**27,013.99**	**-**	**466.28**	**34,779.81**

Note:

For details of Capital commitment relating to Property, Plant and Equipment (refer note 46).

5B. RIGHT-OF-USE ASSETS

This note provides information for leases where the Company is a lessee. The Company leases various Premises, Vehicles and Plant and machinery.

Description	Premises	Vehicles	Plant and machinery	Total
I. Gross Block				
Balance as at March 31, 2019	-	-	-	-
Additions	1,192.20	209.02	86.39	1,487.61
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**1,192.20**	**209.02**	**86.39**	**1,487.61**
II. Accumulated depreciation				
Balance as at March 31, 2019	-	-	-	-
Depreciation expense for the year	330.70	60.45	52.83	443.98
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**330.70**	**60.45**	**52.83**	**443.98**
Net block (I-II)				
Balance as at March 31, 2020	**861.50**	**148.57**	**33.56**	**1,043.63**
I. Gross Block				
Balance as at April 1, 2020	1,192.20	209.02	86.39	1,487.61
Additions	1,074.37	17.98	47.56	1,139.91
Disposals/Adjustments	(781.62)	-	-	(781.62)
Balance as at March 31, 2021	**1,484.95**	**227.00**	**133.95**	**1,845.90**
II. Accumulated depreciation				
Balance as at April 1, 2020	330.70	60.45	52.83	443.98
Depreciation expense for the year	364.05	59.08	31.94	455.07
Disposals/Adjustments	(397.04)	-	-	(397.04)
Balance as at March 31, 2021	**297.71**	**119.53**	**84.77**	**502.01**
Net block (I-II)				
Balance as at March 31, 2021	**1,187.24**	**107.47**	**49.18**	**1,343.89**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

5C. CAPITAL WORK-IN PROGRESS

Capital work-in progress as at March 31, 2021 is ₹ 3,653.44 lakhs (March 31,2020 : ₹ 3,885.07 lakhs). It is mainly comprises of expansion projects in progress.

6 INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
I. Gross carrying amount		
Opening Balance	4,577.80	4,577.80
Additions	-	-
Disposals	-	-
Closing Balance	4,577.80	4,577.80
II. Accumulated depreciation		
Opening Balance	340.93	255.78
Charge for the year	85.15	85.15
Closing Balance	426.08	340.93
Net carrying amount (I-II)	**4,151.72**	**4,236.87**

(i) Amount recognised in the Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2021	As at March 31, 2020
Rental Income (refer note 31)	888.97	916.29
Direct operating expenses from property that generated rental income	211.71	117.03
Profit from investment properties before depreciation	**677.26**	**799.26**
Depreciation	85.15	85.15
Profit from investment properties	**592.11**	**714.11**

(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, 2021	As at March 31, 2020
not later than one year	451.02	400.81
later than one year and not later than five years	347.45	616.81
Total	**798.47**	**1,017.62**
Operating lease rentals credited to the Statement of Profit and Loss (refer note 31)	**888.97**	**916.29**

(iii) Fair Value

Particulars	As at March 31, 2021	As at March 31, 2020
Investment properties	13,221.04	13,942.51

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. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. All resulting fair value estimates for investment properties are included in Level 3.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

7. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software
Balance at April 1, 2019	238.96
Additions	26.74
Deduction/Adjustment	-
Balance at March 31, 2020	**265.70**
Accumulated amortisation	
Balance at April 1, 2019	110.34
Amortisation expense	60.08
Deduction/Adjustment	-
Balance at March 31, 2020	**170.42**
Net carrying amount as at March 31, 2020	**95.28**
Balance at April 1, 2020	265.70
Additions	22.91
Deduction/Adjustment	-
Balance at March 31, 2021	**288.61**
Accumulated amortisation	
Balance at April 1, 2020	170.42
Amortisation expense	47.40
Deduction/Adjustment	-
Balance at March 31, 2021	**217.82**
Net carrying amount as at March 31, 2021	**70.79**

8. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
Investments in Equity Instruments				
In subsidiaries (Unquoted, fully paid up) - (at cost)				
- Equity shares of Sulakshana Securities Limited of ₹10.00 each	1,50,000	830.55	1,50,000	830.55
- Equity shares of Navin Fluorine Advanced Sciences Limited of ₹ 10.00 each	25,00,00,000	25,000.00	50,00,000	500.00
- Equity shares of Manchester Organics Limited of GBP 0.01 each	5,100	3,265.12	5,100	3,265.12
- Equity shares of NFIL (UK) Limited of GBP 1.00 each.	64,50,000	6,125.24	64,50,000	6,125.24
In subsidiary (Unquoted, fully paid up) - (at fair value)				
- Equity shares of Navin Fluorine (Shanghai) Co. Ltd. of RMB 1.00 each. [net of impairment of ₹ 298.79 lakhs (March 31, 2020: ₹ 146.56 lakhs)]	53,94,600	-	39,68,847	-
In joint ventures (Unquoted, fully paid up) - (at cost)				
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹ 10.00 each	11,82,500	118.25	11,82,500	118.25
- Equity shares of Convergence Chemicals Private Limited of ₹10.00 each (Refer note 50)	-	-	3,43,04,900	3,430.49
Total		**35,339.16**		**14,269.65**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

9. INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments				
Unquoted, fully paid up - (at fair value through profit or loss)				
- Equity shares of Cebon Apparel Private Limited of ₹10.00 each	4,81,600	175.55	4,81,600	175.27
- Equity shares of Mafatlal Services Limited of ₹100.00 each	9,300	-	9,300	-
(b) Investments in Bonds/debentures (Unquoted, fully paid up) - (at amortised cost)				
- 11% Corporate bonds - series IV of Housing Development Finance Corporation Limited of ₹ 1,000.00 each, fully paid-up (net of impairment of ₹ 1.50 lakhs) (March 31, 2020: ₹ 1.50 lakhs)#	150	-	150	-
- 10% Non-convertible debentures of Wondrous Buildmart Private Limited	-	-	290	339.10
- 10% Non-convertible debentures of ATS Infrabuild Private Limited SR-I to III NCD	-	-	18	213.26
(c) Investments in Non-Convertible Market Linked debentures - (at fair value through profit or loss)				
- Fullerton India Credit Company Limited - INE535H07BA7	-	-	50	527.40
(d) Investments in mutual funds (unquoted) - (at fair value through profit or loss)				
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	-	-	1,00,00,000	1,097.22
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days),Regular Growth	-	-	62,50,000	739.78
- Sundaram Fixed Term Plan - IE - Regular Growth	-	-	1,00,00,000	1,170.66
- UTI FIXED Term Income Fund XXVIII – X- (1153 Days) - Growth Plan	-	-	1,50,00,000	1,573.65
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	-	-	1,00,00,000	1,154.03
- Kotak FMP Series 220 - Growth (Regular Plan)	-	-	1,00,00,000	1,174.52
(e) Investments in Alternate investment fund - (at fair value through profit or loss)				
- ASK Real Estate Special Situation Fund - I -RESSF-4071	1,000	1,061.61	450	443.92
Total		**1,237.16**		**8,608.81**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		1,237.16		8,608.81
Aggregate amount of impairment in value of investments		1.50		1.50

pending transfer in the Company's name and not available for physical verification.

10. LOANS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	799.28	752.06
Loans to related parties (refer note 45.2)	523.64	754.63
Total	**1,322.92**	**1,506.69**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

10. LOANS (NON-CURRENT) *(contd...)*

Break-up of Security details (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	1,322.92	1,506.69
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**1,322.92**	**1,506.69**
Loss allowance	-	-
Total	**1,322.92**	**1,506.69**

10A. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with bank held as margin money*	602.55	603.92
Rent Receivable	327.07	161.50
Total	**929.62**	**765.42**

* The above bank deposit is marked as lien against bank guarantees.

11. NON-CURRENT TAX ASSETS / CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current Tax Assets [net of provision ₹ 27,974.32 lakhs (March 31, 2020: ₹ 37,840.31 lakhs)]	2,879.08	11,379.54
Current Tax Liability [net of Advance tax ₹ 16,486.48 lakhs (March 31, 2020: NIL)]	773.96	-

12. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	79.78	537.58
Prepaid expenses	180.97	255.39
Advance Fringe benefit tax	3.70	3.70
Advances towards a Project (refer note 49)	162.70	162.70
Total	**427.15**	**959.37**

13. INVENTORIES

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	7,170.08	6,210.12
Work-in-progress	4,194.61	1,871.82
Finished goods	3,175.57	4,585.16
Stores and Spares	891.71	939.74
Total	**15,431.97**	**13,606.84**

Write-downs of inventories to net realisable value amounted to ₹ 175.17 lakhs (March 31, 2020: ₹ 23.84 lakhs). These were recognised as an expense during the year and included in 'Cost of materials consumed' in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

14. INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments (Quoted, fully paid up) - (at fair value through profit or loss)				
- Equity shares of NOCIL Limited of ₹ 10.00 each	1,10,000	191.79	1,10,000	72.38
(b) Investments in mutual funds (unquoted) - (at fair value through profit or loss)				
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 days) - Growth Plan	1,00,00,000	1,164.84	-	-
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days), Regular Growth	62,50,000	784.90	-	-
- Sundaram Fixed Term Plan - IE - Regular Growth	1,00,00,000	1,266.68	-	-
- UTI Fixed Term Income Fund XXVIII – X- (1153 Days) - Growth Plan	1,50,00,000	1,708.35	-	-
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	1,00,00,000	1,277.58	-	-
- Kotak FMP Series 220 - Growth (Regular Plan)	1,00,00,000	1,265.88	-	-
- UTI Fixed Term Income Fund Series XXVI-V (1160 days)- Growth Plan	-	-	1,00,00,000	1,254.34
- UTI Fixed Term Income Fund XXVI - VII (1140 days) - Growth Plan	-	-	1,70,00,000	2,120.05
- Aditya Birla Sun Life Fixed Term Plan-Series OJ (1136 days) Growth Regular	-	-	1,50,00,000	1,835.27
- Kotak Equity Savings Fund - Growth (Regular Plan)	-	-	55,74,933	744.76
- ICICI Prudential Equity Income Fund - Cumulative	-	-	57,22,313	727.31
(c) Investments in Non-Convertible Market Linked debentures - (at fair value through profit or loss)				
- Fullerton India Credit Company Limited - INE535H07BA7	50	575.20	-	-
(d) Investments in Bonds/debentures (Unquoted, fully paid up) - (at amortised cost)				
10% Non-convertible debentures of Wondrous Buildmart Private Limited	18	218.67	-	-
Total		**8,453.89**		**6,754.10**
Of the above:				
Aggregate amount of quoted investments and market value thereof		191.79		72.38
Aggregate amount of unquoted investments		8,262.10		6,681.72
Aggregate amount of impairment in value of investments		-		-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

15. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	27,783.83	20,928.36
Receivables from related parties (refer note 45.2)	14.62	196.55
Less: Allowance for doubtful debts (expected credit loss allowances) (refer note 43.7)	(204.20)	(191.48)
Total	**27,594.25**	**20,933.43**

Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	110.73	111.50
Trade receivables considered good - Unsecured	27,687.72	21,013.40
Total	**27,798.45**	**21,124.90**
Allowance for doubtful debts (expected credit loss allowances) (refer note 43.7)	(204.20)	(191.48)
Total	**27,594.25**	**20,933.43**

16A.CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	10.40	13.57
Balances with banks*	3,094.59	2,092.73
Deposits with original maturity of less than or equal to 3 months	4,501.63	14,808.89
Total	**7,606.62**	**16,915.19**

*One current account with bank balance ₹ 2.40 lakhs (March 31, 2020 ₹ 2.40 lakhs), 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, 2021	As at March 31, 2020
Unpaid dividend	432.94	416.61
Buyback account	1.09	1.09
Deposits with maturity of more than 3 months and less than 12 months	30,850.57	8,486.46
Total	**31,284.60**	**8,904.16**

17. LOANS

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	266.84	123.96
Loans to related parties (refer note 45.2)	185.75	542.52
Loans to employees	-	0.15
Total	**452.59**	**666.63**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

17. LOANS *(contd...)*

Break-up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	452.59	666.63
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**452.59**	**666.63**
Loss allowance	-	-
Total	**452.59**	**666.63**

18. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Rent Receivable	55.56	76.67
Derivative assets - Forward exchange contracts	56.86	87.11
Receivable from related party (refer note 45.2)	5,585.29	-
Export Incentive receivables	322.53	426.01
Total	**6,020.24**	**589.79**

19. OTHER CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers	278.22	454.46
Prepaid expenses	186.71	171.18
Balances with government authorities	2,234.23	3,087.77
Other deposits	229.51	129.51
Other advances	736.03	585.76
Total	**3,664.70**	**4,428.68**

20. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
17,50,00,000 equity shares of ₹ 2.00 each	3,500.00	3,500.00
Issued, subscribed and fully Paid shares		
4,95,03,220 (as at March 31, 2020 - 4,94,84,320) equity shares of ₹ 2.00 each	990.07	989.69
Less: Calls in arrears [refer note 20 (e)]	0.15	0.15
Total	**989.92**	**989.54**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

(a) **Reconciliation of the number of shares and amount outstanding:**

Particulars	Number of shares	Amount (₹ in Lakhs)
Balance as at April 1, 2019	4,94,57,165	989.15
Add: Shares issued on exercise of employee stock options during the year	27,155	0.54
Balance as at March 31, 2020	**4,94,84,320**	**989.69**
Add: Shares issued on exercise of employee stock options during the year	18,900	0.38
Balance as at March 31, 2021	**4,95,03,220**	**990.07**

(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, 2021		
Mafatlal Impex Private Limited	1,14,07,420	23.04%
Smallcap World Fund, Inc	38,46,051	7.77%
As at March 31, 2020		
Mafatlal Impex Private Limited	1,14,07,420	23.05%
Smallcap World Fund, Inc	34,85,500	7.04%

(e) **Calls unpaid (by other than officers and directors)**

Particulars	Number of shares	Amount (₹ in Lakhs)
As at March 31, 2021		
Equity shares of ₹ 2.00 each, ₹ 1.00 called up but unpaid	14,555	0.15
As at March 31, 2020		
Equity shares of ₹ 2.00 each, ₹ 1.00 called up but unpaid	14,555	0.15

(f) 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, 2021

21. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve no.1	8,035.17	8,035.17
Capital Reserve no.2	7,035.19	7,035.19
Capital redemption reserve	33.88	33.88
Securities Premium	2,171.42	2,002.16
General Reserve	7,333.34	7,333.34
Share Options Outstanding Account	236.33	270.24
Call in arrears / share options pending for allotment	23.86	0.67
Retained Earnings	1,39,150.40	1,13,194.09
Total	**1,64,019.59**	**1,37,904.74**

(i) Capital Reserve No.1:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	8,035.17	8,035.17
Closing Balance	**8,035.17**	**8,035.17**

(ii) Capital Reserve no.2

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	7,035.19	7,035.19
Closing Balance	**7,035.19**	**7,035.19**

(iii) Capital redemption reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	33.88	33.88
Closing Balance	**33.88**	**33.88**

(iv) Securities Premium

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	2,002.16	1,834.61
Add: Received during the year on shares issued on exercise of employee stock options during the year	169.26	167.55
Closing Balance	**2,171.42**	**2,002.16**

(v) General Reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	7,333.34	7,333.34
Closing Balance	**7,333.34**	**7,333.34**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

21. OTHER EQUITY (contd...)

(vi) Share Options Outstanding Account

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	270.24	219.74
Add: Recognition of share-based payments (Net)	(33.91)	50.50
Closing Balance	**236.33**	**270.24**

(vii) Call in arrears / share options pending for allotment

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	0.67	0.67
Add: Calls in arrears received during the year	-	-
Add: amount received against share options during the year	23.19	-
Closing Balance	**23.86**	**0.67**

(viii) Retained Earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	1,13,194.09	80,439.55
Add: Profit for the year	29,920.99	39,981.71
Less:		
Other comprehensive income for the year, net of income tax	(5.43)	(71.00)
Dividends (including tax)	(3,959.25)	(7,156.17)
Closing Balance	**1,39,150.40**	**1,13,194.09**

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.

