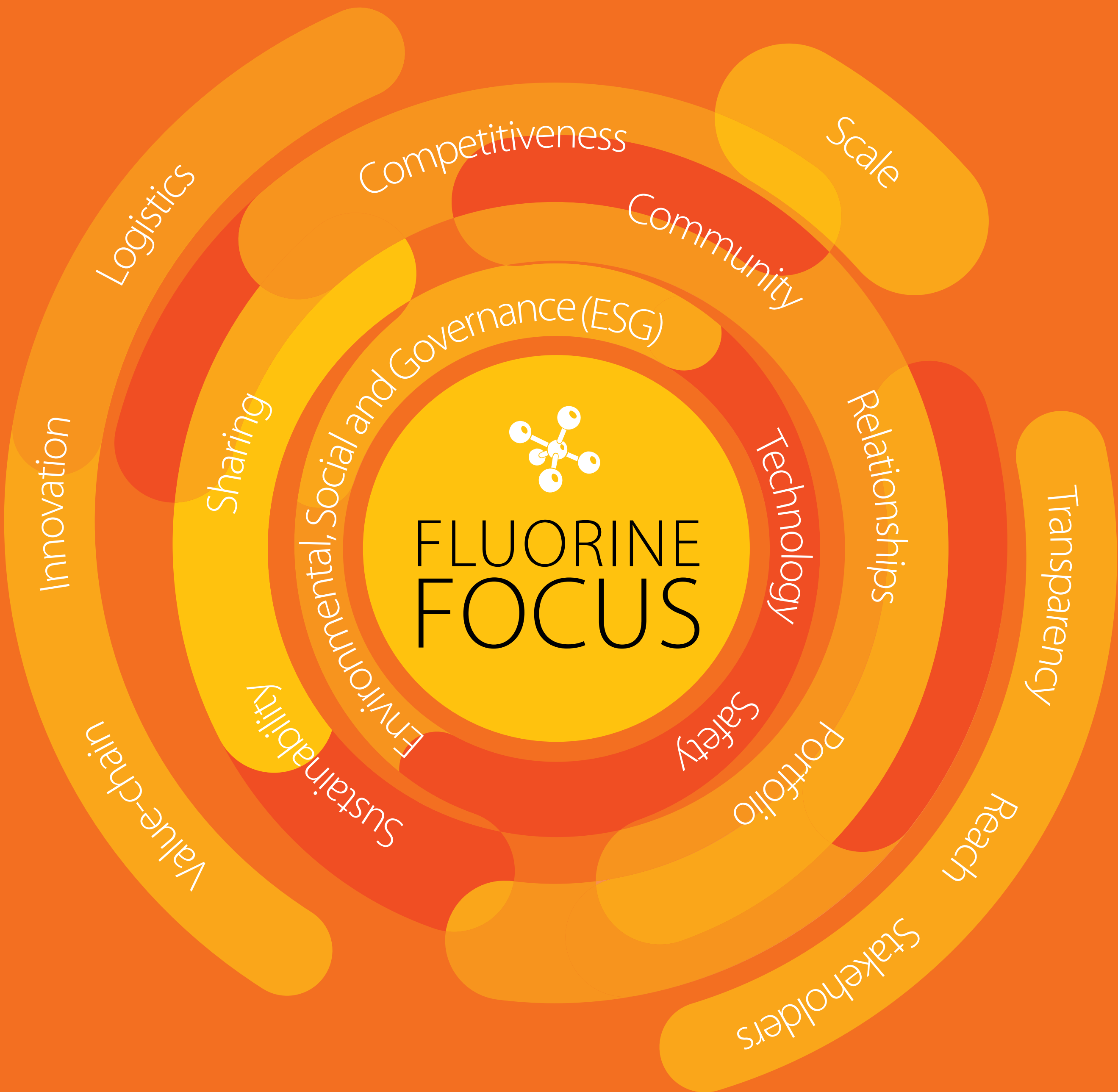
Annual Report
2018-19

FLUORINE FOCUS



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. V P Mafatlal (DIN:00011350)	Chairman
Mr. T. M. M. Nambiar (DIN:00046857)	Director
Mr. P N. Kapadia (DIN:00078673)	Director
Mr. S. S. Lalbhai (DIN:00045590)	Director
Mr. S. M. Kulkarni (DIN:00003640)	Director
Mr. S. G. Mankad (DIN:00086077)	Director
Mr. H. H. Engineer (DIN:01843009)	Director
Mrs. R. V. Haribhakti (DIN:02409519)	Director
Mr. A. K. Srivastava (DIN:00046776)	Director
Mr. R. R. Welling (DIN:07279004)	Managing Director (w.e.f.11.12.2018)
Mr. S. S. Khanolkar (DIN:02202839)	Managing Director (up to 11.10.2018)

COMPANY SECRETARY
Mr. N. 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.: 91 22 6650 9999, Fax: 91 22 6650 9800
E-mail: info@nfil.in, Website: www.nfil.in

UNITS:
Navin Fluorine, Surat 395023 (Gujarat)
Navin Fluorine, Dewas 455022 (M.P.)

REGISTRAR & SHARE TRANSFER AGENT
Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot no. 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad 500032
Tel # 040 67162222
Toll Free No. # 1800 3454 001
Telefax # 040 – 23001153
Email # einward.ris@karvy.com, navin.ris@karvy.com
Website: www.karvyfintech.com

INVESTOR RELATIONS CENTRE
Karvy Fintech Private Limited
24-B, Ground Floor, Rajabahadur Mansion, Ambalal Doshi Marg,
Behind BSE, Fort, Mumbai 400 023.
Tel: 022-66235454, Fax: 022-66331135.

201, Shail Complex, Opp. Madhusudan House,
Off: C.G. Road, Near Navrangpura Telephone Exchange,
Ahmedabad 380 006.
Tel. No.079-26400527, 65150009.
E-mail: ahmedabad@karvy.com

21st ANNUAL GENERAL MEETING
On Friday, 21st June, 2019

At 3.00 p.m. at Rama & Sundri Watumull Auditorium,

K. C. College, Dinshaw Wacha Road,

Churchgate, Mumbai 400020

1. Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.
3. The Listing Fees for the year 2019-20 have been paid by the Company to BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed.

At Navin Fluorine, FOCUS represents the basis of our existence.