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, 2021

22. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities	1,031.44	711.20
Total	**1,031.44**	**711.20**

23. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences (refer note 42.3)	1,162.00	1,027.89
Total	**1,162.00**	**1,027.89**

24. DEFFERED TAX ASSETS / LIABILITIES - (NET)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities	4,315.96	4,098.02
Less: Deferred tax assets	(2,645.54)	(6,039.33)
Total (Deferred Tax Assets) / Deferred Tax Liabilities	**1,670.42**	**(1,941.31)**

24.1 MOVEMENT OF DEFERRED TAX

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2021

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	3,394.44	290.01	-	3,684.45
Right-of-use to assets	364.69	(26.46)	-	338.23
Financial assets measured at FVTPL	255.66	(58.68)	-	196.98
Others	83.23	13.07	-	96.30
Total deferred tax liabilities (A)	**4,098.02**	**217.94**	**-**	**4,315.96**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	1,438.65	84.07	-	1,522.72
Fair Valuation of loan to wholly owned subsidiary	71.73	(42.63)	-	29.10
Provision for Compensated Absences	31.58	142.03	-	173.61
Provision for Gratuity	-	21.30	-	21.30
Provision for doubtful debts	66.90	(15.51)	-	51.39
Lease Liabilities	383.16	(21.77)	-	361.39
MAT credit entitlement/(utilisation) (refer note 38.2)	3,807.20	634.95	(4,442.15)	-
Capital losses	240.11	(68.76)	-	171.35
Others	-	314.68	-	314.68
Total deferred tax assets (B)	**6,039.33**	**1,048.34**	**(4,442.15)**	**2,645.54**
Total (Deferred Tax Assets) / Deferred Tax Liabilities (A - B)	**(1,941.31)**	**(830.40)**	**4,442.15**	**1,670.42**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

24.1 MOVEMENT OF DEFERRED TAX *(contd...)*

(ii) Deferred tax assets/ liabilities in relation to the year ended March 31, 2020 (₹ in Lakhs)

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	3,995.23	(600.79)	-	3,394.44
Right-of-use to assets	-	364.69	-	364.69
Financial assets measured at FVTPL	596.13	(340.47)	-	255.66
Others	33.20	50.03	-	83.23
Total deferred tax liabilities (A)	**4,624.56**	**(526.54)**	**-**	**4,098.02**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	1,375.60	63.05	-	1,438.65
Fair Valuation of loan to wholly owned subsidiary	109.59	(37.86)	-	71.73
Provision for Compensated Absences	72.33	(40.75)	-	31.58
Provision for doubtful debts	46.76	20.14	-	66.90
Lease Liabilities	-	383.16	-	383.16
MAT credit entitlement/(utilisation) (refer note 38.2)	-	7,355.19	(3,547.99)	3,807.20
Capital losses	66.69	173.42	-	240.11
Others	0.15	(0.15)	-	-
Total deferred tax assets (B)	**1,671.12**	**7,916.20**	**(3,547.99)**	**6,039.33**
Total (Deferred Tax Assets) / Deferred Tax Liabilities (A - B)	**2,953.44**	**(8,442.74)**	**3,547.99**	**(1,941.31)**

25. OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Liability against project contracts (Refer note 49)	1,334.95	1,334.95
Deferred Government Grant	15.42	17.09
Total	**1,350.37**	**1,352.04**

26. TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	1,365.96	887.84
Total outstanding dues other than above	8,756.12	8,319.63
Trade payables - Related parties (Refer note 45.2)	144.06	16.09
Total	**10,266.14**	**9,223.56**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

26. TRADE PAYABLES (contd...)

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act): (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,363.64	885.80
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.32	2.04
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,533.36	118.96
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	2.04	47.29
f. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	5.43	1.86
g. Further interest remaining due and payable for earlier years	-	-

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.

27. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividends*	432.94	416.61
Unpaid money on buy-back of shares	1.09	1.09
Derivative liability - Forward exchange contract	28.13	305.03
Capital Creditors	621.71	1,095.40
Lease Liabilities	404.46	385.30
Security Deposits received	973.30	971.56
Total	**2,461.63**	**3,174.99**

* 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, 2021	As at March 31, 2020
Provision for compensated absences (refer note 42.3)	304.67	283.18
Total	**304.67**	**283.18**

29. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	574.38	397.31
Deferred Government Grant	1.67	1.67
Gratuity Payable (refer note 42.2)	84.69	198.70
Payables to Employees	1,649.28	1,904.92
Payables to a related party (refer note 45.2)	-	17.89
Total	**2,310.02**	**2,520.49**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

30. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	1,12,027.81	97,622.86
Sale of services	792.36	3,052.04
Other operating revenues		
- Scrap Sales	131.87	182.75
- Export Incentives	359.00	1,368.87
Total	**1,13,311.04**	**1,02,226.51**

31. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income		
- on banks deposits	1,543.53	207.88
- on income tax refund	3,459.79	-
- on loans and advances	228.74	201.38
Dividend income		
- on investments in others	-	15.13
Lease rental income on investment properties (refer note 6)	888.97	916.29
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	805.72	647.72
- Excess provision / liabilities written back (Net)	15.02	96.64
- Net gain arising on sale of Investments	227.96	840.36
- Net gain on foreign currency transactions	199.44	39.89
- Miscellaneous Income	83.71	168.58
Total	**7,452.88**	**3,133.85**

32. COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw material consumed	49,344.26	45,764.34
Packing Material consumed	2,667.83	2,991.92
Total	**52,012.09**	**48,756.26**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year		
Finished goods	3,175.57	4,585.16
Work-in-process	4,194.61	1,871.82
	7,370.18	6,456.98
Inventories at the beginning of the year		
Finished goods	4,585.16	2,308.27
Work-in-process	1,871.82	1,881.77
	6,456.98	4,190.04
Net Increase	(913.20)	(2,266.94)

34. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and bonus	11,330.68	10,382.98
Contribution to provident and other funds (refer note 42.1 and 42.2)	565.12	634.04
Employee share-based payment expense (refer note 44)	14.11	95.12
Staff Welfare Expenses	350.01	351.05
Gratuity expenses (refer note 42.2)	226.75	189.57
Total	12,486.67	11,652.76

35. FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Lease liabilities	101.78	114.34
Interest on Others	40.55	46.15
Total	142.33	160.49

36. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 5A)	3,478.89	2,784.89
Depreciation on Right-of-use assets (refer note 5B)	455.07	443.98
Depreciation on investment properties (refer note 6)	85.15	85.15
Amortisation of intangible assets (refer note 7)	47.40	60.08
Total	4,066.51	3,374.10

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

37. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	5,388.93	5,141.74
Rent expense (refer note 41)	7.21	18.01
Repairs and Maintenance		
- Plant and Machinery	704.19	747.44
- Buildings	97.86	95.25
Consumption of stores and spares	3,186.54	2,896.11
Transport and freight charges (Net)	2,383.08	2,079.21
Labour contract charges	1,423.12	1,396.40
Legal and Professional Charges (refer note 37.1)	930.83	1,117.76
Rates & Taxes	436.98	449.13
Insurance	578.00	449.11
Directors Sitting Fees	33.60	34.30
Loss on Sale/ retirement of property, plant & equipment (Net)	13.97	434.45
Provision for doubtful debts (Net)	12.72	57.65
Provision for diminution in value of investment	152.33	-
Expenditure on Corporate Social Responsibility (refer note 37.2)	568.00	378.29
Miscellaneous expenses	2,724.20	2,717.61
Total	**18,641.56**	**18,012.46**

37.1 Payments to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditors		
a) Statutory audit	28.50	28.50
b) Other audit services	21.00	22.75
c) Re-imbursement of expenses	0.23	0.73
Total	**49.73**	**51.98**

37.2 Corporate social responsibility

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the company during the year	435.40	374.89
b) Amount spent during the year on:	568.00	378.29
	In cash	Yet to be paid in cash
For the year March 31, 2021		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	566.04	1.96
For the year March 31, 2020		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	375.45	2.84

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

38 INCOME TAXES

38.1 Income tax expenses recognised

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	11,860.10	8,257.63
- Excess provision of tax for earlier years	-	(14,125.37)
- Deferred tax	(830.40)	(8,442.74)
	11,029.70	**(14,310.48)**
In respect of the current year		
- Current tax recognised in other comprehensive income	(2.51)	(38.13)
	(2.51)	**(38.13)**
Total income tax expense recognised in the current year	**11,027.19**	**(14,348.61)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**40,950.69**	**25,671.23**
Income tax expense calculated at 34.944% (2019-2020: 34.944%)	14,309.81	8,970.55
Effect of:		
Income exempt from tax	(2,815.05)	(12.75)
Tax Reversal of earlier years	-	(14,125.37)
MAT Created in the current year relating to earlier years	(634.95)	(7,355.19)
Deferred tax liability reversal due to change in tax rate	118.21	(1,318.50)
Expenses that are not deductible in determining taxable profit	712.44	547.61
Tax concessions availed	(403.58)	(483.10)
Income taxable at different tax rate	-	(163.47)
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	(83.76)	(60.59)
Others	(173.43)	(309.67)
Income tax expense recognised in Statement of Profit and Loss	**11,029.70**	**(14,310.48)**

38.2 The Company had contested receipts on account of Certified Emission Reduction (CER) as capital receipts not chargeable to tax from financial year 2007-08 to financial year 2012-13. During the year ended March 31, 2020, it received favourable appellate orders for some of the aforesaid years. This has resulted in the Company becoming liable to tax on its book profits for these years under section 115JB of the Income Tax Act, 1961 (the Act) [i.e. Minimum Alternate Tax (MAT)] and correspondingly eligible for MAT Credit in terms of section 115JAA of the Act, to be utilised against the tax liability of the succeeding years. Though the matter is contested by the tax authorities, considering the favourable pronouncements from various Tribunals/ High Courts in similar matters, including jurisdictional High Court and as legally advised, no outflow for the same is expected.

Accordingly, as at March 31, 2020, the Company had recognized MAT Credit entitlement of ₹ 7,355.19 lakhs under section 115JAA of the Act, for which claims have been made. The Company had recomputed the tax liabilities for these years and written back excess tax provisions amounting to ₹ 14,125.37 lakhs for earlier years.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

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.

The Company has two geographical segments based upon location of its customers - within and outside India: (₹ in Lakhs)

Particulars	As at and for the year ended March 31, 2021			As at and for the year ended March 31, 2020		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	56,931.07	56,379.97	1,13,311.04	56,724.53	45,501.98	1,02,226.51
Carrying cost of non current assets@	73,091.95	9,553.07	82,645.02	62,222.61	9,553.07	71,775.68
Cost incurred on acquisition of property, plant and equipment	4,613.48	-	4,613.48	12,126.04	-	12,126.04

@ 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 contributes materially to the 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, 2021	For the year ended March 31, 2020
Profit for the year attributable to equity shareholders - (₹ in lakhs) - A	29,920.99	39,981.71
Weighted average number of equity shares outstanding during the year - B	4,94,91,580	4,94,66,322
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	68,083	43,752
Weighted average number of Equity shares adjusted for the effect of dilution - C	4,95,59,663	4,95,10,074
Basic earnings per share - ₹ (A/B)	60.46	80.83
Diluted earnings per share - ₹ (A/C)	60.37	80.75
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 ₹ 7.21 lakhs (March 31, 2020: ₹ 18.01 lakhs). From April 1, 2019 the Company has recognised right of use assets for these leases, except short term leases. Refer note 5B for further information.

42. EMPLOYEE BENEFIT PLANS

42.1 Defined Contribution Plan

The company has recognised the following amounts in the Statement of Profit and Loss for the year: (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contribution to Provident Fund	295.95	290.17
Contribution to Family Pension Fund	118.30	105.43
Contribution to Superannuation Fund	141.66	230.00
Contribution to Employees' State Insurance Scheme	1.75	1.77
Contribution to Employees' Deposits Linked Insurance Scheme	7.46	6.67
Total	**565.12**	**634.04**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

42.2 Defined Benefit Plans

(i) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(ii) Gratuity (Funded)

The Company sponsors funded defined benefit gratuity plan for all eligible employees of the Company. The Company's defined benefit gratuity plan requires contributions to be made to a separately administered trust. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Company makes provision for gratuity fund based on an actuarial valuation carried out at the end of the year using 'projected unit credit' method.

(a) Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations of gratuity liability were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
1. Discount rate	6.49%	6.59%
2. Salary escalation	10%	11%
3. Mortality rate	Indian Assured Lives Mortality (2006 - 08) Ultimate	
4. Attrition rate	10%	11%

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan (gratuity) is as follows:

Balances of defined benefit plan (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(2,771.43)	(2,565.23)
Fair value of plan assets	2,686.74	2,366.53
Net liability arising from gratuity	(84.69)	(198.70)

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

(c) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in Statement of Profit and Loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	226.16	184.21
Liabilities for employee transferred to other entity	(12.51)	-
Net interest expenses	13.09	5.36
Total (A) (refer note 34)	**226.75**	**189.57**
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)	(45.21)	(15.03)
-Actuarial gains and losses arising from changes in demographic assumptions	44.34	-
-Actuarial gains and losses arising from changes in financial assumptions	(134.52)	110.68
-Actuarial gains and losses arising from experience adjustments	143.33	13.48
Total (B)	**7.94**	**109.13**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,565.23	2,237.71
Current service cost	226.16	184.21
Interest cost	169.05	167.39
Liabilities for employee transferred from other entity	(12.51)	-
Remeasurement (gains) / losses:		
-Actuarial gains and losses arising from changes in demographic assumptions	44.34	-
-Actuarial gains and losses arising from changes in financial assumptions	(134.52)	110.68
-Actuarial gains and losses arising from experience adjustments	143.33	13.48
Benefits paid	(229.65)	(148.24)
Closing defined benefit obligation (C)	**2,771.43**	**2,565.23**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	2,366.53	2,166.06
Interest income	155.94	162.02
Remeasurement gain / (loss)		
-Return on plan assets (excluding interest income)	45.21	15.03
Contributions by employer	348.71	171.66
Benefits paid	(229.65)	(148.24)
Closing fair value of plan assets (D)	**2,686.74**	**2,366.53**

(d) The expected contribution to the plan for the next financial year is ₹ 305.48 lakhs (March 31, 2020: ₹ 257.00 lakhs)

(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, 2021	As at March 31, 2020
Central Government of India	5.07%	11.38%
State Government Securities	23.10%	27.51%
Special Deposits Scheme	12.28%	9.85%
Debt Instruments/Corporate Bonds/Mutual Funds	59.55%	51.26%

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

(f) The weighted average duration of the defined benefit obligation is 7 years (Previous year: 7 years). The expected maturity analysis of gratuity is as follows:

(₹ in Lakhs)

Particulars	Within 1 year	1-5 years	Above 5 years
As at March 31, 2021	552.43	1,073.78	2,672.58
As at March 31, 2020	527.30	1,002.47	2,387.95

(g) **Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and attrition rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Following is the impact of changes in assumption in defined benefit obligation of gratuity:

(₹ in Lakhs)

Increase/ (decrease) in assumptions	As at March 31, 2021	As at March 31, 2020
Impact of discount rate for 50 basis points increase	(72.05)	(63.54)
Impact of discount rate for 50 basis points decrease	76.47	67.29
Impact of salary escalation rate for 50 basis points increase	73.61	64.24
Impact of salary escalation rate for 50 basis points decrease	(70.12)	(61.35)
Impact of attrition rate for 50 basis points increase	(17.32)	(17.60)
Impact of attrition rate for 50 basis points decrease	18.18	18.48

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

(iii) **Provident fund (funded)**

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Company. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

(a) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan (trust managed provident fund) is as follows:

Balances of defined benefit plan (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(3,915.42)	(3,400.47)
Fair value of plan assets	4,082.21	3,590.45
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

(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:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	278.49	187.38
Expected Return on plan assets	(306.23)	(204.19)
Net interest expenses	306.23	204.19
Total (A)	**278.49**	**187.38**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	3,400.47	2,883.85
Opening balance adjustment	50.47	(17.49)
Current service cost	278.49	187.38
Interest cost	306.23	204.19
Employee Contribution	344.82	331.86
Liabilities assumed for employee transferred from other entity	19.53	351.16
Benefits paid	(484.61)	(540.48)
Closing defined benefit obligation (B)	**3,915.42**	**3,400.47**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	3,590.45	3,042.87
Opening balance adjustment	39.79	-
Remeasurement gain/(loss)	(12.49)	13.47
Expected Return on plan assets	306.23	204.19
Contributions	623.31	519.23
Asset transferred in for employee transferred from other entity	19.53	351.17
Benefits paid	(484.61)	(540.48)
Closing fair value of plan assets (C)	**4,082.21**	**3,590.45**

(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, 2021	As at March 31, 2020
Central Government of India	9.00%	9.99%
State Government Securities	35.82%	29.82%
Special Deposits Scheme	24.52%	27.13%
Public Sector Units	25.66%	29.73%
Others	5.00%	3.33%

42.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹ 1,466.67 lakhs (March 31, 2020: ₹ 1,311.07 lakhs).

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

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, 2021 and March 31, 2020.

43.2 Fair value measurements

(i) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	38,891.22	25,819.35
– Investments	218.67	552.36
– Trade receivables	27,594.25	20,933.43
– Loans	1,775.51	2,173.32
– Other financial assets	6,893.01	1,268.10
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	367.34	247.65
– Investments in mutual funds / Other funds	9,105.04	14,562.90
– Derivative assets	56.86	87.11
(b) designated at FVTPL		
Measured at fair value through other comprehensive income (FVTOCI)	-	-
Financial liabilities		
Measured at Amortised Cost		
– Trade payable	10,266.14	9,223.56
– Other financial liabilities	3,464.94	3,581.15
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	28.13	305.03
(b) designated at FVTPL	-	-

(ii) Fair value hierarchy

This section explains the judgments 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.

(₹ in Lakhs)

Financial assets measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2021	191.79	175.55	-	367.34
As at March 31, 2020	72.38	175.27	-	247.65
Investments in mutual funds / Other funds				
As at March 31, 2021	8,043.43	-	1,061.61	9,105.04
As at March 31, 2020	14,118.97	-	443.92	14,562.90
Derivative liability				
As at March 31, 2021	-	28.13	-	28.13
As at March 31, 2020	-	305.03	-	305.03

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3.

(iii) Valuation technique used to determine fair value

1. The fair value of the quoted investments is determined using quoted bid prices in an active market.
2. The fair value of the unquoted investments is determined using the inputs other than quoted prices included in level 1 that are observable for assets and liabilities.
3. Company has made investments in 'Ask Real Estate Special Situation Fund'. The Fund invests primarily in special purpose vehicles and holding companies of special purpose vehicles that undertake residential and mixed use real estate developments with a significant residential component. The Valuation methodology used shall depend on the type of property and market conditions and stage of development reached in the invested project. The suitability of a particular method of valuation is decided based on the below criteria:
   - For undeveloped properties: Sales/Market Comparison Method benchmarked by Discounted Cash Flow Method
   - For semi developed properties / properties under development: Weighted average of Discounted Cash Flow Method and Replacement Cost Method
   - For completed properties, leased property or ready for sale properties: Capitalization of Rental Method or Market Comparison Method

(iv) Fair value of Financial assets and liabilities measured at amortised cost

The carrying amounts of cash and cash equivalents, trade receivables, receivables from related parties and trade payables are considered to be the same as their fair values due to their short-term nature. Fair value of security deposits approximates the carrying value.

43.3 Financial risk management objectives

The Company's activities exposes it to a variety of financial risks including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of financial risks on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.4 Market Risks

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and other price risk. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

43.5 Foreign exchange risk

(i) Exposure to foreign exchange risk:

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

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, 2021		As at March 31, 2020	
	(₹ in lakhs)	(Foreign Currency In lakhs)	(₹ in lakhs)	(Foreign Currency In lakhs)
Amount receivable				
USD	207.41	2.84	-	-
GBP	13.05	0.13	17.84	0.19
EURO	144.75	1.69	3.79	0.05
Amount payable				
USD	-	-	459.47	6.07
EURO	119.67	1.40	18.91	0.23
SGD	-	-	0.22	*

* Amount is below the rounding off norms adopted by the Company

(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:

(₹ in Lakhs)

Foreign currency	For year ended March 31, 2021		For year ended March 31, 2020	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	6.22	(6.22)	(13.78)	13.78
GBP	0.39	(0.39)	0.54	(0.54)
EURO	0.75	(0.75)	(0.45)	0.45
SGD	-	-	(0.01)	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

(iv) Forward foreign exchange contracts

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Currency	Exposure to buy / sell	As at the year end	
		₹ in lakhs	Foreign Currency in lakhs
US Dollars			
March 31, 2021	sell	11,762.34	159.76
March 31, 2020	sell	9,344.14	127.05
EURO			
March 31, 2021	sell	131.54	1.52
March 31, 2020	sell	210.95	2.66
US Dollars			
March 31, 2021	buy	2,799.79	38.08
March 31, 2020	buy	1,900.51	26.20

43.6 Other price risks

The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.

In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Investment policy. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Management Committee.

Price Risk Sensitivity Analysis:

As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows:

For equity instruments, a 10% increase in equity prices would have led to approximately an additional ₹ 19.18 lakhs gain in Statement of Profit and Loss (March 31, 2020: ₹ 7.24 lakhs). A 10% decrease in equity prices would have led to an equal but opposite effect.

43.7 Credit risk

(i) Exposures to credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. The credit risk arises from its operating activities (i.e. primarily trade receivables), from its investing activities including deposits with banks and financial institutions and other financial instruments.

(ii) Credit risk management

a) Trade receivable

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 27,594.25 lakhs (March 31, 2020: ₹ 20,933.43 lakhs).

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

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, 2021 was ₹ 204.20 lakhs (March 31, 2020 : ₹ 191.48 lakhs).

Movement in the credit loss allowance (₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	191.48	133.83
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	12.72	57.65
Balance at the end	**204.20**	**191.48**

b) Cash and Cash Equivalent

Credit risk on cash and cash equivalents is limited as Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Investment in Mutual Funds

Credit risk on investments in mutual fund is limited as Company invested in mutual funds issued by the financial institutions with high credit ratings assigned by credit rating agencies.

43.8 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

(i) Liquidity risk tables

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. 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.

(₹ in Lakhs)

Contractual maturities of financial liabilities	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2021				
– Trade payable	10,266.14	10,266.14	-	10,266.14
– Other financial liabilities (other than derivative liabilities)	3,464.94	2,433.50	1,031.44	3,464.94
– Derivative liabilities	28.13	28.13	-	28.13
As at March 31, 2020				
– Trade payable	9,223.56	9,223.56	-	9,223.56
– Other financial liabilities (other than derivative liabilities)	3,581.15	2,869.96	711.20	3,581.15
– Derivative liabilities	305.03	305.03	-	305.03

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

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.

Employee stock option scheme 2017 ("ESOS 2017") - The Shareholders of the Company at their Annual General Meeting held on June 29,2017 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company and its subsidiary companies to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹ 2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2017, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2017 shall be capable of being exercisable on vesting within 10 years from grant date.

(i) The following share-based payment arrangements were in existence during the current and prior years under the scheme:

Scheme	Grant date	Number of Stock Options Granted	Vesting period	Exercise Price (₹)
ESOS 2007	July 28, 2007	1,11,000*	4 Years	74.84
	July 28, 2007	40,000*	4 Years	81.49
	April 28, 2014	4,33,500*	2 Years	78.00
	June 29, 2015	1,50,115*	2 Years	194.80
	October 24, 2016	56,075*	2 Years	554.40
ESOS 2017	March 19, 2018	58,830	2 Years	780.00
	May 9, 2018	725	2 Years	770.35
	January 7, 2019	14,315	2 Years	698.45

*Adjusted to corporate actions of sub-division of shares in the ratio of 5 Equity Shares of ₹ 2.00 each for every 1 Equity Share of ₹ 10.00 each.

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

	For year ended March 31, 2021		For year ended March 31, 2020	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of the year				
ESOS 2007	45,670	367.24	76,000	406.30
ESOS 2017	63,115	761.40	64,090	761.68
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	-	-
Exercised during the year				
ESOS 2007	8,250	467.22	27,155	454.68
ESOS 2017	10,650	780.00	-	-
Expired during the year				
ESOS 2007	-	-	(3,175)	554.40
ESOS 2017	-	-	(975)	780.00
Balance at the end of the year				
ESOS 2007	37,420	345.20	45,670	367.24
ESOS 2017	52,465	757.62	63,115	761.40

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

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, 2021	Share options March 31, 2020
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	21,770	23,770
October 24, 2016	October 23, 2026	554.40	15,650	21,900
March 19, 2018	March 18, 2028	780.00	37,425	48,075
May 9, 2018	May 8, 2028	770.35	725	725
January 7, 2019	January 6, 2029	698.45	14,315	14,315

(iv) No Stock options granted during the year.

(v) Expenses arising from employee share based payment transaction recognised in the Statement of Profit and Loss as part of employee benefit expense for the year ended March 31, 2021 is ₹ 14.11 lakhs (March 31, 2020: ₹ 95.12 lakhs). 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**

Shri Sadguru Seva Sangh Trust

b. **Entity over which Company has joint control (i.e. joint venture)**

Swarnim Gujarat Fluorspar Private Limited, India

Convergence Chemicals Private Limited, India (upto February 24, 2021)

c. **Entities over which Company has control**

(i) **Subsidiaries:**

Sulakshana Securities Limited, India

Manchester Organics Limited, United Kingdom

Navin Fluorine (Shanghai) Co. Limited, China

NFIL (UK) Limited, United Kingdom

Navin Fluorine Advanced Sciences Limited, India (w.e.f. February 6, 2020)

(ii) **Step-down Subsidiaries:**

NFIL USA, Inc., United States of America

d. **Key Management personnel**

Mr. Vishad P. Mafatlal - Chairman

Mr. Radhesh R. Welling - Managing Director

Mr. Mohan M. Nambiar - Non-Independent Non-Executive Director

Mr. Pradip N. Kapadia - Independent Non-Executive Director

Mr. Sunil S. Lalbhai - Independent Non-Executive Director

Mr. Sharad M. Kulkarni - Independent Non-Executive Director

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 (w.e.f. October 28, 2020)

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

45. RELATED PARTY TRANSACTIONS *(contd...)*

45.1 Disclosures in respect of significant transactions with related parties during the year:

(₹ in Lakhs)

Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of finished goods		
Convergence Chemicals Private Limited	1,038.03	1,021.11
Manchester Organics Limited	213.01	70.16
Sale / Transfer of Immovable Asset		
Navin Fluorine Advanced Sciences Limited	5,585.29	-
Convergence Chemicals Private Limited	790.00	-
Expenses incidental for Sale of Equity share		
Convergence Chemicals Private Limited	300.00	-
Payment of deposits/advances		
Convergence Chemicals Private Limited	272.53	-
Rental income		
Convergence Chemicals Private Limited	0.68	0.88
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	48.78	63.15
Sulakshana Securities Limited	89.67	108.34
Purchase of raw materials		
Manchester Organics Limited	5.29	0.90
Convergence Chemicals Private Limited	0.13	0.69
Rent paid, including lease rentals		
Sulakshana Securities Limited	117.86	108.90
Reimbursement of expenses paid		
Manchester Organics Limited	690.67	293.31
NFIL USA, Inc.	372.90	454.45
Advance / Loan given to		
Navin Fluorine Advanced Sciences Limited	-	50.43
Deposit taken		
Convergence Chemicals Private Limited	0.14	-
Reimbursement of expenses recovered		
Sulakshana Securities Limited	114.38	99.98
Convergence Chemicals Private Limited	87.48	107.48
Navin Fluorine Advanced Sciences Limited	497.48	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

45. RELATED PARTY TRANSACTIONS *(contd...)*

(₹ in Lakhs)

Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of Investment in equity shares		
Navin Fluorine (Shanghai) Co. Limited	152.33	-
NFIL (UK) Limited	-	424.18
Navin Fluorine Advanced Sciences Limited	24,500.00	500.00
Provision for Diminution in Value of Investment		
Navin Fluorine (Shanghai) Co. Limited	152.33	-
Repayment of advances / Reimbursement of expenses from		
Sulakshana Securities Limited	303.00	395.98
Convergence Chemicals Private Limited	325.00	-
Donation		
Shri Sadguru Seva Sangh Trust	200.00	150.00
Managerial remuneration		
Mr. Vishad P. Mafatlal	861.70	683.70
Mr. Radhesh R. Welling	716.68	542.45
Director Sitting fees and Commission*		
Mr. Mohan M. Nambiar	26.20	24.40
Mr. Pradip N. Kapadia	26.55	24.75
Mr. Sunil S. Lalbhai	26.55	24.75
Mr. Sharad M. Kulkarni	25.15	24.75
Mr. Sudhir G. Mankad	25.50	23.00
Mr. Harish H. Engineer	25.50	21.25
Mr. Atul K. Srivastava	25.85	23.70
Mrs. Radhika V. Haribhakti	26.55	23.70
Mr. Ashok U. Sinha	12.75	-

* Commission payable to Independent / Non-Independent, Non-executive directors of ₹187.00 lakhs for the year ended March 31, 2021 is subject to approval of shareholders.

45.2 Disclosures of closing balances:

Transactions	As at March 31, 2021	As at March 31, 2020
Amounts due to		
Manchester Organics Limited	144.06	16.09
Convergence Chemicals Private Limited	-	17.89
Amount due to Directors		
Mr. Vishad P. Mafatlal	531.00	383.00
Mr. Radhesh R. Welling	354.00	255.00

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

45. RELATED PARTY TRANSACTIONS *(contd...)*

(₹ in Lakhs)

Transactions	As at March 31, 2021	As at March 31, 2020
Mr. Mohan M. Nambiar	22.00	19.50
Mr. Pradip N. Kapadia	22.00	19.50
Mr. Sunil S. Lalbhai	22.00	19.50
Mr. Sharad M. Kulkarni	22.00	19.50
Mr. Sudhir G. Mankad	22.00	19.50
Mr. Harish H. Engineer	22.00	19.50
Mr. Atul K. Srivastava	22.00	19.50
Mrs. Radhika V. Haribhakti	22.00	19.50
Mr. Ashok U. Sinha	11.00	-
Amounts due from		
Manchester Organics Limited	14.62	20.41
Sulakshana Securities Limited	709.39	922.73
Convergence Chemicals Private Limited	-	501.13
Navin Fluorine Advanced Sciences Limited	5,585.29	50.43
Corporate Guarantee given		
Convergence Chemicals Private Limited	-	3,632.37
Manchester Organics Limited	251.88	140.25

Terms and Condition:

1. Sales

   The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. For the year ended March 31, 2021, 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, 2021 is ₹ 824.00 lakhs (March 31, 2020:₹ 1,127.00 lakhs). Under Ind AS 109 ' Financial Instruments' the same has been fair valued. Accordingly, ₹ 815.55 lakhs (March 31, 2020: ₹ 815.55 lakhs) has been disclosed as Investment in equity of SSL and ₹ 708.39 lakhs (March 31, 2020: ₹ 921.72 lakhs) as loans to SSL as at March 31, 2021.

4. Loan to Joint Venture Company

   The Company has given loan to Convergence Chemicals Private Limited (CCPL) for working capital requirement. The loan balances as at March 31, 2021 is Nil (March 31, 2020: ₹ 325.00 lakhs). These loans are unsecured and carry an interest rate of 10.50% and repayable on demand.

5. Guarantees to subsidiary and joint venture company

   Guarantees provided to the lenders of the subsidiary and joint venture company are for availing term loans from the lender banks.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

46. CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,094.88	1,509.67
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	24.37	24.37

47. CONTINGENT LIABILITIES

(₹ in Lakhs)

(i). Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts		
a. Income tax matters	329.27	329.27
b. Excise duty matters	422.86	118.57
c. Sales-tax matters	162.85	128.56
d. Employee related matters	7.00	7.00
e. Corporate guarantee for debt availed by Subsidiary and Joint Venture Company	251.88	3,772.62
f. Other Corporate guarantee / Bank guarantees	2,907.62	14.59

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.

(ii). Based on the assessment of the management which is supported by legal advice, the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements for the period upto March 31, 2019.

48. RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 2,168.35 lakhs (as at March 31, 2020 ₹ 2,380.81 lakhs) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Capital Expenditure	92.18	228.44
Revenue Expenditure	2,076.17	2,152.37
Total	**2,168.35**	**2,380.81**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	1,146.96	1,130.29
Material / Consumable / Spares	473.52	515.87
Utilities	128.53	125.16
Other expenditure	165.77	225.59
Depreciation	161.39	155.46
Total	**2,076.17**	**2,152.37**

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

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

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.