Over the decades, we have consistently deepened our Fluorine Focus.

This Focus is being reinforced through progressive investments across a number of areas.

Products. Platforms. Partnerships.

Underlined by a strong Environmental, Social and Governance (ESG) commitment.

Leading to enhanced long-term competitiveness and sustainability.

FOCUS ON OUR CORE FOR PROFITABLE GROWTH

THE PROBABILITY OF FULFILLING GROWTH OBJECTIVES IS SIGNIFICANTLY INCREASED WHEN AN ORGANISATION HAS A WELL-DEFINED GROWTH STRATEGY COMBINED WITH A STRONG EXECUTION INFRASTRUCTURE. A GOOD STRATEGIC FRAMEWORK ENHANCES FOCUS BY LIMITING THE NUMBER OF DIRECTIONS IN WHICH AN ORGANISATION CAN PROCEED.

Identity

Navin Fluorine is one of the world's few pure-play fluorochemical companies and among the pioneers in the realm of fluorine chemistry in the country.

Lineage

The Company is the flagship enterprise of the Padmanabh Mafatlal Group. Led by Mr. Vishad Mafatlal (Chairman), the Company is driven by a team of experienced and committed professionals.

Experience

The Company has been in the business for more than five decades and was one of the pioneers in the fluorination business. Having started with refrigerants, the Company moved up the fluorination value chain through introduction of inorganic fluorides, specialty fluorochemicals and CRAMS.

Offerings

Navin Fluorine is present across four business segments: refrigerants, inorganic fluorides, specialty fluorochemicals and CRAMS. Fluorine-based knowledge as well as innovative sustainable solutions and products link our areas of expertise with game-changing ideas across raw-material, multiple products and diverse applications.

PERFORMANCE SNAPSHOT, FY2018-19	990 Revenues (₹ cr)	253 EBITDA (₹ cr)	148 PAT (₹ cr)	442 International sales (₹ cr)
46 International sales as % of total revenues	Zero debt	22 Return on capital employed (%)	715 Employees	3517 Market capitalisation as on 31st March 2019 (₹ cr)

Presence

Headquartered in Mumbai, Maharashtra, the Company has manufacturing units in Surat (Gujarat) and Dewas (Madhya Pradesh). The plants are strategically located near major ports, helping it to cater to the export markets.

Customers

The Company's global customers include large life science and crop science companies, major air-conditioner manufacturers, petrochemical majors and stainless steel companies, among others.

Expertise

Navin Fluorine possesses deep chemistry and engineering expertise around fluorination, which is finding ever-growing applications across a range of market segments.

Governance

Governance has been the core pillar of the Company since inception. Responsible care, transparency and sustainability have been the fabric of the Company long before they became industry buzzwords.

Corporate philosophy

Vision

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

Mission

To provide customers the best 'value for money' by producing world-class specialty fluorochemicals at the most competitive prices

To continue and grow research & development as the sustenance engine of the organisation

To innovate, build and operate chemical plants in the safest and environment-friendly manner

To continuously enhance stakeholder value by optimum utilisation of resources

A SNAPSHOT OF OUR BUSINESSES

REFRIGERANTS

280
Revenues (₹ cr)

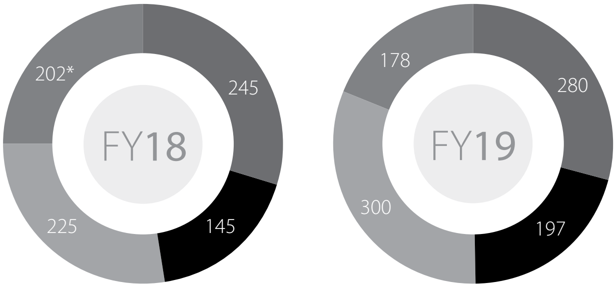
29
Share of total revenues (%)

Sold under the Mafron® brand, the Navin Fluorine HCFC22 refrigerant gas was one of the earliest products of its kind in India. The Company provides this product to all major air-conditioning and refrigeration OEMs in the domestic and international markets. The Company is also a significant supplier to the after-market for refrigerant gases.

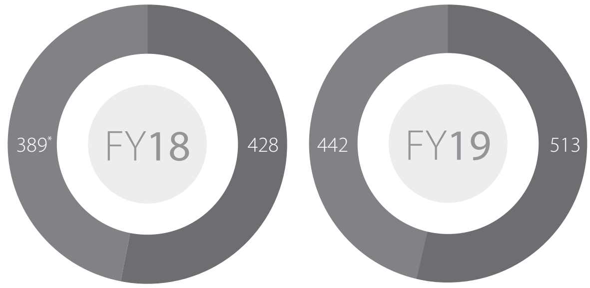
Growth drivers

- Very low market penetration for air-conditioners and, hence, greater potential for growth
- Growing disposable incomes and other positive macroeconomic developments
- Favourable weather pattern leading to escalating sales of refrigeration products
- Increasing demand as feedstock use

REVENUES BY SEGMENT



REVENUES BY GEOGRAPHY



● Refrigerants ● Inorganic fluorides ● Specialty chemicals ● CRAMS ● Domestic ● Exports

** Excludes Dahej Operations*

INORGANIC FLUORIDES

197
Revenues (₹ cr)

21
Share of total revenues (%)

Navin Fluorine commissioned one of the largest anhydrous hydrofluoric and aqueous hydrofluoric acid manufacturing capacities in India. The Company provides a portfolio of ~10 products.

Growth drivers

- High GDP growth leading to growth in industrial sectors
- International market expansion
- Pipeline of new products

SPECIALTY CHEMICALS

300
Revenues (₹ cr)

31
Share of total revenues (%)

Navin Fluorine is one of the strongest players in the specialty fluoro intermediate segment. The Company services prominent global players from the life science, crop science and petrochemicals industries, among others. The Company invested in state-of-the-art multipurpose plants to process value-accretive products and intermediates. This enabled the Company to consistently graduate across the value-chain.

Growth drivers

- Deep fluorination expertise
- Partnerships with global life science and crop science companies
- Global presence

CRAMS

178
Revenues (₹ cr)

19
Share of total revenues (%)

More than 50 years of fluorination experience helped Navin Fluorine strengthen its CRAMS competence. The Company is a reliable partner for global life science innovators seeking fluorination services. Navin Fluorine's state-of-the-art CRAMS infrastructure at Dewas has strengthened its value proposition. The Company successfully integrated Manchester Organics Ltd into Navin Fluorine India, providing a flexibility to service global life science customers from multiple locations.