50. EXCEPTIONAL ITEMS INCLUDE:

(i) Gain of ₹ 3,139.53 lakhs on account of sale of shares (net of incidental expenses) held in Convergence Chemicals Private Limited ('CCPL'), the Joint Venture Company, including gain for giving up lease rights in land.

(ii) Gain of ₹ 3,483.20 lakhs on account of giving up lease rights in land situated at Dahej to Navin Fluorine Advanced Sciences Limited, the wholly owned subsidiary of the Company.

51. The Board of Directors has recommended final dividend of ₹ 6.00 per share on the face value of ₹ 2.00 each (300%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

52. EARNINGS IN FOREIGN EXCHANGE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Export of goods calculated on FOB basis	54,899.22	42,251.91
Sale of Services	792.36	3,052.04

53. The Company had made a strategic investment in its wholly owned subsidiary Manchester Organics Limited (MOL), in U.K. MOL has been an integral part of the overall Contract Research and Manufacturing Services (CRAMS) operations and strategy of the Company. Based on management assessment, the investments in MOL and identified property, plant and equipment located at Dewas Unit has been considered as one Cash Generating Unit (CGU).

The Company tests impairment on the aforesaid assets on an annual basis. The recoverable amount of the CGU is determined based on value-in-use calculations which require the use of assumptions. The Management has assessed the impairment of its CGU by reviewing the business forecasts and assumptions and believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

54. NOTE ON COVID-19 IMPACT

The Company had temporarily suspended manufacturing operations at its facilities in the last week of March 2020 due to the nationwide lockdown to contain the spread of COVID-19 which had impacted Company's operations. It restarted its operations from mid April 2020 in a phased manner and gradually achieved normal level of production.

The Company has carried out a detailed assessment of the impact of COVID-19, including the current wave, on its liquidity position and on the recoverability and carrying values of its assets and has concluded that there is no significant impact on account of the same on its financial results as at March 31, 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

55. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

Independent Auditors' Report

To
The Members of
Navin Fluorine International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Navin Fluorine International Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries [Holding Company, its subsidiaries (including a step down subsidiary) together referred to as "the Group"] and its joint ventures (refer Note 1B to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures 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 ICAI 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 16 and 18 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters paragraph 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(i), 2(j), 5A and 7 in the consolidated financial statements) The carrying value of goodwill in relation to the acquisition of the aforesaid subsidiary and the property, plant and equipment (PP&E) relating to the Company's manufacturing facility at Dewas as at March 31, 2021 is ₹ 7,285.42 lakhs and ₹ 14,248.05 lakhs respectively, which in aggregate represents approximately 11.35% of the total assets of the Group.	Our procedures included the following • Understood the management process for impairment assessment and also evaluated the design and tested the operating effectiveness of the Company's internal controls surrounding such assessment. • Reviewed the Group's accounting policy in respect of impairment assessment of goodwill and PP&E. • Assessed whether the Group's determination of CGU was consistent with our knowledge of the Group's operations. • Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting.

Key audit matter	How our audit addressed the key audit matter
The Group carries the Goodwill at cost less any accumulated impairment losses, if any, and PP&E at cost less accumulated depreciation and impairment losses, if any. The Group reviews their carrying values at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying value. Management estimates the recoverable amount of the Cash Generating Unit (CGU) to which the Goodwill and PP&E belongs, based on discounted cash flows, requiring judgements in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate. We have considered this to be a key audit matter as the balances are significant to the consolidated balance sheet and significant judgement is involved in calculation of recoverable value for the purpose of impairment testing.	• To assess the reasonableness of the key assumptions used, in particular those relating to discount rates, cash flow forecasts and terminal growth rates applied: - Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data. - Performed sensitivity analysis on the forecasts by varying the key assumptions within a foreseeable range. - Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Evaluated the adequacy and appropriateness of disclosures made in the financial statements. Based on the above procedures performed, we noted that the management's assessment of the carrying value of goodwill and PP&E is reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 and 18 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of one subsidiary (i.e. Sulakshana Securities Limited) whose financial statements reflect total assets of ₹ 2,775.32 lakhs and net assets of ₹ 811.87 lakhs as at March 31, 2021, total revenue of ₹ 413.16 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 212.20 lakhs and net cash out flows amounting to ₹ 7.70 lakhs 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 total comprehensive income (comprising of profit and other comprehensive income) of ₹ 1,049.83 lakhs for the period ended February 24, 2021 as considered in the consolidated financial statements, in respect of one joint venture (i.e. Convergence Chemicals Private Limited), whose financial information have not been audited by us. These financial information 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 these subsidiary and joint ventures 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 and joint ventures, is based solely on the reports of the other auditors.

17. The consolidated financial statements include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ (1.01) lakhs for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of one joint venture (i.e. Swarnim Gujarat Fluorspar Private Limited), whose financial information have not been audited by us. These financial information 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 this 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 joint venture, is based solely on the unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

18. The financial statements of three subsidiaries [i.e. Manchester Organics Limited, NFIL (UK) Ltd. and 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 ₹ 10,801.82 lakhs and net assets of ₹ 8,989.40 lakhs as at March 31, 2021, total revenue of ₹ 5,261.78 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (310.62) lakhs and net cash flows amounting to ₹ 26.38 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries including 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 subsidiaries including 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.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

19. As required by 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), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on March 31, 2021 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 financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint ventures– Refer Note 47 to the consolidated financial statements.

ii. The Group and its joint venture have long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Group and its joint venture did not have any long term derivative contracts as at March 31, 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its joint ventures incorporated in India for the year ended March 31, 2021.

20. The Holding Company and its subsidiary companies and joint venture incorporated in India 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: 21048125AAAACE4773

Pune
May 7, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 19(f) of the Independent Auditors' Report of even date to the members of Navin Fluorine International Limited on the consolidated financial statements for the year ended March 31, 2021.

Report on the Internal Financial Controls with reference to 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, 2021 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 company and joint venture company, 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 company and joint venture company, 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, 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 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 on Audit of Internal Financial Controls Over Financial Reporting (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 Company's internal financial controls system with reference to 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 company and joint venture company, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 company, 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 qualified in respect of this matter.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 21048125AAAACE4773

Pune
May 7, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	37,592.32	36,418.04
b. Right-of-use assets	5B	2,171.81	2,083.86
c. Capital work-in-progress	5C	9,487.33	3,885.07
d. Investment properties	6	5,389.24	5,502.59
e. Goodwill	7	8,776.41	8,776.41
f. Other intangible assets	7	83.02	95.28
g. Investment accounted for using the equity method	8	76.88	4,046.92
h. Financial assets			
i. Investments	9	1,377.34	8,738.86
ii. Loans	10	805.53	751.61
iii. Other financial assets	10A	1,013.80	821.98
i. Non-current tax assets (Net)	11	3,076.36	11,488.80
j. Deferred tax assets (Net)	23A	-	1,513.31
k. Other non-current assets	12	427.15	959.37
Total non-current assets		70,277.19	85,082.10
Current assets			
a. Inventories	13	18,035.24	15,788.26
b. Financial assets			
i. Investments	14	8,453.89	6,754.10
ii. Trade receivables	15	28,410.85	21,848.74
iii. Cash and cash equivalents	16A	13,185.26	17,673.28
iv. Bank balances other than (iii) above	16B	41,200.40	10,113.76
v. Loans	17	266.84	449.11
vi. Other financial assets	18	434.95	589.79
c. Other current assets	19	9,485.25	4,553.81
Total current assets		1,19,472.68	77,770.85
Total assets		1,89,749.87	1,62,852.95
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	989.92	989.54
b. Other equity	21	1,62,400.76	1,40,228.17
Total equity		1,63,390.68	1,41,217.71
Liabilities			
Non-current liabilities			
a. Other financial liabilities	22	1,556.24	1,534.25
b. Provisions	23	1,180.09	1,027.89
c. Deferred tax liabilities (Net)	23A	2,073.91	-
d. Other non-current liabilities	24	1,350.37	1,352.04
Total non-current liabilities		6,160.61	3,914.18
Current liabilities			
a. Financial liabilities			
i. Borrowings	25	251.88	140.25
ii. Trade payables	26		
a. Total outstanding dues of micro enterprises and small enterprises		1,371.79	887.84
b. Total outstanding dues other than (ii)(a) above		9,370.08	8,922.48
iii. Other financial liabilities	27	3,836.86	3,551.06
b. Contract liabilities		303.44	209.09
c. Provisions	28	309.53	283.18
d. Current tax liabilities (Net)	11	812.13	1.89
e. Other current liabilities	29	3,942.87	3,725.27
Total current liabilities		20,198.58	17,721.06
Total liabilities		26,359.19	21,635.24
Total equity and liabilities		1,89,749.87	1,62,852.95
Significant Accounting Policies	2		

The above 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
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	30	1,17,939.34	1,06,155.33
Other Income	31	7,904.33	3,332.82
Total Income		**1,25,843.67**	**1,09,488.15**
EXPENSES			
Cost of materials consumed	32	52,780.85	49,558.92
Purchases of stock-in-trade		2,113.40	1,300.55
Changes in Inventories of finished goods, work in progress and stock-in-trade	33	(1,156.82)	(2,477.58)
Employee benefits expense	34	14,170.35	13,077.57
Finance costs	35	183.86	200.44
Depreciation and amortisation expense	36	4,416.63	3,700.04
Other Expenses	37	19,103.30	18,347.33
Total Expenses		**91,611.57**	**83,707.27**
Profit before exceptional items and tax		**34,232.10**	**25,780.88**
Exceptional items	51	1,551.14	-
Profit before tax		**35,783.24**	**25,780.88**
Tax expenses			
(1) Current tax	38.1	11,935.26	8,316.33
(2) Excess provision of tax for earlier years	38.2	5.88	(14,125.37)
(3) Deferred tax	23A	(863.42)	(8,546.61)
Total Tax expenses		**11,077.72**	**(14,355.65)**
Profit for the year		**24,705.52**	**40,136.53**
Share of profits from joint ventures (Net)		1,046.77	722.03
Total profit for the year		**25,752.29**	**40,858.56**
Other comprehensive income			
(A) Items that will not be reclassified to profit and loss			
(i) Remeasurement loss of the defined benefit obligations		(7.94)	(109.13)
(ii) Current tax relating to the above		2.51	38.13
(iii) Share of other comprehensive income in joint venture (net of tax)		2.05	(1.01)
Total (A)		**(3.38)**	**(72.01)**
(B) Items that may be reclassified to profit and loss			
(i) Exchange differences on translation of foreign operations		224.39	123.95
Total (B)		**224.39**	**123.95**
Total other comprehensive income (A+B)		**221.01**	**51.94**
Total comprehensive income for the year		**25,973.30**	**40,910.50**
Profit is attributable to:			
Owners of the Company		25,752.29	40,858.56
Other Comprehensive Income attributable to:			
Owners of the Company		221.01	51.94
Total Comprehensive Income attributable to:			
Owners of the Company		25,973.30	40,910.50
Earnings per equity share (of face value of ₹ 2 each)	40		
(1) Basic (in ₹)		52.03	82.60
(2) Diluted (in ₹)		51.96	82.53
Significant Accounting Policies	2		

The above 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
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

Consolidated Statement of Cash Flow for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**35,783.24**	**25,780.88**
Adjustments for:		
Depreciation and amortisation expense	4,416.63	3,700.04
(Gain)/Loss on sale / write off of property, plant and equipment (Net)	(446.05)	434.45
Gain on sale of investments (Net)	(1,719.09)	(840.36)
Changes in fair value of financial assets at fair value through profit or loss	(815.85)	(658.89)
Employee Share-based payment expense	14.11	95.12
Finance Costs	183.86	200.44
Interest income	(1,898.55)	(310.89)
Lease rental income on investment properties	(1,164.01)	(1,200.29)
Net loss on foreign currency transactions	186.05	202.03
Dividend Income	-	(15.13)
Excess provision / liabilities written back	(15.02)	(96.64)
Provision for doubtful debts	12.72	57.65
Operating profit before changes in operating assets and liabilities	**34,538.04**	**27,348.41**
Adjustments for:		
Increase in trade receivables	(6,865.21)	(4,372.58)
Increase in inventories	(2,246.98)	(4,597.32)
Increase in other assets	(4,950.19)	(936.30)
Increase in trade and other payables	1,516.63	2,845.53
Cash generated from operations	**21,992.29**	**20,287.74**
Income taxes paid (net of refunds)	1,734.69	(4,623.87)
Net cash generated from operating activities	**23,726.98**	**15,663.87**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(9,869.25)	(10,771.58)
Proceeds from sale of property, plant and equipment	813.73	981.82
Repayment of Loans and Advances from a Joint venture	325.00	43.30
Increase in deposits with banks	(31,060.36)	(8,457.15)
Payments for purchase of investments	(3,171.00)	(32,015.15)
Proceeds from sale of investment in Joint Venture	6,510.00	-
Proceeds from sale of investments	9,876.54	57,439.59
Lease rental income on investment properties	1,067.08	1,101.72
Dividend received	-	15.13
Interest received	1,798.49	176.75
Net cash (used in)/from investing activities	**(23,709.77)**	**8,514.43**

Consolidated Statement of Cash Flow for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal elements of lease payments	(634.89)	(600.27)
Proceeds from allotment of Employee Stock Option Plan (ESOP)	144.81	123.47
Repayments of long term borrowings	-	(413.83)
Proceeds /(Repayments) of other borrowings (net)	111.63	140.25
Dividend (including tax)	(3,942.92)	(7,141.63)
Interest paid	(183.86)	(200.44)
Net cash used in financing activities	**(4,505.23)**	**(8,092.45)**
Net (decrease)/increase in cash and cash equivalents	**(4,488.02)**	**16,085.85**
Cash and cash equivalents at the beginning of the year	17,673.28	1,587.43
Cash and cash equivalents at the end of the year	**13,185.26**	**17,673.28**
Reconcillation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - Note 16A	13,185.26	17,673.28
As per Cash flow statement	**13,185.26**	**17,673.28**

Notes:

(1) 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

2) Previous year figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note (Refer note 56).

The above Statement of 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
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
Balance as at March 31, 2019	**989.00**
Shares issued on exercise of employee stock options during the year	0.54
Less: Calls in arrears	-
Balance as at March 31, 2020	**989.54**
Shares issued on exercise of employee stock options during the year	0.38
Less: Calls in arrears	-
Balance as at March 31, 2021	**989.92**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves & Surplus									Attributable to owners of the parent	Non-Controlling interest	Total
	Capital Reserve 1	Capital Reserve 2	Capital redemption reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Call in arrears / share options pending for allotment	Retained Earnings	Foreign currency translation reserve			
Balance as at March 31, 2019	8,035.17	7,035.19	33.88	1,834.61	7,333.34	219.74	0.67	81,718.62	44.57	1,06,255.79	-	1,06,255.79
Profit for the year	-	-	-	-	-	-	-	40,858.56		40,858.56	-	40,858.56
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(72.01)	123.95	51.95	-	51.95
Total comprehensive income for the year	-	-	-	-	-	-	-	40,786.55	123.95	40,910.50	-	40,910.50
Shares issued on exercise of employee stock options during the year	-	-	-	167.55	-	-	-	-	-	167.55	-	167.55
Recognition of shared based payments (net)	-	-	-	-	-	50.50	-	-	-	50.50	-	50.50
Calls in arrears received during the year	-	-	-	-	-	-	-	-	-	-	-	-
Payment of dividends (including tax)	-	-	-	-	-	-	-	(7,156.17)	-	(7,156.17)	-	(7,156.17)
Balance as at March 31, 2020	8,035.17	7,035.19	33.88	2,002.16	7,333.34	270.24	0.67	1,15,349.00	168.52	1,40,228.17	-	1,40,228.17
Profit for the year	-	-	-	-	-	-	-	25,752.29		25,752.29	-	25,752.29
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(3.38)	224.39	221.01	-	221.01
Total comprehensive income for the year	-	-	-	-	-	-	-	25,748.91	224.39	25,973.30	-	25,973.30
Shares issued on exercise of employee stock options during the year	-	-	-	169.26	-	-	-	-	-	169.26	-	169.26
Recognition of shared based payments (net)	-	-	-	-	-	(33.91)	-	-	-	(33.91)	-	(33.91)
Calls in arrears / share options received during the year	-	-	-	-	-	-	23.19	-	-	23.19	-	23.19
Payment of dividends (including tax)	-	-	-	-	-	-	-	(3,959.25)	-	(3,959.25)	-	(3,959.25)
Balance as at March 31, 2021	8,035.17	7,035.19	33.88	2,171.42	7,333.34	236.33	23.86	1,37,138.66	392.91	1,62,400.76	-	1,62,400.76

The above 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

For and on behalf of the Board of Directors

Jeetendra Mirchandani
Partner
Membeship No. 48125

Vishad P. Mafatlal
Chairman
(DIN:00011350)

Radhesh R. Welling
Managing Director
(DIN:07279004)

Niraj B. Mankad
Company Secretary

Ketan Sablok
Chief Financial Officer

Pune, May 7, 2021

Mumbai, May 7, 2021

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

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 2nd floor, Sunteck Centre, 37/40, Subhash Road, Ville Parle (East), Mumbai 400057.