Growth drivers

- Relationship with global life science innovators
- Strong global technology team
- Experience of half-a-century in the fluorination business
- State-of-the-art cGMP-compliant plant

CHAIRMAN'S OVERVIEW

WE BELIEVE FOCUS IS NOT JUST A BUSINESS STRATEGY; IT IS AN ETHIC THAT DEFINES WHO YOU ARE.

THE FIVE PRINCIPLES OF OUR BUSINESS

01
Excellence at work creates stakeholder value.

02
We share this value with partners in our journey.

03
We create a sense of belonging with those with whom we work.

04
We are fair with all our stakeholders.

05
We engage in honest communication.

Dear Shareowners,

In business and life, our visionary founder Mr. Arvind Mafatlal believed that one's most valuable asset was a single-minded focus.

The basis of our existence across the last five decades has been a single-minded focus on fluorine.

Anyone would say that a single-minded attention only narrows one's field of vision.

The reality is the reverse.

Our focus has made it possible to penetrate deeper into the subject, strengthen research and widen our product portfolio, applications, customer base, geographic presence and value chain.

The philosopher Will Durant said, "We are what we repeatedly do. Excellence, then, is not an act but a habit."

At our company, this commitment has been nourished by five principles (showcased above).

We will continue to align our growth with the core interest of our stakeholders, society and environment.

What worked for us earlier is working for us in the present and will continue to work for us in the future.

This will evoke trust, enhance stability and strengthen our ecosystem.

Our commitment to focus will continue to differentiate our company from others.

I take this opportunity to thank all our stakeholders for their continued support.

Vishad P. Mafatlal,
Chairman
Mumbai
Date: 6th May, 2019

THE MANAGING DIRECTOR'S PERSPECTIVE

OUR ENDURING FOCUS HAS STRENGTHENED OUR BUSINESS SUSTAINABILITY

> To reinforce our value proposition within the fluorination space, we continue to identify and develop new platforms in chemistry and engineering.

31%
Promoters holding, 31st March, 2019

> At Navin Fluorine, even after five decades in business, we recognise that we have addressed only the tip of our vast potential

Ethos

An enduring legacy of ethical business

Navin Fluorine International Limited has an enduring legacy of conducting business with the highest standards of ethics.

- We are an environmentally friendly producer of chemicals and take utmost care to ensure that our manufacture, transport and storage of hazardous chemicals are conducted with the highest standards of safety
- We comply with all regulatory guidelines and maintain safety, health and environment issues as central to our business as is the pursuit of value creation
- We follow non-discriminatory practices in our human resources and are a merit led organisation that honours individual contribution even as it celebrates team work
- We are one of the few companies in India to receive the Responsible Care® certification demonstrating our high standards of Health, Safety, Security and Environmental performance for both its products and operations
- We hold excellence as our minimum benchmark and promote learning so as to continually improve

Deeper research into fluorine is inspiring a number of new applications across multiple downstream segments. For instance, more than a third of new introductions in the life sciences market contain fluorine. Also, a number of new sectors like electric vehicles, storage batteries etc. find an increasing use of fluorine.

Fluorine is indeed likely to touch our daily lives in ever increasing ways in the years to come.

At Navin Fluorine, we will strive to deliver on this potential through an organisational framework consisting of the following business drivers - Products, Platforms and Partnerships.

Our Products

We are one of the world's largest manufacturers of Boron Trifluoride gas. At Navin Fluorine, our continuing focus is to identify and develop new products that enjoy a wide range of applications and offer us an opportunity to not only focus on market share but also market expansion. In doing so, we constantly look at the possibility of moving upstream and downstream across the value chain in an effort to maximise value and minimise risks.

Our Platforms

Our relentless focus on fluorination has served us well over the past few decades. To further reinforce our value proposition within the fluorination space, we continue to identify and develop new platforms in chemistry and engineering. With the help of these platforms and through our multiple manufacturing plants and R&D sites, we are able to offer increased scale, faster response and sustainable processes.

Our Partnerships

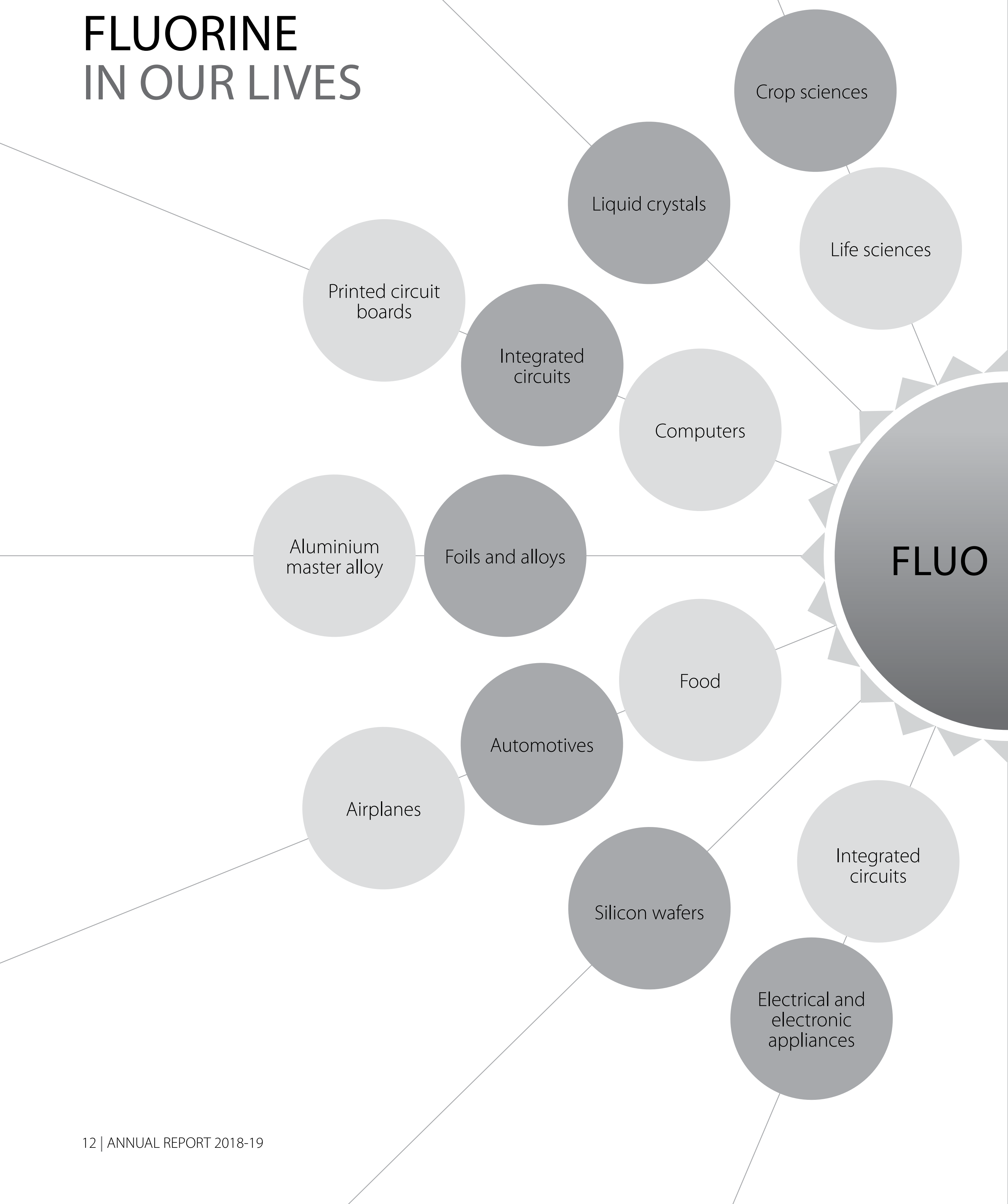
Given our rich legacy and focus on long-term sustainability, many global players continue to partner us for their increasing fluorination needs. Our focus will be to grow our business by becoming a growth partner of choice to a select few life science, crop science and specialty players. By offering a deep expertise in solving complex technological problems for our partners, we expect to build a positive momentum around larger collaborative projects.