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, 2021	As at March 31, 2020
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)			
Convergence Chemicals Private Limited (JV)*	India	-	49%
Swarnim Gujarat Fluorspar Private Limited (JV)	India	49.48%	49.48%

* Upto February 24, 2021

2. SIGNIFICANT ACCOUNTING POLICIES

This note provide a list of the significant accounting policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements are for the group consisting of the Company and its subsidiary companies.

a) Basis of Preparation:

(i) Compliance with Indian Accounting Standards (Ind AS)

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments, financial assets and liabilities and defined benefit plans and share based payments which are measured at fair value.

(iii) New and amended standards adopted by the Group

Ind AS 116, Leases

The Group has applied the following amendment to Ind AS for the first time for their annual reporting period commencing April 1, 2020:

- COVID-19 related concessions – amendments to Ind AS 116

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

(iv) 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

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture Company or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Consolidated Statement of Profit and Loss where appropriate.

c) Revenue recognition

(i) Sale of Goods

Revenue is generated primarily from sale of chemicals. Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer in accordance with the terms of customer contracts. In case of domestic customers, generally revenue recognition take place when goods are dispatched and in case of export customers when goods are shipped onboard based on bill of lading as per the terms of contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to transfer goods to the customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Sale of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to render services to the customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the rendering of promised services to the customer and payment by the customer exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(iii) Export Incentives

Export incentives are recognised for based on the eligibility and when there is no uncertainty in receiving the same.

d) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Consolidated Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

e) Leases

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

f) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax liabilities are not recognised for temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

g) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plan such as gratuity and provident fund for certain employees.

(b) defined contribution plans such as family pension fund, superannuation fund and provident fund for certain employees.

(a) Defined benefit plan

Gratuity Obligations

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

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the Consolidated Statement of Changes in Equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement of Profit and Loss as past service cost.

Provident fund liability

Provident Fund for certain employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognized by the Income Tax authorities where other entities are also the participant. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss and when services are rendered by the employees. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

(b) Defined contribution plans

The Group contributes towards family pension fund, superannuation fund and provident fund for certain employees which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

h) Employee share-based payment arrangements

Eligible employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to eligible employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

i) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less deprecation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

Property, plant and equipment which are not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. However, for below assets, the useful lives are higher or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Assets	Useful Life
Plant and Machinery	
Laboratory Equipments	4, 5 and 10 years
Computers	3 and 5 years
Other Equipments	5,6,8,10 and 12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the end of each reporting period.

j) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiary companies is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold.

(ii) Computer software

Computer Software are stated at cost, less accumulated amortization and impairments, if any.

Computer Software which are capitalised are amortised over a period of 3 years on straight-line basis.

The estimated amortisation method, useful life and residual value are reviewed at the end of each reporting period, with effect of any changes in the estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the intangible assets.

k) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using straight line method over their useful lives specified in Schedule II to the Companies Act, 2013.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the investment properties.

l) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

as a cash generating unit. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset/ cash generating unit exceeds its recoverable amount. The recoverable amount of the assets/ cash generating unit is fair value less costs of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

m) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on weighted average basis. Cost includes all charges in bringing the goods to their present location and condition. The cost of process stock and finished goods comprises of materials, direct labour, other direct costs and related production overheads and taxes as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

n) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees ('₹'), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet.

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction).

c) all resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gains / (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

o) Cash and Cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

p) Trade receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other income/expense.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

r) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant & equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

u) Provisions and contingencies

Provisions are recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

v) Investment in associate and joint ventures

Investments in associate and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

w) Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Statement of Profit and Loss.

a. Investment and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Consolidated Statement of Profit and Loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Consolidated Statement of Profit and Loss or other comprehensive income.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group business model for managing the assets and cash flows characteristic. There are three measurement categories into which the group classifies its debt instruments.

i. Amortised Cost: Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

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 or 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(contd...)*

b. Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires. An instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(x) Rounding of amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3. CRITICAL ESTIMATES AND JUDGMENTS

The preparation of Consolidated Financial Statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Useful lives of property, plant and equipment

(b) Defined benefits plan

(c) Impairment loss on investments carried at cost

(d) Estimated goodwill impairment

(e) Estimation of provisions and contingent liabilities

4. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

5A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Description of Assets	Freehold land	Buildings	Office Equipment	Vehicles	Plant and machinery	Leasehold Land	Furniture and Fixture	Total
I. Gross Block								
Balance as at April 1, 2019	37.13	5,839.53	878.22	236.46	25,598.93	2,564.50	798.95	35,953.72
Additions	-	1,102.34	634.34	-	10,408.03	-	54.02	12,198.73
Disposals/Adjustments	-	-	(19.71)	-	(1,647.69)	-	-	(1,667.40)
Effect of Foreign currency exchange difference	-	-	1.83	-	25.67	-	0.16	27.66
Balance as at March 31, 2020	**37.13**	**6,941.87**	**1,494.68**	**236.46**	**34,384.94**	**2,564.50**	**853.13**	**46,512.71**
II. Accumulated depreciation								
Balance as at April 1, 2019	-	703.62	312.43	59.86	6,101.80	79.39	199.77	7,456.87
Depreciation expense for the year	-	272.71	128.97	29.64	2,324.23	26.97	94.74	2,877.26
Disposals/Adjustments	-	-	(14.45)	-	(236.68)	-	-	(251.13)
Effect of Foreign currency exchange difference	-	-	0.88	-	10.72	-	0.07	11.67
Balance as at March 31, 2020	**-**	**976.33**	**427.83**	**89.50**	**8,200.07**	**106.36**	**294.58**	**10,094.67**
Net block (I-II)								
Balance as at March 31, 2020	**37.13**	**5,965.54**	**1,066.85**	**146.96**	**26,184.87**	**2,458.14**	**558.55**	**36,418.04**
I. Gross Block								
Balance as at April 1, 2020	37.13	6,941.87	1,494.68	236.46	34,384.94	2,564.50	853.13	46,512.71
Additions	-	405.01	195.16	-	4,292.04	125.30	65.04	5,082.55
Disposals/Adjustments	-	-	(109.58)	(5.20)	(55.10)	(256.07)	-	(425.95)
Effect of Foreign currency exchange difference	-	-	4.45	-	78.79	-	0.54	83.78
Balance as at March 31, 2021	**37.13**	**7,346.88**	**1,584.71**	**231.26**	**38,700.67**	**2,433.73**	**918.71**	**51,253.09**
II. Accumulated depreciation								
Balance as at April 1, 2020	-	976.33	427.83	89.50	8,200.07	106.36	294.58	10,094.67
Depreciation expense for the year	-	252.87	177.94	29.43	3,005.80	26.07	95.34	3,587.45
Disposals/Adjustments	-	-	(99.11)	(5.20)	(27.88)	73.91	-	(58.28)
Effect of Foreign currency exchange difference	-	-	3.21	-	33.47	-	0.25	36.93
Balance as at March 31, 2021	**-**	**1,229.20**	**509.87**	**113.73**	**11,211.46**	**206.34**	**390.17**	**13,660.77**
Net block (I-II)								
Balance as at March 31, 2021	**37.13**	**6,117.68**	**1,074.84**	**117.53**	**27,489.21**	**2,227.39**	**528.54**	**37,592.32**

Note:

For details of Capital commitment relating to Property, Plant and Equipment (refer note 46).

5B. RIGHT-OF-USE ASSETS

This note provides information for leases where the Group is a lessee. The Group leases various Premises, Vehicles and Plant and machinery.

Description	Premises	Vehicles	Plant and machinery	Total
I. Gross Block				
Balance as at March 31, 2019	-	-	-	-
Addition on account of Transition to Ind AS 116 – April 1, 2019	2,277.70	209.02	86.39	2,573.11
Addition	-	-	160.10	160.10
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**2,277.70**	**209.02**	**246.49**	**2,733.21**
II. Accumulated depreciation				
Balance as at April 1, 2019	-	-	-	-
Depreciation expense for the year	526.38	60.45	62.52	649.35
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**526.38**	**60.45**	**62.52**	**649.35**
Net block (I-II)				
Balance as at March 31, 2020	**1,751.32**	**148.57**	**183.97**	**2,083.86**

5B. RIGHT-OF-USE ASSETS *(contd...)*

(₹ in Lakhs)

Description	Premises	Vehicles	Plant and machinery	Total
I. Gross Block				
Balance as at April 01, 2020	2,277.70	209.02	246.49	2,733.21
Additions	1,074.37	17.98	47.56	1,139.91
Disposals/Adjustments	(781.62)	-	-	(781.62)
Balance as at March 31, 2021	**2,570.45**	**227.00**	**294.05**	**3,091.50**
II. Accumulated depreciation				
Balance as at April 01, 2020	526.38	60.45	62.52	649.35
Depreciation expense for the year	559.73	59.08	48.57	667.38
Disposals/Adjustments	(397.04)	-	-	(397.04)
Balance as at March 31, 2021	**689.07**	**119.53**	**111.09**	**919.69**
Net block (I-II)				
Balance as at March 31, 2021	**1,881.38**	**107.47**	**182.96**	**2,171.81**

5C. CAPITAL WORK-IN PROGRESS

Capital work-in progress as at March 31, 2021 is ₹ 9,487.33 lakhs (March 31, 2020: ₹ 3,885.07 lakhs). It is mainly comprises of expansion projects in progress.

6 INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
I. Gross carrying amount		
Opening Balance	5,956.32	5,956.32
Additions	-	-
Disposals	-	-
Closing Balance	5,956.32	5,956.32
II. Accumulated depreciation		
Opening Balance	453.73	340.38
Charge for the year	113.35	113.35
Closing Balance	567.08	453.73
Net carrying amount (I-II)	5,389.24	5,502.59

(i) Amount recognised in the Consolidated Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2021	As at March 31, 2020
Rental Income (refer note 31)	1,164.01	1,200.29
Direct operating expenses from property that generated rental income	232.44	137.64
Profit from investment properties before depreciation	**931.57**	**1,062.65**
Depreciation	113.35	113.35
Profit from investment properties	**818.22**	**949.30**

(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, 2021	As at March 31, 2020
not later than one year	490.91	723.39
later than one year and not later than five years	347.45	656.70
later than five years	-	-
Total	**838.36**	**1,380.09**
Operating lease rentals credited to the Consolidated Statement of Profit and Loss (refer note 31)	**1,164.01**	**1,200.29**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

6 INVESTMENT PROPERTIES *(contd...)*

(iii) Fair Value

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment properties	18,227.44	18,988.02

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. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. All resulting fair value estimates for investment properties are included in Level 3.

7 OTHER INTANGIBLE ASSETS AND GOODWILL

Particulars	Other intangible assets - Software	Goodwill
Balance at April 1, 2019	238.96	8,776.41
Additions	26.74	
Deduction/Adjustment	-	-
Balance at March 31, 2020	**265.70**	**8,776.41**
Accumulated amortisation		
Balance at April 1, 2019	110.34	-
Amortisation expense	60.08	-
Deduction/Adjustment		-
Balance at March 31, 2020	**170.42**	**-**
Net carrying amount as at March 31, 2020	**95.28**	**8,776.41**
Balance at April 1, 2020	265.70	8,776.41
Additions	36.19	
Deduction/Adjustment	-	-
Balance at March 31, 2021	**301.89**	**8,776.41**
Accumulated amortisation		
Balance at April 1, 2020	170.42	-
Amortisation expense	48.45	-
Deduction/Adjustment	-	-
Balance at March 31, 2021	**218.87**	**-**
Net carrying amount as at March 31, 2021	**83.02**	**8,776.41**

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 ₹ 1,490.99 lakhs pertains to the acquisition of Sulakshana Securities Limited and recoverable amount has been determined using fair value less cost of disposal. Goodwill of ₹ 7,285.42 lakhs pertains to the acquisition of Manchester Organics Limited and recoverable amount has been determined based on its value in use.

Under value in use calculation, management with the help of external valuer uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 15.71% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 3% per annum. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Accordingly, there was no impairment recorded for the period March 31, 2021.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments				
In subsidiary (Unquoted, fully paid up) - (at fair value as deemed cost)		-		-
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹ 10.00 each	11,82,500	77.89	11,82,500	78.86
Add: Share in total comprehensive income		(1.01)		(0.97)
		76.88		77.89
- Equity shares of Convergence Chemicals Private Limited of ₹ 10.00 each	-	-	3,43,04,900	3,247.04
Add: Share in total comprehensive income		-		721.99
		-		3,969.03
Total		76.88		4,046.92

9. INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments				
Unquoted, fully paid up - (at fair value through profit or loss)				
- Equity shares of Cebon Apparel Private Limited of ₹10.00 each	4,81,600	175.55	4,81,600	175.27
- Equity shares of Mafatlal Services Limited of ₹100.00 each	9,300	-	9,300	-
(b) Investments in Bonds/debentures (Unquoted, fully paid up) - (at amortised cost)				
11% Corporate bonds - series IV of Housing Development Finance Corporation Limited of ₹ 1000.00 each, fully paid-up (net of impairment of ₹ 1.50 lakhs)(March 31, 2020: ₹ 1.50 lakhs)#	150	-	150	-
10% Non-convertible debentures of Wondrous Buildmart Private Limited	-	-	290	339.10
10% Non-convertible debentures of ATS Infrabuild Private Limited SR-I to III NCD	-	-	18	213.26
(c) Investments in Non-Convertible Market Linked debentures - (Unquoted, fully paid up) (at fair value through profit or loss)				
- Fullerton - Enhanced FMP Sr. 75-290721-F75M2	-	-	50	527.40
(d) Investments in mutual funds - (Unquoted) (at fair value through profit or loss)				
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	-	-	1,00,00,000	1,097.22
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days),Regular Growth	-	-	62,50,000	739.78
- Sundaram Fixed Term Plan - IE - Regular Growth	-	-	1,00,00,000	1,170.66
- UTI Fixed Term Income Fund XXVIII – X- (1153 Days) - Growth Plan	-	-	1,50,00,000	1,573.65
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	-	-	1,00,00,000	1,154.03
- Kotak FMP Series 220 - Growth (Regular Plan)	-	-	1,00,00,000	1,174.52
- Kotak Corporate Bond Fund - Growth	4,833	140.18	4,833	130.05
(e) Investments in Alternate investment fund - (at fair value through profit or loss)				
- ASK Real Estate Special Situation Fund - I -RESSF-4071	1,000	1,061.61	450	443.92
Total		1,377.34		8,738.86
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		1,377.34		8,738.86
Aggregate amount of impairment in value of investments		1.50		1.50

pending transfer in the Company's name and not available for physical verification.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

10. NON-CURRENT LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	805.53	751.61
Total	**805.53**	**751.61**

Break-up of Security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	805.53	751.61
Total	**805.53**	**751.61**
Loss allowance	-	-
Total	**805.53**	**751.61**

10A. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with bank held as margin money*	677.70	603.92
Rent Receivable	336.10	218.06
Total	**1,013.80**	**821.98**

* The above bank deposit is marked as lien against bank guarantee.

11. NON-CURRENT TAX ASSETS/ CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current Tax Assets [net of provision ₹ 28,592.64 lakhs (March 31, 2020: ₹ 38,375.26 lakhs)]	3,076.36	11,488.80
Current Tax Liability [net of Advance tax ₹ 16,501.90 lakhs (March 31, 2020: ₹ 1.92 lakhs)]	812.13	1.89

12. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	79.78	537.58
Prepaid expenses	180.97	255.39
Advance Fringe benefit tax	3.70	3.70
Advances towards a Project (refer note 49)	162.70	162.70
Total	**427.15**	**959.37**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

13. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	7,170.08	6,210.12
Work-in-progress	4,254.86	1,933.27
Finished goods	3,386.50	4,748.03
Stock-in-trade	2,332.09	1,957.10
Stores and Spares	891.71	939.74
Total	**18,035.24**	**15,788.26**

Write-downs of inventories to net realisable value amounted to ₹ 175.17 lakhs (March 31, 2020 – ₹ 23.84 lakhs). These were recognised as an expense during the year and included in 'Cost of materials consumed' in the Statement of Profit and Loss.

14. INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments (Quoted, fully paid up) - (at fair value through profit or loss)				
- Equity shares of NOCIL Limited of ₹ 10.00 each	1,10,000	191.79	1,10,000	72.38
(b) Investments in mutual funds (Unquoted) - (at fair value through profit or loss)				
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	1,00,00,000	1,164.84		
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days),Regular Growth	62,50,000	784.90		
- Sundaram Fixed Term Plan - IE - Regular Growth	1,00,00,000	1,266.68		
- UTI Fixed Term Income Fund XXVIII – X- (1153 Days) - Growth Plan	1,50,00,000	1,708.35		
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	1,00,00,000	1,277.58		
- Kotak FMP Series 220 - Growth (Regular Plan)	1,00,00,000	1,265.88		
- UTI Fixed Term Income Fund Series XXVI-V(1160 days)-Growth Plan	-	-	1,00,00,000	1,254.34
- UTI Fixed Term Income Fund XXVI - VII (1140 days) (Growth Plan)	-	-	1,70,00,000	2,120.05
- Aditya Birla Sun Life Fixed Term Plan-Series OJ(1136 days) Growth Regular	-	-	1,50,00,000	1,835.26
- Kotak Equity Savings Fund - Growth (Regular Plan)	-	-	55,74,933	744.76
- ICICI Prudential Equity Income Fund - Cumulative	-	-	57,22,313	727.31
(c) Investments in Non-Convertible Market Linked debentures - (at fair value through profit or loss)				
- Fullerton India Credit Company Limited - INE535H07BA7	50	575.20		
(d) Investments in Bonds/debentures (Unquoted, fully paid up) - (at amortised cost)				
10% Non-convertible debentures of Wondrous Buildmart Private Limited	18	218.67		
Total		8,453.89		6,754.10
Of the above:				
Aggregate amount of quoted investments and market value thereof		191.79		72.38
Aggregate amount of unquoted investments		8,262.10		6,681.72
Aggregate amount of impairment in value of investments		-		-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

15. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	28,615.05	21,864.09
Receivables from related parties (refer note 45.2)	-	176.13
Less:- Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(204.20)	(191.48)
Total receivables	**28,410.85**	**21,848.74**

Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	110.73	111.50
Trade receivables considered good - Unsecured	28,504.32	21,928.72
Total receivables	**28,615.05**	**22,040.22**
Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(204.20)	(191.48)
Total trade receivables	**28,410.85**	**21,848.74**

16A. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	10.43	13.60
Balances with banks in current account *	4,662.33	2,850.79
Deposits with original maturity of less than or equal to 3 months	8,512.50	14,808.89
Total	**13,185.26**	**17,673.28**

*One current account with bank balance ₹ 2.40 lakhs (March 31, 2020: ₹ 2.40 lakhs), 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, 2021	As at March 31, 2020
Unpaid dividend	432.94	416.61
Buyback account	1.09	1.09
Deposits with maturity of more than 3 months and less than 12 months	39,689.80	8,679.57
Deposits received under protest (refer note 50)	1,041.65	981.57
Balances in earmarked accounts (Unpaid matured debentures)	34.92	34.92
Total	**41,200.40**	**10,113.76**

17. LOANS

Particulars	As at March 31, 2021	As at March 31, 2020
- Security deposits	266.84	123.96
- Loans to related parties (refer note 45.2)	-	325.00
- Loans to employees	-	0.15
Total	**266.84**	**449.11**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

17. LOANS *(contd...)*

Break-up of security details (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	266.84	449.11
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**266.84**	**449.11**
Loss allowance	-	-
Total	**266.84**	**449.11**

18. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Rent Receivable	55.56	76.67
Derivative assets - Foreign exchange contracts	56.86	87.11
Export incentive receivables	322.53	426.01
Total	**434.95**	**589.79**

19. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers	5,532.85	454.85
Prepaid expenses	294.12	294.05
Balances with government authorities	2,691.24	3,089.64
Other deposits	229.51	129.51
Others advances	737.53	585.76
Total	**9,485.25**	**4,553.81**

20. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
17,50,00,000 equity shares of ₹ 2 each	3,500.00	3,500.00
Issued, subscribed and fully Paid shares		
4,95,03,220 (as at March 31, 2020 - 4,94,84,320) equity shares of ₹ 2 each	990.07	989.69
Less: Calls in arrears [refer note 20 (e)]	0.15	0.15
Total	**989.92**	**989.54**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

(a) Reconciliation of the number of shares and amount outstanding:

(₹ in Lakhs)

Particulars	Number of shares	Amount
Balance as at April 1, 2019	**4,94,57,165**	**989.15**
Add: Shares issued on exercise of employee stock options during the year	27,155	0.54
Balance as at March 31, 2020	**4,94,84,320**	**989.69**
Add: Shares issued on exercise of employee stock options during the year	18,900	0.38
Balance as at March 31, 2021	**4,95,03,220**	**990.07**

(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, 2021		
Mafatlal Impex Private Limited	1,14,07,420	23.04%
Smallcap World Fund, Inc	38,46,051	7.77%
As at March 31, 2020		
Mafatlal Impex Private Limited	1,14,07,420	23.05%
Smallcap World Fund, Inc	34,85,500	7.04%

(e) Calls unpaid (by other than officers and directors)

(₹ in Lakhs)

Particulars	Number of shares	Amount
As at March 31, 2021		
Equity shares of ₹ 2 each, ₹1 called up but unpaid	14,555	0.15
as at March 31, 2020		
Equity shares of ₹ 2 each, ₹ 1 called up but unpaid	14,555	0.15

(f) 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, 2021

21. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve no.1	8,035.17	8,035.17
Capital Reserve no.2	7,035.19	7,035.19
Capital redemption reserve	33.88	33.88
Securities Premium	2,171.42	2,002.16
General Reserve	7,333.34	7,333.34
Share Options Outstanding Account	236.33	270.24
Call in arrears / share options pending for allotment	23.86	0.67
Foreign currency translation reserve	392.91	168.52
Retained Earnings	1,37,138.66	1,15,349.00
Total	**1,62,400.76**	**1,40,228.17**

(i) Capital Reserve No.1:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	8,035.17	8,035.17
Closing Balance	**8,035.17**	**8,035.17**

(ii) Capital Reserve no.2

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	7,035.19	7,035.19
Closing Balance	**7,035.19**	**7,035.19**

(iii) Capital redemption reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	33.88	33.88
Closing Balance	**33.88**	**33.88**

(iv) Securities Premium

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	2,002.16	1,834.61
Add: Received during the year on shares issued on exercise of employee stock options during the year	169.26	167.55
Closing Balance	**2,171.42**	**2,002.16**

(v) General Reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	7,333.34	7,333.34
Closing Balance	**7,333.34**	**7,333.34**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

(vi) Share Options Outstanding Account

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	270.24	219.74
Add: Recognition of share-based payments (Net)	(33.91)	50.50
Closing Balance	**236.33**	**270.24**

(vii) Call in arrears / share options pending for allotment

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	0.67	0.67
Add: Amount received against share options during the year	23.19	-
Closing Balance	**23.86**	**0.67**

(viii) Foreign currency translation reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	168.52	44.57
Add: Changes in foreign currency translation reserve	224.39	123.95
Closing Balance	**392.91**	**168.52**

(ix) Retained Earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	1,15,349.00	81,718.62
Add: Profit for the year	25,752.29	40,858.56
Less:		
Other comprehensive income for the year, net of income tax	(3.38)	(72.01)
Dividends (including tax)	(3,959.25)	(7,156.17)
Closing Balance	**1,37,138.66**	**1,15,349.00**

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.

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.

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.

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, 2021

22. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities	1,556.24	1,534.25
Total	**1,556.24**	**1,534.25**

23. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences (refer note 42.3)	1,180.09	1,027.89
Total	**1,180.09**	**1,027.89**

23A.DEFERRED TAX ASSETS / DEFERRED TAX LIABILITIES - (NET)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities	4,789.61	4,601.08
Less: deferred tax assets	(2,715.70)	(6,114.39)
Total (Deferred Tax Assets) / Deferred Tax Liabilities	**2,073.91**	**(1,513.31)**

23A.1 MOVEMENT OF DEFERRED TAX

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2021

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	3,507.11	274.69	-	3,781.80
Right-of-use to assets	509.25	(26.46)	-	482.79
Financial asset measured at FVTPL	255.66	(58.68)	-	196.98
On undistributed profit	284.92	-	-	284.92
Foreign Currency translation reserve	15.91	-	8.49	24.40
Others	28.23	(9.51)	-	18.72
Total deferred tax liabilities	**4,601.08**	**180.04**	**8.49**	**4,789.61**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	1,438.65	84.07	-	1,522.72
Fair Valuation of loan to wholly owned subsidiary	-	(42.63)	-	(42.63)
Provision for Compensated Absences	31.58	142.03	-	173.61
Provision for Gratuity	-	21.30	-	21.30
Provision for doubtful debts	66.90	(15.51)	-	51.39
Lease Liabilities	527.80	(21.78)	-	506.02
MAT credit entitlement/(utilisation) (refer note 38.2)	3,807.20	634.95	(4,442.15)	-
Capital losses	240.11	(68.76)	-	171.35
Others	2.15	309.79	-	311.94
Total deferred tax assets	**6,114.39**	**1,043.46**	**(4,442.15)**	**2,715.70**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**(1,513.31)**	**(863.42)**	**4,450.64**	**2,073.91**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

23A.1 MOVEMENT OF DEFERRED TAX *(contd...)*

(ii) Deferred tax assets/ liabilities in relation to the year ended March 31, 2020 (₹ in Lakhs)

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	4,085.61	(578.50)	-	3,507.11
Right-of-use to assets	-	509.25	-	509.25
Financial asset measured at FVTPL	596.13	(340.47)	-	255.66
On undistributed profit	278.80	6.12	-	284.92
Foreign Currency translation reserve	12.58	-	3.33	15.91
Others	72.54	(44.31)	-	28.23
Total deferred tax liabilities	**5,045.66**	**(447.91)**	**3.33**	**4,601.08**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	1,375.60	63.05	-	1,438.65
Provision for Compensated Absences	72.33	(40.75)	-	31.58
Provision for doubtful debts	46.76	20.14	-	66.90
Lease Liabilities	-	527.80	-	527.80
MAT credit entitlement/(utilisation) (refer note 38.2)	-	7,355.19	(3,547.99)	3,807.20
Capital losses	66.69	173.42	-	240.11
Others	2.30	(0.15)	-	2.15
Total deferred tax assets	**1,563.68**	**8,098.70**	**(3,547.99)**	**6,114.39**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**3,481.98**	**(8,546.61)**	**3,551.32**	**(1,513.31)**

24. OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Liability against project contracts (refer note 49)	1,334.95	1,334.95
Deferred Government Grant	15.42	17.09
Total	**1,350.37**	**1,352.04**

25. BORROWINGS

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
- Working Capital Loan from a bank#	251.88	140.25
Total	**251.88**	**140.25**

Terms of repayment and security

#Repayable on demand and carries interest rate of LIBOR +1.30% per annum. The same is secured by Fixed deposits.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

26. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,371.79	887.84
Total outstanding dues other than above	9,370.08	8,922.48
Total	**10,741.87**	**9,810.32**

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at March 31, 2021	As at March 31, 2020
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,369.47	885.80
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.32	2.04
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,533.36	118.96
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	2.04	47.29
f. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	5.43	1.86
g. Further interest remaining due and payable for earlier years	-	-

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.

27. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividends*	432.94	416.61
Unpaid money on buy-back of shares	1.09	1.09
Unclaimed matured debentures and interest accrued thereon	35.31	35.31
Derivative liability - Foreign exchange contract	28.13	305.03
Capital Creditors	1,536.20	1,095.40
Lease Liabilities	697.13	598.68
Security Deposits received	1,101.98	1,095.24
Others	4.08	3.70
Total	**3,836.86**	**3,551.06**

* 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, 2021	As at March 31, 2020
Provision for compensated absences (refer note 42.3)	309.53	283.18
Total	**309.53**	**283.18**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

29. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers (refer note 50)	1,080.57	1,066.91
Statutory dues	925.79	472.65
Deferred Government Grant	1.67	1.67
Gratuity Payable (refer note 42.2)	111.34	198.70
Payables to Employees	1,650.42	1,905.41
Payables to a related party (refer note 45.2)	-	17.89
Others	173.08	62.04
Total	**3,942.87**	**3,725.27**

30. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	1,16,656.11	1,01,551.68
Sale of services	792.36	3,052.04
Other operating revenues		
- Scrap Sales	131.87	182.75
- Export Incentives	359.00	1,368.86
Total	**1,17,939.34**	**1,06,155.33**

31. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income		
- on banks deposits	1,759.39	217.75
- on income tax refund	3,459.79	-
- on loans and advances	139.15	93.04
- others	0.01	0.10
Dividend income	-	15.13
Lease rental income on investment properties (refer note 6)	1,164.01	1,200.29
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	815.85	658.89
- Excess provision/ liabilities written back (net)	15.02	96.64
- Net gain arising on sale of Investments	227.96	840.36
- Net gain on foreign currency transactions	199.44	41.92
- Miscellaneous Income	123.71	168.70
Total	**7,904.33**	**3,332.82**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

32. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw material consumed	50,113.02	46,567.00
Packing Material consumed	2,667.83	2,991.92
Total	**52,780.85**	**49,558.92**

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year		
Finished goods	3,386.50	4,748.03
Work-in-process	4,254.86	1,933.27
Stock-in-trade	2,332.09	1,957.10
	9,973.45	8,638.40
Inventories at the beginning of the year		
Finished goods	4,748.03	2,308.27
Work-in-process	1,933.27	1,881.77
Stock-in-trade	1,957.10	1,923.16
	8,638.40	6,113.20
	(1,335.05)	(2,525.20)
Add/(Less): Foreign currency translation adjustments	(178.23)	(47.62)
Net Increase	**(1,156.82)**	**(2,477.58)**

34. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and bonus	13,011.55	11,805.10
Contribution to provident and other funds (refer note 42.1 and 42.2)	565.12	634.04
Employee share-based payment expense (refer note 44)	14.11	95.12
Staff Welfare Expenses	352.82	353.74
Gratuity expenses (refer note 42.2)	226.75	189.57
Total	**14,170.35**	**13,077.57**

35. FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowings	17.73	7.35
Interest on Lease liabilities	123.40	136.48
Interest on Others	42.73	56.61
Total	**183.86**	**200.44**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

36. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 5A)	3,587.45	2,877.26
Depreciation on Right-of-use assets (refer note 5B)	667.38	649.35
Depreciation on investment properties (refer note 6)	113.35	113.35
Amortisation of intangible assets (refer note 7)	48.45	60.08
Total	**4,416.63**	**3,700.04**

37. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	5,388.93	5,141.74
Rent expense (refer note 41.1)	40.05	48.81
Repairs and Maintenance		
- Plant and Machinery	791.17	807.77
- Buildings	97.86	95.25
Consumption of stores and spares	3,186.54	2,896.11
Transport and freight charges (Net)	2,383.08	2,079.21
Labour contract charges	1,423.12	1,396.40
Property maintenance expenses	7.56	7.56
Legal and Professional Charges (refer note 37.1)	799.88	920.78
Rates & Taxes	691.24	462.04
Insurance	635.17	502.01
Directors Sitting Fees	33.60	34.30
Loss on Sale/ retirement of property, plant & equipment (Net)	13.97	434.45
Net loss on foreign currency transactions	9.04	-
Provision for doubtful debts / advances (Net)	12.72	57.65
Expenditure on Corporate Social Responsibility (refer note 37.2)	568.00	378.29
Miscellaneous expenses	3,021.37	3,084.96
Total	**19,103.30**	**18,347.33**