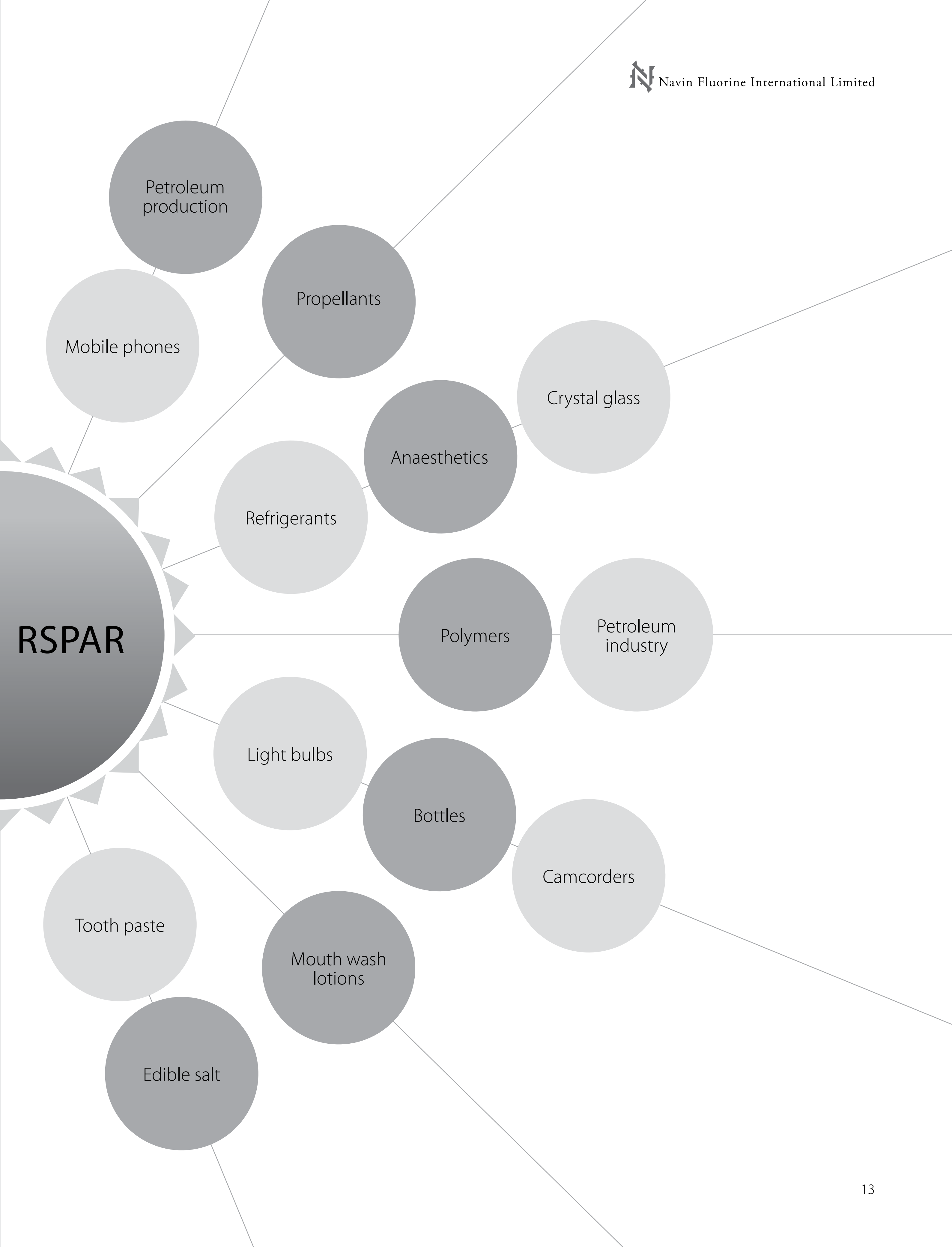
These business drivers will rest on our strong foundation of organisation, capabilities and processes.

We believe that excellence in execution around this framework will help us deliver profitable and sustainable growth in the years to come.