37.1 Payments to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditors		
a) Statutory audit	31.50	28.50
b) Other audit services	21.00	22.75
c) Re-imbursement of expenses	0.23	0.73
Total	**52.73**	**51.98**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

37.2 Corporate social responsibility

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the company during the year	435.40	374.89
b) Amount spent during the year on:	568.00	378.29

	In cash	Yet to be paid in cash
For the year March 31, 2021		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	566.04	1.96
For the year March 31, 2020		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	375.45	2.84

38 INCOME TAXES RELATING TO CONTINUING OPERATIONS

38.1 Income tax expenses recognised

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	11,935.26	8,316.33
- Excess provision of tax for earlier years	5.88	(14,125.37)
- Deferred tax	(863.42)	(8,546.61)
	11,077.72	**(14,355.65)**
In respect of the current year		
- Current tax recognised in other comprehensive income	(2.51)	(38.13)
	(2.51)	**(38.13)**
Total income tax expense recognised in the current year	**11,075.21**	**(14,393.78)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**35,783.24**	**25,780.88**
Income tax expense	12,525.74	9,066.90
Effect of:		
Income exempt from tax	(1,063.99)	(5.29)
Tax Charge / (Reversal) of earlier years	5.88	(14,125.37)
MAT Created in the current year relating to earlier years	(634.95)	(7,355.19)
Deferred tax liability reversal due to change in tax rate	118.21	(1,318.50)
Expenses that are not deductible in determining taxable profit	825.11	181.48
Tax concessions (availed) / reversed	(491.30)	(424.02)
Unused tax losses and tax setoff not recognised as deferred tax assets earlier	-	19.93
Income taxable at different tax rate	44.51	(290.35)
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	(96.92)	(151.95)
Others	(154.57)	46.70
Income tax expense recognised in Consolidated Statement of Profit and loss	**11,077.72**	**(14,355.65)**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

38.2 The Company had contested receipts on account of Certified Emission Reduction (CER) as capital receipts not chargeable to tax from financial year 2007-08 to financial year 2012-13. During the year ended March 31, 2020, it received favourable appellate orders for some of the aforesaid years. This has resulted in the Company becoming liable to tax on its book profits for these years under section 115JB of the Income Tax Act, 1961 (the Act) [i.e. Minimum Alternate Tax (MAT)] and correspondingly eligible for MAT Credit in terms of section 115JAA of the Act, to be utilised against the tax liability of the succeeding years. Though the matter is contested by the tax authorities, considering the favourable pronouncements from various Tribunals/ High Courts in similar matters, including jurisdictional High Court and as legally advised, no outflow for the same is expected.

Accordingly, as at March 31, 2020, the Company had recognized MAT Credit entitlement of ₹ 7,355.19 lakhs under section 115JAA of the Act, for which claims have been made. The Company had recomputed the tax liabilities for these years and written back excess tax provisions amounting to ₹ 14,125.37 lakhs for earlier years.

39. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. Chairman and Managing Director of the Group are the chief operating decision makers. The Group operates only in one Business Segment i.e. 'Chemical Business' which constitutes a single reporting segment.

The Group has two geographical segments based upon location of its customers - within and outside India: (₹ in Lakhs)

Particulars	As at and for the year ended March 31, 2021			As at and for the year ended March 31, 2020		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	56,931.07	61,008.27	1,17,939.34	56,724.53	49,430.80	1,06,155.33
Carrying cost of non current assets@	66,417.69	662.82	67,080.51	72,581.86	674.48	73,256.34
Cost incurred on acquisition of property, plant and equipment	10,460.65	45.19	10,505.84	12,126.06	51.53	12,177.59

@ Excluding financial assets.

Note: Considering the nature of business of the Group in which it operates, the Group deals with various customers. Consequently, none of the customer contributes materially to the revenue of the Group.

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, 2021	For the year ended March 31, 2020
Profit for the year attributable to equity shareholders - (₹ in lakhs) - A	25,752.29	40,858.56
Weighted average number of equity shares outstanding during the year - B	4,94,91,580	4,94,66,322
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	68,083	43,752
Weighted average number of Equity shares adjusted for the effect of dilution - C	4,95,59,663	4,95,10,074
Basic earnings per share - ₹ (A/B)	52.03	82.60
Diluted earnings per share - ₹ (A/C)	51.96	82.53
Nominal value per share - ₹	2.00	2.00

41. LEASING ARRANGEMENT

41.1 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 ₹ 40.05 lakhs (as at March 31, 2020: ₹ 48.81 lakhs). From April 1, 2019 the Group has recognised right of use assets for these leases, except short term leases. Refer note 5B for further information.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS

42.1 Defined Contribution Plan

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss for the year: (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contribution to Provident Fund	295.95	290.17
Contribution to Family Pension Fund	118.30	105.43
Contribution to Superannuation Fund	141.66	230.00
Contribution to Employees' State Insurance Scheme	1.75	1.77
Contribution to Employees' Deposits Linked Insurance Scheme	7.46	6.67
Total	565.12	634.04

42.2 Defined Benefit Plans

(i) Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(ii) Gratuity (Funded)

The Group sponsors funded defined benefit gratuity plan for all eligible employees of the Group except for certain employees. The Group's defined benefit gratuity plan requires contributions to be made to a separately administered trust. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Group makes provision for gratuity fund based on an actuarial valuation carried out at the end of the year using 'projected unit credit' method.

(a) Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations of gratuity liability were as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
1. Discount rate	6.49% / 6.86%	6.59%
2. Salary escalation	10%	11%
3. Mortality rate	Indian Assured Lives Mortality (2006 - 08) Ultimate	
4. Attrition rate	5% / 10%	11%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

(b) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plan (gratuity) is as follows:

Balances of defined benefit plan (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(2,798.08)	(2,565.23)
Fair value of plan assets	2,686.74	2,366.53
Net liability arising from gratuity	(111.34)	(198.70)

(c) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in Consolidated Statement of Profit and Loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	240.30	184.21
Net interest expenses	13.09	5.36
Less: Amount transferred to capital work in progress	(26.64)	-
Total (A)	**226.75**	**189.57**
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)	(45.21)	(15.03)
-Actuarial gains and losses arising from changes in demographic assumptions	44.34	-
-Actuarial gains and losses arising from changes in financial assumptions	(134.52)	110.68
-Actuarial gains and losses arising from experience adjustments	143.33	13.48
Total (B)	**7.94**	**109.13**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,565.23	2,237.71
Current service cost	240.30	184.21
Interest cost	169.05	167.39
Liabilities assumed for employee transferred from other entity	-	-
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising from changes in demographic assumptions	44.34	-
-Actuarial gains and losses arising from changes in financial assumptions	(134.52)	110.68
-Actuarial gains and losses arising from experience adjustments	143.33	13.48
Benefits paid	(229.65)	(148.24)
Closing defined benefit obligation (C)	**2,798.08**	**2,565.23**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	2,366.53	2,166.06
Interest income	155.94	162.02
Remeasurement gain (loss):		
-Return on plan assets (excluding interest income)	45.21	15.03
Contributions by employer	348.71	171.66
Benefits paid	(229.65)	(148.24)
Closing fair value of plan assets (D)	**2,686.74**	**2,366.53**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

(d) The expected contribution to the plan for the next financial year is ₹ 305.48 lakhs (March 31, 2020: ₹ 257.00 lakhs)

(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, 2021	As at March 31, 2020
Central Government of India	5.07%	11.38%
State Government Securities	23.10%	27.51%
Special Deposits Scheme	12.28%	9.85%
Debt Instruments/Corp Bonds	59.55%	51.26%

(f) The weighted average duration of the defined benefit obligation is 7 years (March 31, 2020: 7 years). The expected maturity analysis of gratuity is as follows:

(₹ in Lakhs)

Particulars	Within 1 year	1-5 years	Above 5 years
As at March 31, 2021	553.22	1,077.73	2,726.94
As at March 31, 2020	527.30	1,002.47	2,387.95

(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:

(₹ in Lakhs)

Increase/ (decrease) in assumptions	As at March 31, 2021	As at March 31, 2020
Impact of discount rate for 50 basis points increase	(73.30)	(63.54)
Impact of discount rate for 50 basis points decrease	77.82	67.29
Impact of salary escalation rate for 50 basis points increase	74.92	64.24
Impact of salary escalation rate for 50 basis points decrease	(71.35)	(61.35)
Impact of attrition rate for 50 basis points increase	(17.73)	(17.60)
Impact of attrition rate for 50 basis points decrease	17.75	18.48

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year

(iii) Provident fund (funded)

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund for all employees, are charged to the 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

(a) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plan (trust managed provident fund) is as follows:

Balances of defined benefit plan (₹ in Lakhs)

Particular	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(3,915.42)	(3,400.47)
Fair value of plan assets	4,082.21	3,590.45
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised.

(b) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in Consolidated Statement of Profit and Loss, movement in defined benefit liability (i.e. provident fund) and movement in plan assets:

Particular	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	278.49	187.38
Expected Return on plan assets	(306.23)	(204.19)
Net interest expenses	306.23	204.19
Total (A)	**278.49**	**187.38**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	3,400.47	2,883.85
Opening balance adjustment	50.47	(17.49)
Current service cost	278.49	187.38
Interest cost	306.23	204.19
Employee Contribution	344.82	331.86
Liabilities assumed for employee transferred from other entity	19.53	351.16
Benefits paid	(484.61)	(540.48)
Closing defined benefit obligation (B)	**3,915.42**	**3,400.47**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	3,590.45	3,042.87
Opening balance adjustment	39.79	-
Remeasurement gain / (loss):	(12.49)	13.47
Expected Return on plan assets	306.23	204.19
Contributions	623.31	519.23
Asset transferred in for employee transferred from other entity	19.53	351.17
Benefits paid	(484.61)	(540.48)
Closing fair value of plan assets (C)	**4,082.21**	**3,590.45**

(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, 2021	As at March 31, 2020
Central Government of India	9.00%	9.99%
State Government Securities	35.82%	29.82%
Special Deposits Scheme	24.52%	27.13%
Public Sector Units	25.66%	29.73%
Others	5.00%	3.33%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

42. EMPLOYEE BENEFIT PLANS *(contd...)*

42.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹ 1,489.62 lakhs (March 31, 2020: ₹ 1,311.07 lakhs).

43. FINANCIAL INSTRUMENTS AND RISK REVIEW

43.1 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return to shareholders the capital or issue new shares or take such appropriate action as may be needed. The Group considers total equity reported in the financial statements to be managed as part of capital. The Group does not have any Net Debt (Net debt includes, interest bearing loans and borrowings less cash and cash equivalents) as at March 31, 2021 and March 31, 2020.

43.2 Fair value measurements

(i) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	54,385.66	27,787.04
– Investments	218.67	552.36
– Trade receivables	28,410.85	21,848.74
– Loans	1,072.37	1,200.72
– Other financial assets	1,391.89	1,324.66
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	367.34	247.65
– Investments in mutual funds / Other funds	9,245.22	14,692.95
– Derivative assets	56.86	87.11
(b) designated at FVTPL	-	-
Measured at fair value through other comprehensive income (FVTOCI)	-	-
Financial liabilities		
Measured at Amortised Cost		
– Borrowing	251.88	140.25
– Trade payable	10,741.87	9,810.32
– Other financial liabilities	5,364.97	4,780.28
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	28.13	305.03
(b) designated at FVTPL	-	-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements (₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2021	191.79	175.55	-	367.34
As at March 31, 2020	72.38	175.27	-	247.65
Investments in mutual funds/other funds				
As at March 31, 2021	8,183.61	-	1,061.61	9,245.22
As at March 31, 2020	14,249.03	-	443.92	14,692.95
Derivative liability				
As at March 31, 2021	-	28.13	-	28.13
As at March 31, 2020	-	305.03	-	305.03

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

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

(iv) Fair value of Financial assets and liabilities measured at amortised cost

The carrying amounts of cash and cash equivalents, trade receivables, receivables from related parties and trade payables are considered to be the same as their fair values due to their short-term nature. Fair value of security deposits approximates the carrying value.

43.3 Financial risk management objectives

The Group's activities exposes it to a variety of financial risks including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of financial risks on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.4 Market Risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and other price risk. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

43.5 Foreign exchange risk

(i) Exposure to foreign exchange risk:

The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency of the entity in the Group. The risk also includes highly probable foreign currency cash flows.

The Group has exposure arising out of export, import and other transactions other than functional risks. The Group hedges its foreign exchange risk using foreign exchange forward contracts. The same is within the guidelines laid down by Risk Management Policy of the Group.

(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, 2021		As at March 31, 2020	
	(₹ in lakhs)	(Foreign Currency In lakhs)	(₹ in lakhs)	(Foreign Currency In lakhs)
Amount receivable				
USD	207.41	2.84	-	-
GBP	13.05	0.13	17.84	0.19
EURO	144.75	1.69	3.79	0.05
Amount payable				
USD	-	-	459.47	6.07
EURO	119.67	1.40	18.91	0.23
SGD	-	-	0.22	*

*Amount is below the rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

(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:

(₹ in Lakhs)

Foreign currency	For year ended March 31, 2021		For year ended March 31, 2020	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	6.22	(6.22)	(13.78)	13.78
GBP	0.39	(0.39)	0.54	(0.54)
EURO	0.75	(0.75)	(0.45)	0.45
SGD	-	-	(0.01)	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(iv) Forward foreign exchange contracts

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Currency	Exposure to buy / sell	As at the year end	
		₹ in lakhs	Foreign Currency in lakhs
US Dollars			
March 31, 2021	sell	11,762.34	159.76
March 31, 2020	sell	9,344.14	127.05
EURO			
March 31, 2021	sell	131.54	1.52
March 31, 2020	sell	210.95	2.66
US Dollars			
March 31, 2021	buy	2,799.79	38.08
March 31, 2020	buy	1,900.51	26.20

43.6 Other price risks

The Group is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.

In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Investment policy. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Management Committee.

Price Risk Sensitivity Analysis:

As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows:

For equity instruments, a 10% increase in equity prices would have led to approximately an additional ₹ 19.18 lakhs gain in statement if profit and loss (March 31, 2020: ₹ 7.24 lakhs). A 10% decrease in equity prices would have led to an equal but opposite effect.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

43.7 Interest rate risk:

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed in floating interest rate. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group has exposure to interest rate risk, arising principally on changes in GBP LIBOR rate.

If interest rate had been 50 basis points higher and all other variables were held constant profit for the year ended March 31, 2021 would have been lower by ₹ 1.26 lakhs. (March 31, 2020: ₹ 0.70 lakhs). An opposite impact would have been on profit had the interest rate had been 50 basis points lower.

43.8 Credit risk

(i) Exposures to credit risk

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. The credit risk arises from its operating activities (i.e. primarily trade receivables), from its investing activities including deposits with banks and financial institutions and other financial instruments.

(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 ₹28,560.13 lakhs (March 31, 2020 - ₹ 21,848.74 lakhs).

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, 2021 was- ₹ 204.20 lakhs (March 31, 2020 - ₹ 191.48 lakhs).

Movement in the credit loss allowance (₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	191.48	133.83
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	12.72	57.65
Balance at the end	**204.20**	**191.48**

b) 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.

c) Investment in Mutual Funds

Credit risk on investments in mutual fund is limited as group invested in mutual funds issued by the financial institutions with high credit ratings assigned by credit rating agencies.

43.8 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

43. FINANCIAL INSTRUMENTS AND RISK REVIEW *(contd...)*

(i) Liquidity risk tables

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. 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.

(₹ in Lakhs)

Contractual maturities of financial liabilities	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2021				
– Borrowing	251.88	251.88	-	251.88
– Trade payable	10,741.87	10,741.87	-	10,741.87
– Other financial liabilities (other than derivative liabilities)	5,364.97	3,808.73	1,556.24	5,364.97
– Derivative liabilities	28.13	28.13	-	28.13
As at March 31, 2020				
– Borrowing	140.25	140.25	-	140.25
– Trade payable	9,810.32	9,810.32	-	9,810.32
– Other financial liabilities (other than derivative liabilities)	4,780.28	3,246.03	1,534.25	4,780.28
– Derivative liabilities	305.03	305.03	-	305.03

44. SHARE BASED PAYMENTS

Details of the employee share based plan of the Group

Employee stock option scheme 2007 ("ESOS 2007") - The Shareholders at their Annual General Meeting held on July 20,2007 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹ 2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2007, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2007 shall be capable of being exercisable on vesting within 10 years from grant date.

Employee stock option scheme 2017 ("ESOS 2017") - The Shareholders at their Annual General Meeting held on June 29,2017 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company and its subsidiary companies to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹ 2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2017, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2017 shall be capable of being exercisable on vesting within 10 years from grant date.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

(i) The following share-based payment arrangements were in existence during the current and prior years under the scheme:

Scheme	Grant date	Number of Stock Options Granted	Vesting period	Exercise Price (₹)
ESOS 2007	July 28, 2007	1,11,000*	4 Years	74.84
	July 28, 2007	40,000*	4 Years	81.49
	April 28, 2014	4,33,500*	2 Years	78.00
	June 29, 2015	1,50,115*	2 Years	194.80
	October 24, 2016	56,075*	2 Years	554.40
ESOS 2017	March 19, 2018	58,830	2 Years	780.00
	May 9, 2018	725	2 Years	770.35
	January 7, 2019	14,315	2 Years	698.45

*Adjusted to corporate actions of sub-division of shares in the ratio of 5 Equity Shares of ₹ 2.00 each for every 1 Equity Share of ₹ 10.00 each.

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

	For year ended March 31, 2021		For year ended March 31, 2020	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of the year				
ESOS 2007	45,670	367.24	76,000	406.30
ESOS 2017	63,115	761.40	64,090	761.68
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	-	-
Exercised during the year				
ESOS 2007	8,250	467.22	27,155	454.68
ESOS 2017	10,650	780.00	-	-
Expired during the year				
ESOS 2007	-	-	(3,175)	554.40
ESOS 2017	-	-	(975)	780.00
Balance at the end of the year				
ESOS 2007	37,420	345.20	45,670	367.24
ESOS 2017	52,465	757.62	63,115	761.40

(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, 2021	Share options March 31, 2020
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	21,770	23,770
October 24, 2016	October 23, 2026	554.40	15,650	21,900
March 19, 2018	March 18, 2028	780.00	37,425	48,075
May 9, 2018	May 9, 2028	770.35	725	725
January 7, 2019	January 6, 2029	698.45	14,315	14,315

(iv) No Stock options granted during the year.

(v) Expenses arising from employee share based payment transaction recognised in the Consolidated Statement of Profit and Loss as part of employee benefit expense for the year ended March 31, 2020 ₹ 14.11 lakhs (March 31, 2020: ₹ 95.12 lakhs). Also refer note 34.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

45. RELATED PARTY TRANSACTIONS

Following are the name and relationship of related parties with which Group have transactions/ balances:

a. **Enterprises over which key management personnel and their relatives are able to exercise significant influence:**

Shri Sadguru Seva Sangh Trust

b. **Entity over which Company has joint control (i.e. joint venture)**

Swarnim Gujarat Fluorspar Private Limited

Convergence Chemicals Private Limited (upto February 24, 2021)

d. **Key management personnel**

Mr. Vishad P. Mafatlal - Chairman

Mr. Radhesh R. Welling - Managing Director

Mr. Mohan M. Nambiar - Non-Independent Non-Executive Director

Mr. Pradip N. Kapadia - Independent Non-Executive Director

Mr. Sunil S. Lalbhai - Independent Non-Executive Director

Mr. Sharad M. Kulkarni - Independent Non-Executive Director

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 (w.e.f. October 28, 2020)

45.1 Disclosures in respect of significant transactions with related parties during the year:

(₹ in Lakhs)

Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of finished goods		
Convergence Chemicals Private Limited	1,038.03	1,021.11
Sale / Transfer of Immoveable Asset		
Convergence Chemicals Private Limited	790.00	-
Expenses Incidental to sale of equity share		
Convergence Chemicals Private Limited	300.00	-
Payment of deposits advances		
Convergence Chemicals Private Limited	272.53	-
Rental income		
Convergence Chemicals Private Limited	0.68	0.88
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	48.78	63.15
Purchase of raw materials		
Convergence Chemicals Private Limited	0.13	0.69
Deposit given to		
Convergence Chemicals Private Limited	0.14	-
Reimbursement of expenses recovered		
Convergence Chemicals Private Limited	87.48	107.48
Repayment of advances from		
Convergence Chemicals Private Limited	325.00	-
Donation		
Shri Sadguru Seva Sangh Trust	200.00	150.00
Managerial remuneration		
Mr. Vishad P. Mafatlal	861.70	683.70
Mr. Radhesh R. Welling	716.68	542.45

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

45. RELATED PARTY TRANSACTIONS *(contd...)*

(₹ in Lakhs)

Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Director Sitting fees and Commission*		
Mr. Mohan M. Nambiar	26.20	24.40
Mr. Pradip N. Kapadia	26.55	24.75
Mr. Sunil S. Lalbhai	26.55	24.75
Mr. Sharad M. Kulkarni	25.15	24.75
Mr. Sudhir G. Mankad	25.50	23.00
Mr. Harish H. Engineer	25.50	21.25
Mr. Atul K. Srivastava	25.85	23.70
Mrs. Radhika V. Haribhakti	26.55	23.70
Mr. Ashok U. Sinha	12.75	-

*Commission payable to Independent / Non-Independent, Non-Executive Director of ₹ 187.00 lakhs for the year ended March 31, 2021 is subject to approval of shareholders.

45.2 Disclosures of closing balances:

(₹ in Lakhs)

Transactions	As at March 31, 2021	As at March 31, 2020
Amounts due to		
Convergence Chemicals Private Limited	-	17.89
Commission due to Directors		
Mr. Vishad P. Mafatlal	531.00	383.00
Mr. Radhesh R. Welling	354.00	255.00
Mr. Mohan M. Nambiar	22.00	19.50
Mr. Pradip N. Kapadia	22.00	19.50
Mr. Sunil S. Lalbhai	22.00	19.50
Mr. Sharad M. Kulkarni	22.00	19.50
Mr. Sudhir G. Mankad	22.00	19.50
Mr. Harish H. Engineer	22.00	19.50
Mr. Atul K. Srivastava	22.00	19.50
Mrs. Radhika V. Haribhakti	22.00	19.50
Mr. Ashok U. Sinha	11.00	-
Amounts due from		
Convergence Chemicals Private Limited	-	501.13
Corporate Guarantee given		
Convergence Chemicals Private Limited	-	3,632.37

Terms and Condition:

1. Sales

   The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. For the year ended March 31, 2021, 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 business. Purchases transactions are based on normal commercial terms and conditions and at market rates.

3. Loan to Joint Venture Company

   The Company has given loan to Convergence Chemicals Private Limited (CCPL) for working capital requirement. The loan balances as at March 31, 2021 : ₹ NIL lakhs (March 31, 2020: ₹ 325.00 lakhs). These loans are unsecured and carry an interest rate of 10.50% (March 31, 2020: 10.50%) and repayable on demand.

4. Guarantees to Joint Venture Company

   Guarantees provided to the lenders of the joint venture company are for availing term loans from the lender banks.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

46. CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	35,141.71	1,509.67
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	24.37	24.37

47. CONTINGENT LIABILITIES

(₹ in Lakhs)

(i).

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Group not acknowledged as debts		
a. Income tax matters - Matters decided against the group in respect of which the group has preferred an appeal.	354.93	358.72
b. Excise duty matters	422.86	118.57
c. Sales-tax matters	162.85	128.56
d. Employee related matters	7.00	7.00
e. Corporate guarantee for debt availed by the Joint Venture Company	-	3,632.37
f. Other Bank guarantees	2,907.62	14.59
g. Share in the contingent liabilties of joint venture Company	-	87.68

Note : It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(ii). Based on the assessment of the management which is supported by legal advice, the recent Supreme Court Judgement in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952 is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements for the period upto march 31, 2019.

48. RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 2,168.36 lakhs (as at March 31, 2020 ₹ 2,380.81 lakhs) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Capital Expenditure	92.18	228.44
Revenue Expenditure	2,076.17	2,152.37
	2,168.35	**2,380.81**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	1,146.96	1,130.29
Material / Consumable / Spares	473.52	515.87
Utilities	128.53	125.16
Other expenditure	165.77	225.59
Depreciation	161.39	155.46
	2,076.17	**2,152.37**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

49. Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers have asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Group pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

50. Before transfer of assets to Sulakshana Securities Limited (SSL) by Mafatlal Industries Limited (MIL) pursuant to its sanctioned scheme of rehabilitation, MIL had initiated steps for revision in rent/recovery of expenses and filed legal proceedings for eviction of some of its tenants/ (now) ex-tenants who were occupying at that time some of the premises in its building at Nariman Point, Mumbai. Pending resolution of those legal cases, rent of ₹ Nil, previous year, ₹ Nil, (aggregate to date, ₹ 66.43 lakhs, as at 31st March, 2020, ₹ 66.43 lakhs) and recovery of expenses, of ₹ Nil, previous year, ₹ Nil (aggregate to date, ₹ 42.40 lakhs, as at 31st March, 2020 ₹ 42.40 lakhs), 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 ₹ 655.58 lakhs deposited by the ex- tenants, which is subject to final disposal of the matter. SSL is liable to refund the amount if the final decision goes against it. Pending final decision on the matter, the aforesaid amount has been kept in Term deposit account and the interest thereon is not considered as an Income.

51. EXCEPTIONAL ITEMS INCLUDE:

Exceptional Items include gain of ₹ 1,551.14 lakhs on account of sale of shares (net of incidental expenses) held in Convergence Chemicals Private Limited ('CCPL'), the Joint Venture Company, including gain for giving up lease rights in land.

52A. DETAILS OF THE SUBSIDIARIES/STEP DOWN SUBSIDIARY

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at March 31, 2021	As at March 31, 2020
Sulakshana Securities Limited - SSL	Lease rental of investment property	India	100%	100%
Navin Fluorine Advance Sciences Limited - w.e.f. February 06,2020	Chemical Business	India	100%	100%
Manchester Organics Limited - MOL	Chemical Business	U.K	100%	100%
Navin Fluorine (Shanghai) Co. Ltd	Chemical Business	China	100%	100%
NFIL (UK) Limited	Chemical Business	U.K	100%	100%
NFIL (USA) Inc - Step down subsidiary	Chemical Business	USA	100%	100%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

52B. INVESTMENTS IN JOINT VENTURES

Aggregate information of Joint Ventures that are not individually material (₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
The Group's share of profit /(loss) from continuing operations	1,046.77	722.03
The Group's share of post-tax profit/(loss) from discontinued operations	-	-
The Group's share of other comprehensive income	2.05	(1.01)
The Group's share of profit / (loss) in total comprehensive income/(loss)	1,048.82	721.02

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate carrying amount of the Group's interests in the Joint Ventures	76.88	4,046.92

There is no change in the group's ownership interest in Joint Ventures during the year except divestment in one Joint Venture (refer note 8 and 51). There are no significant restrictions on the ability of Joint Ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

53. The Board of Directors has recommended final dividend of ₹ 6.00 per share on the face value of ₹ 2.00 each (300%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

54. ADDITIONAL DISCLOSURE REQUIRED BY SCHEDULE III

(₹ in Lakhs)

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 lakhs)	As % of Consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated comprehensive income	Amount (₹ in lakhs)
Parent								
Navin Fluorine International Limited	78.72%	1,28,645.24	96.56%	24,867.48	99.07%	218.96	96.59%	25,086.44
Subsidiaries								
Indian								
Sulakshana Securities Limited - SSL	0.50%	811.87	0.82%	212.20	-	-	0.82%	212.20
Navin Fluorine Advances Sciences Limited- NFASL	15.24%	24,897.00	(0.20%)	(52.57)	-	-	(0.20%)	(52.57)
Foreign								
Manchester Organics Limited - MOL	1.69%	2,764.45	(0.62%)	(160.10)	-	-	(0.62%)	(160.10)
Navin Fluorine (Shanghai) Co. Ltd	0.04%	59.98	(0.45%)	(115.89)	-	-	(0.45%)	(115.89)
NFIL (UK) Limited	3.73%	6,093.07	(0.01%)	(2.38)	-	-	(0.01%)	(2.38)
NFIL (USA) Inc	0.03%	42.19	(0.17%)	(43.22)	-	-	(0.17%)	(43.22)
Joint Ventures (as per equity method)								
Indian								
Swarnim Gujarat Fluorspar Private Limited – SGFPL	0.05%	76.88	0.00%	(1.01)	-	-	0.00%	(1.01)
Convergence Chemicals Private Limited – CCPL	0.00%	-	4.07%	1,047.78	0.93%	2.05	4.04%	1,049.83
Total								
March 31, 2021	**100.00%**	**1,63,390.68**	**100.00%**	**25,752.29**	**100.00%**	**221.01**	**100.00%**	**25,973.30**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

55. The Company had temporarily suspended manufacturing operations at its facilities in the last week of March 2020 due to the nationwide lockdown to contain the spread of COVID-19 which had impacted Company's operations. It restarted its operations from mid April 2020 in a phased manner and gradually achieved normal level of production.

The Company has carried out a detailed assessment of the impact of COVID-19, including the current wave, on its liquidity position and on the recoverability and carrying values of its assets and has concluded that there is no significant impact on account of the same on its financial results as at March 31, 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

56. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membeship No. 48125

Pune, May 7, 2021

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

Ketan Sablok
Chief Financial Officer

Mumbai, May 7, 2021

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 and joint ventures

Part "A" subsidiaries

(₹ in Lakhs)

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	1st April, 2020 - 31st March, 2021	100%	INR	15.00	796.86	2,775.32	1,963.46	140.18	-	273.00	60.80	212.20	-
2	Manchester Organics Limited	1st April, 2020 - 31st March, 2021	*100%	GBP 1 GBP = INR 100.7525	0.10	2,794.06	4,599.49	1,805.33	-	5,027.19	(225.42)	(70.73)	(154.69)	-
3	NFIL (UK) Limited	1st April, 2020 - 31st March, 2021	**100%	GBP 1 GBP = INR 100.7525	6,498.54	138.89	6,641.51	4.08	6,455.54	-	(2.47)	-	(2.47)	-
4	NFIL (USA) Inc	1st April, 2020 - 31st March, 2021	100%	USD 1 USD = INR 73.11	73.11	(30.91)	44.39	2.19	-	-	(41.16)	1.32	(42.48)	-
5	Navin Fluorine (Shanghai) Co. Ltd	1st April, 2020 - 31st March, 2021	100%	RMB 1 RMB = INR 11.1375	600.82	(540.84)	60.79	0.81	-	-	(118.52)	0.00	(118.52)	-
6	Navin Fluorine Advanced Sciences Ltd	6th February, 2020 - 31st March, 2021	100%	INR	25,000.00	(103.00)	31,551.97	6,654.97	-	-	(51.25)	51.75	(103.00)	-

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: Navin Fluorine Advanced Sciences Limited
2 Names of subsidiaries which have been liquidated or sold during the year: None
3 The Companies enlisted above have been subsidiaries of Navin Fluorine International Limited since their incorporation except Manchester Organics Limited which became a subsidiary from May 3, 2011.

Part "B" Joint Ventures

Statement pursuant to section 129 (3) of the companies Act 2013 related to Joint Ventures

Sr. No.	Name of the Joint Venture/Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures/Associate held by the Company on the year end			Net worth attributable to share as per latest audited Balance Sheet	Profit/Loss for the year	
			No. of Shares	Amount of investment in Joint Venture	Extend of %		Considered in Consolidation	Not Considered in Consolidation
1	Swarnim Gujarat Fluorspar Private Limited – SGFPL	31st March, 2021	11,82,500	118.25	49.48%	76.88	(1.01)	-
2	Convergence Chemicals Private Limited – CCPL	24th February, 2021	-	-	49.00%	-	1,047.78	-

1 . Names of joint ventures which are yet to commence operation : Swarnim Gujarat Fluorspar Private Limited

2 . Names of joint ventures which have been liquidated or sold during the year : Convergence Chemicals Private Limited

3. There is significant influence due to percentage (%) of Equity Shares Capital held.

4. The Financial Statements of both the Joint Ventures have been considered for consolidation.

5. The Companies enlisted above have been Joint Ventures of Navin Fluorine International Limited since their incorporation.

NOTES

NOTES

NOTES

A TRISYS PRODUCT

info@trisyscom.com

Navin Fluorine
International Limited

www.nfil.in