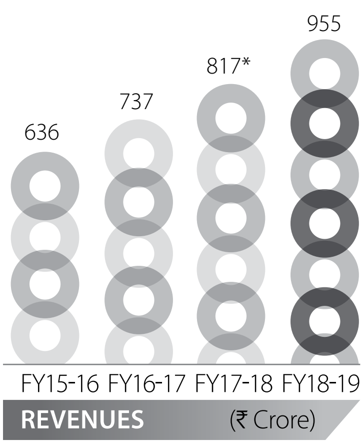
Radhesh R. Welling,
Managing Director
Mumbai
Date: 6th May, 2019

FLUORINE
IN OUR LIVES




Petroleum production
Propellants
Mobile phones
Crystal glass
Anaesthetics
Refrigerants
RSPAR
Polymers
Petroleum industry
Light bulbs
Bottles
Camcorders
Tooth paste
Mouth wash lotions
Edible salt

THIS IS HOW NAVIN FLUORINE HAS **PERFORMED** OVER THE YEARS



** Excludes Dahej Operations*

Definition
Revenue is defined as the growth in sales net of taxes and excise duties.

Why is this measured?

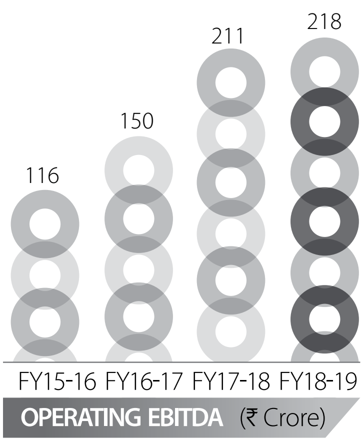
Generally, revenues will increase a corporation's stockholder equity and assets. More specifically, revenues will increase the retained earnings of stockholders' equity. The assets that usually increase are cash or accounts receivables.

What does it mean?

Aggregate sales increased by 17% to reach ₹9551 million in FY2018-19 due to an increasing demand for existing products, market expansion and new product introductions.

Value impact

Enhanced reputation for the Company's products and services.



Definition
EBITDA is defined as earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why is this measured?

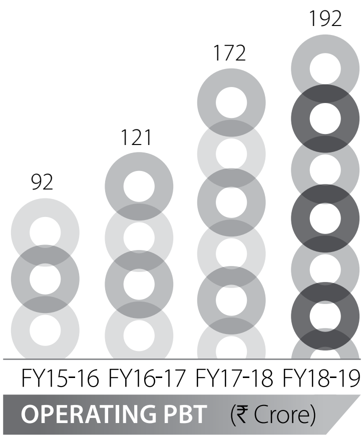
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with the retrospective average of sectoral peers

What does it mean?

Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

Value impact

The Company's EBITDA grew every single year through the last five years. The Company was able to grow its EBITDA over the years – an outcome of painstaking team efforts in improving operational efficiency.

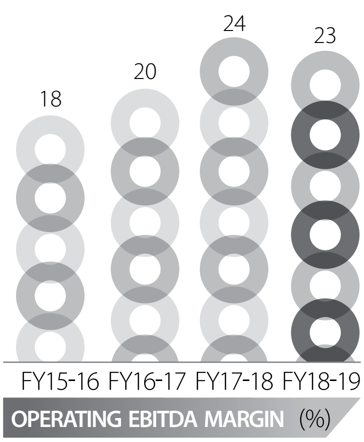


Definition
Profit earned during the year after deducting all expenses and provisions.

Why is this measured?
This highlights the strength in the business model in generating value for its shareholders.

What does it mean?
Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain.

Value impact
The Company's net profit grew every single year through the last six years.

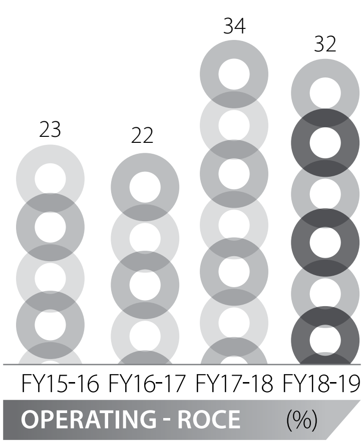


Definition
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency.

Why is this measured?
The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each Rupee of sales.

What does it mean?
This measure demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

Value impact
The Company reported an EBITDA margin of 23% during FY2018-19.



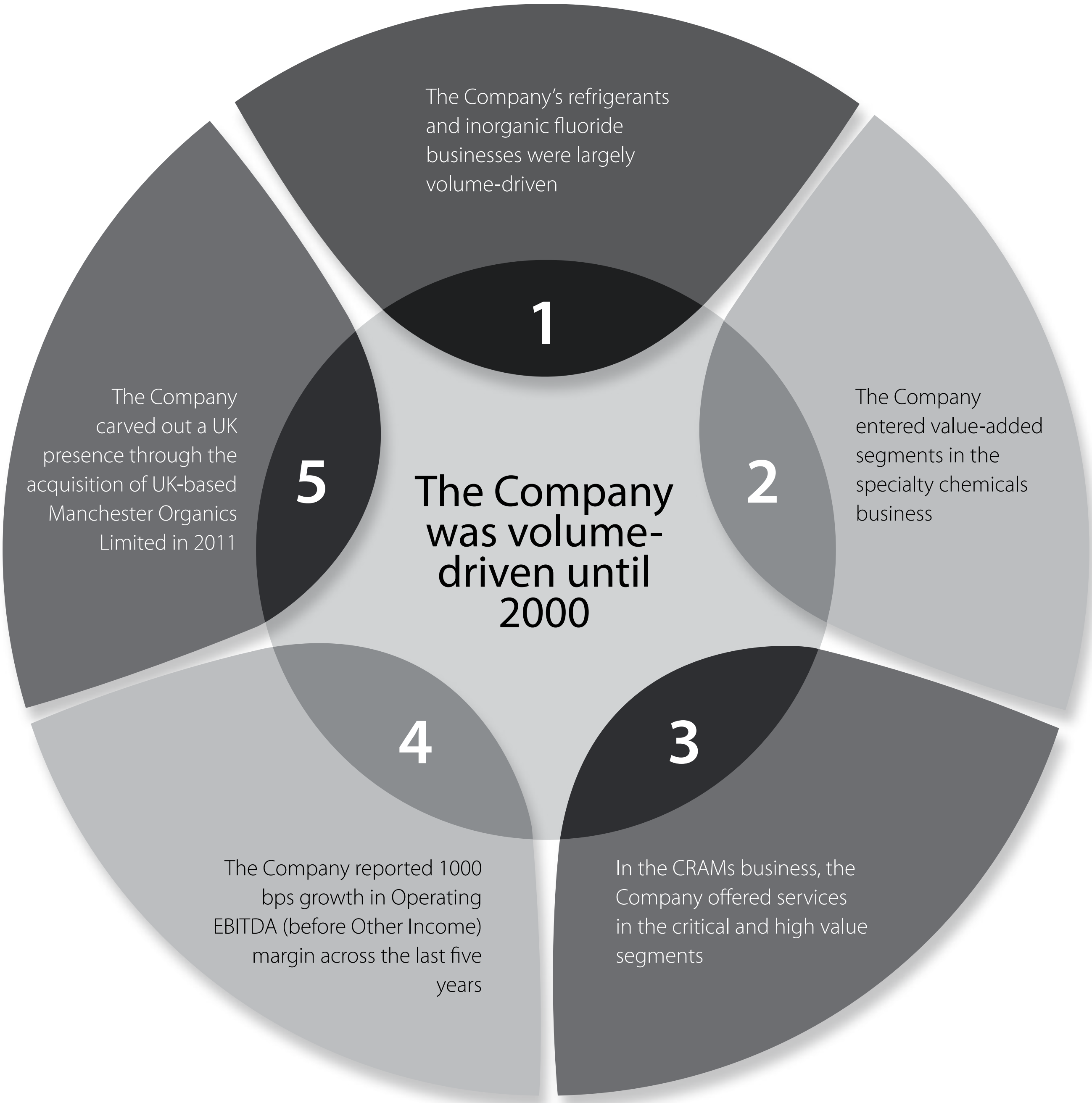
Definition
This a financial ratio measures a company's profitability and the efficiency with which capital is employed in the business.

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 (on listing).

Value impact
The Company reported 200 bps decrease in ROCE during FY2018-19. The ROCE was computed after excluding cash and investments to showcase operational efficiency.

HOW WE TRANSFORMED OUR BUSINESS OVER THE YEARS


The Company's refrigerants and inorganic fluoride businesses were largely volume-driven
1
The Company entered value-added segments in the specialty chemicals business
2
The Company was volume-driven until 2000
3
In the CRAMs business, the Company offered services in the critical and high value segments
4
The Company reported 1000 bps growth in Operating EBITDA (before Other Income) margin across the last five years
5
The Company carved out a UK presence through the acquisition of UK-based Manchester Organics Limited in 2011

OUR ROBUST BUSINESS MODEL

Sectoral optimism

Downstream demand
Currently, three of 10 blockbuster drugs contain fluorine. The use of fluorine in life sciences and crop sciences is gaining prominence. For instance, 40-50% of all new molecules being researched (for use in crop sciences/life sciences) contain some form of fluorine.

Life sciences market
The global Life sciences market was estimated at US$934.8 billion in 2017 and could reach US$1,170 billion in 2021, catalyzing fluorine consumption.

https://microsmallcap.com/immunoprecise/ipa-3/discoveries-for-big-pharma/LP1-MAL/amp/ (source)

Intangible strengths

Brand
Navin Fluorine, one of four listed fluorine-based companies in India, is uniquely positioned to benefit from robust sectoral growth. It is one of India's largest manufacturers of fluorochemicals with over five decades of experience in the fluorine chain and a portfolio of >50 fluorine-based products.

Focus
Navin Fluorine focused most of its capex on new generation segments like CRAMS and specialty chemicals. The result was that legacy inorganic fluorides contributed only 21% to FY2018-19 revenues, while the specialty fluorochemical and CRAMS segments contributed 50%.

Business moat

Location
The Company's manufacturing units are proximate to major ports, minimising logistical delays and tenures.

Scale
Navin Fluorine acquired Manchester Organics (theoretical research and gram-scale production) and invested ₹1.4 billion in the establishment of India's first high-pressure fluorine-based plant in Dahej (multi-tonne batch size). Through backward and forward integration, the Company has emerged as the biggest player in its space.

Navin Fluorine's strategy

Investments
The Company made sustained investments with the objective to grow its proprietary knowledge bank and infrastructure.

Pricing
The Company's longstanding relationships with the customers helped optimise raw material costs.

Fluorochemicals market
The global fluorochemicals market grossed US$16.88 billion in 2016 and is expected to reach US$26.71 billion by 2025.

Approval processes
Most large pharma and agrochemical innovators have put in place strict quality appraisal processes, raising the entry bar for new entrants.

Rising incomes
India reported strong y-o-y growth in incomes – from ₹80,338 in 2013-14 to ₹126,699 in 2018-19 (provisional), strengthening downstream consumer demand.

Commitment
The Company proactively expanded its manufacturing capacity on the basis of plans drawn up by downstream marquee customers, graduating from 'make-to-stock' to 'sell-and-make'.

Knowledge
The Company leveraged its proprietary knowledge to extend into the value-accretive specialty fluorochemicals and CRAMS businesses.

Responsibility
The Company is a responsible manufacturer reflected in its products range and process accreditations. The Company has been recertified for ISO 9001:2015, ISO 14001:2015, OHSAS18001:2007 and Responsible Care Logo. It was awarded with "Certificate of merit for the best complaint company in distribution code under responsible care" by Indian Chemical Council during the year.

Technology
The Company is the only Indian fluorochemicals company to provide end-to-end services: from early-stage research to building India's first high-pressure, cGMP-compliant production facility.

Portfolio
The Company provided a range of products and services under the fluorination business. Refrigerants and inorganic fluorides drive volumes whereas specialty chemicals and CRAMS drive margins.

Diversification
Following a curb on the production of refrigerant gases, the Company successfully diverted capacities towards non-emissive categories like feedstock for pharmaceutical and crop sciences companies.

Expansion
The Company is investing to grow its CRAMs capacity, the third plant likely to be commissioned in FY20.

Self-sufficiency
The Company widened its domestic and overseas vendor base to reduce dependence on a select few players and countries.

Notice

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting of the Members of the Company will be held on Friday, the 21st June, 2019 at 3.00 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, the Audited Financial Statements (Standalone and Consolidated, both) including the Statement of Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as at that date and the Auditor's Report thereon
2. To confirm the payment of Interim Dividend on equity shares for the year 2018-19 and to declare final dividend on equity shares for the year 2018-19
3. To appoint a Director in place of Mr. V. P. Mafatlal (DIN 00011350), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass the following Resolution as a SPECIAL 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, Mr. P. N. Kapadia (holding DIN 00078673), who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received notices in writing under Section 160 of the Act from members proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing 25th June, 2019 to 24th June, 2024."

5. To consider, and if thought fit, to pass the following Resolution as a SPECIAL 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, Mr. S. S. Lalbhai (holding DIN 00045590), who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received notices in writing under Section 160 of the Act from members proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing 25th June, 2019 to 24th June, 2024."

6. To consider, and if thought fit, to pass the following Resolution as a SPECIAL 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, Mr. S. M. Kulkarni (holding DIN 00003640), who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received notices in writing under Section 160 of the Act from members proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing 25th June, 2019 to 24th June, 2024.

   RESOLVED FURTHER THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Act and the Rules made thereunder, approval of the members be and is hereby accorded for the continuance of Mr. S.M. Kulkarni as an Independent Director of the Company for the above stated tenure, notwithstanding that he has crossed the age of 75 years."

7. To consider, and if thought fit, to pass the following Resolution as a **SPECIAL 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, Mr. S. G. Mankad (holding DIN 00086077), who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received notices in writing under Section 160 of the Act from members proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing 25th June, 2019 to 24th June, 2024.

   RESOLVED FURTHER THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Act and the Rules made thereunder, approval of the members be and is hereby accorded for the continuance of Mr. S. G. Mankad as an Independent Director of the Company for the above stated tenure, notwithstanding that he shall cross the age of 75 years during such tenure."

8. To consider, and if thought fit, to pass the following Resolution as a **SPECIAL 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, Mr. H. H. Engineer (holding DIN 01843009), who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received notices in writing under Section 160 of the Act from members proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing 25th June, 2019 to 24th June, 2024.

   RESOLVED FURTHER THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Act and the Rules made thereunder, approval of the members be and is hereby accorded for continuance of Mr. H. H. Engineer as an Independent Director of the Company for the above stated tenure, notwithstanding that he shall cross the age of 75 years during such tenure."

9. To consider, and if thought fit, to pass the following Resolution as a **SPECIAL 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, Mrs. R.V. Haribhakti (holding DIN 02409519), who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received notices in writing under Section 160 of the Act from members proposing her candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing 30th July, 2019 to 29th July, 2024."

10. To consider, and if thought fit, to 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, Mr. A. K. Srivastava (holding DIN 00046776), who satisfies the criteria of independence as specified in the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and in respect of whom the Company has received notices in writing under Section 160 of the Act from members 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 21st June, 2019 to 20th June, 2024."

11. To consider, and if thought fit, to pass the following Resolution as an ORDINARY RESOLUTION:

    "RESOLVED that Mr. R. R. Welling (holding DIN 07279004) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 11th December, 2018, in terms of Section 161(1) of the Companies Act, 2013 and Article 127 of the Articles of Association of the Company and who holds office up to the date of the 21st Annual General Meeting and in respect of whom the Company has received notices in writing from members under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

12. To consider, and if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION:

    "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded to the appointment of Mr. R. R. Welling (holding DIN 07279004) as Managing Director of the Company for a period of 5 (five) years with effect from 11th December, 2018 on the terms and conditions and remuneration as set out in the Letter of Appointment dated 11th December, 2018 as modified by letter dated 6th May, 2019, laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to Mr. R. R. Welling 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 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 or desirable or expedient to give effect to the above resolution."

13. To consider, and if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION:

    "RESOLVED THAT pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule V of the Act, consent of the Members be and is hereby accorded for continuance of payment of remuneration to Mr. V. P. Mafatlal (holding DIN 00011350), currently Executive Chairman designated as Chairman, and who is also a Promoter of the Company, notwithstanding that it is in excess of ₹ 5,00,00,000 (Rupees 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 present tenure up to 19th August, 2021.

    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 or desirable or expedient to give effect to the above resolution."

14. To consider, and if thought fit, to pass the following Resolution, as an ORDINARY RESOLUTION:

    "RESOLVED THAT in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any, of the Act, payment of Remuneration of ₹ 5,00,000/- (Rupees five lacs only) (apart from reimbursement of out-of-pocket expenses incurred for the purpose of Audit) to Mr. B.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 year 1st April, 2019 to 31st March, 2020, be and is hereby approved and ratified."

By Order of the Board,
For Navin Fluorine International Limited

Place: Mumbai — **N.B. Mankad**
Dated: 6th May, 2019 — *Company Secretary*

Regd. 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. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.**

   Instrument appointing a proxy duly completed in all respects should reach Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. The relevant 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 14 mentioned in the above Notice is annexed hereto.

3. The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto. The Board of Directors recommend all the appointments / re-appointments as proposed.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 11th June, 2019 to Friday, the 14th June, 2019 (both days inclusive) for the purpose of determining the eligibility of Shareholders entitled for payment of dividend, if any.

5. The final dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on 24th June, 2019.

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

   a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.

   b) Shareholders holding shares in physical form are requested to provide the following details along with an authorization letter allowing the Company to directly credit the dividend in their bank accounts:

      Name of first account holder (as appearing in the bank account records), Bank name, branch name, branch address, Account type and account number, IFSC code and MICR code and a copy of cancelled cheque.

6. Members are requested to note that pursuant to the provisions of Section 125(c) of the Companies Act, 2013, the 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 for the year 2011 to the said fund. Members who have so far not claimed the dividends declared for any subsequent financial year(s) are requested to make claim with the Company immediately.

7. Pursuant to the provisions of 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 Investor Education and Protection Fund. The Company has also 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 Investor Education and Protection Fund Authority by making an online application, the details of which are available at www.iepf.gov.in. The Company has already transferred 22155 Equity Shares (812 shareholders) to the designated Accounts of IEPF in the month of December 2018 in accordance with the above Rules.

8. **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 Registrar and Share Transfer Agent.**

9. Route map and prominent land mark for easy location of venue of the AGM is provided in the Annual Report and the same shall also be available on the Company's website www.nfil.in

10. All documents referred to in the accompanying notice and the

Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturday & Sunday during business hours up to the date of the 21st Annual General Meeting.

11. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representatives to attend and vote at the AGM.

12. 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 (hereinafter referred to as "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 Registrar and Share Transfer Agents M/s. Karvy Fintech Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to advise such changes to RTA.

13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form as pursuant to SEBI norms, with effect from 1st April, 2019, share transfers cannot be effected in physical form. The transfer deeds once lodged prior to 31st March, 2019 deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1st April, 2019.

14. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/DP, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

15. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. Details of the e-voting process and other relevant details are being sent to all the Members along with the Notice.

By Order of the Board,
For Navin Fluorine International Limited

Place: Mumbai | **N.B. Mankad**
Dated: 6th May, 2019 | *Company Secretary*

Regd. 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

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos. 4 to 14.

IN RESPECT OF ITEM NOS. 4 TO 9:

As per the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder, the Company had appointed Mr. P. N. Kapadia, Mr. S. S. Lalbhai, Mr. S. M. Kulkarni, Mr. S. G. Mankad and Mr. H. H. Engineer as Independent Directors at its 16th Annual General Meeting held on 25th June, 2014. Mrs. R.V. Haribhakti was appointed as an Independent Director w.e.f. 30th July, 2014. As the above directors shall be completing their first term of appointment upon completion of five years from the respective dates of their appointment during the current year, they are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution.

Further, Mr. S. M. Kulkarni (Date of Birth: 9th January, 1939) has crossed the age of 75 years while Mr. S. G. Mankad (Date of Birth: 5th August, 1947) and Mr. H. H. Engineer (Date of Birth:1st September,1948) shall cross the age of 75 years during their tenure. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a Special Resolution is passed to that effect. The Members had, at their 20th Annual General Meeting held on 24th July, 2018, passed special resolution for continuance of Mr. S.M. Kulkarni as an Independent Director for his balance period of current tenure viz. up to 24th June, 2019. Therefore, continuance of these Directors as Independent Directors requires consent of the members by way of Special Resolution. These Directors are active and keep good health.

All the above named six directors have consented to their re-appointment and confirmed that they do not suffer from any disqualifications for their re-appointment as Independent Directors.

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

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfil the conditions for re-appointment as Independent Directors and they are independent of the Management. The brief profile of all these Directors is given in the annexure and forms part of this Notice.

The Company has received notices from members under Section 160 of the Companies Act, 2013 proposing their re-appointment as Independent Directors. Copy each of the draft letter of appointment of these Directors as Independent Directors setting out the terms and conditions 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 the Directors, their continuance on the Board of the Company will be in the interest of the Company. Therefore, the Board recommends the Resolutions as set out in Item Nos. 4 to 9 of the Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives other than the respective Independent Directors are in anyway deemed to be concerned or interested in the Resolutions as set out in Item Nos. 4 to 9 of the Notice.

IN RESPECT OF ITEM NO. 10:

The term of office of Mr. A. K. Srivastava as Finance Director of the Company expired on 30th April, 2015 and accordingly he retired from the services of the Company. The Board of Directors at their Meeting held on 28th April, 2015, appointed him as an Additional Director with effect from 1st May, 2015 under Article 127 of the Articles of Association of the Company and Section 161 (1) of the Companies Act, 2013. He was then appointed as a Non-Executive Director at the 17th Annual General Meeting of the Company held on 29th June, 2015. It is now proposed to appoint Mr. A. K. Srivastava as an Independent Director of the Company with effect from the conclusion of the 21st Annual General Meeting for a period of five consecutive years.

Mr. A. K. Srivastava has consented to his appointment and confirmed that he does not suffer from any disqualifications for his appointment as an Independent Director. Based on his performance evaluation as a non-executive director, on structured parameters the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the appointment of Mr. A. K. Srivastava as an Independent Director. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declaration from Mr. A. K. Srivastava confirming that he meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfils the conditions for appointment as an Independent Director and he is independent of the Management. His brief profile is given in the annexure and forms part of this Notice.

The Company has received notices from members under Section 160 of the Companies Act, 2013 proposing his appointment as an Independent Director. Copy of his draft letter of appointment as Independent Director setting out the terms and conditions 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. A.K. Srivastava, his appointment as an Independent Director on the Board of the Company will be in the interest of the Company. The Board recommends the Resolution as set out in Item No. 10 of the Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. A. K. Srivastava are in anyway deemed to be concerned or interested in the Resolution as set out in Item No. 10 of the Notice.

IN RESPECT OF ITEM NO. 11:

Based on the recommendation of the Nomination and Remuneration Committee, Mr. R. R. Welling was appointed as an Additional Director on the Board of the Company with effect from 11th December, 2018 under Article 127 of the Articles of Association of the Company and Section 161 (1) of the Companies Act, 2013. 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, notices have been received from Members of the Company signifying his intention to propose Mr. R. R. Welling as a candidate for the office of the Director of the Company. The brief profile of Mr. R. R. Welling is given in the annexure and forms part of this Notice.

Having regard to his qualifications, knowledge and experience, the appointment of Mr. R. R. Welling as a Director will be in the interest of the Company. The Board recommends the Resolution as set out in Item No. 11 of the Notice for approval of the members. None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. R. R. Welling are in anyway deemed to be concerned or interested in the Resolution as set out in Item No. 11 of the Notice.

IN RESPECT OF ITEM NO. 12:

Based on the recommendation of the Nomination and Remuneration Committee, Mr. R. R. Welling was appointed as the Managing Director of the Company with effect from 11th December, 2018 on the below mentioned terms and conditions:

I. Joining Bonus: ₹ 60,00,000/-

II. (a) Basic Salary: ₹ 1,45,74,000/- per annum.

(b) Perquisites and Allowances, the aggregate monetary value of which shall not exceed ₹ 31,27,000/- per annum. These Perquisites and Allowances would be in addition to the items mentioned below in clauses 'c', 'd' and 'e' below:

(c) Perquisites:

i) Fully furnished house or House Rent not exceeding ₹ 58,29,000/- per annum in lieu thereof

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

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

(d) He will also be entitled to the following:

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

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.

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

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

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

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

III. Commission, up to 1% of the net profit of the Company, at the discretion of 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 down in Section 197 of the Companies Act, 2013 on the total remuneration.

IV. In case of absence or inadequacy of profits in any financial year of the Company during 11th December, 2018 to 10th December, 2021, he will be entitled to salary, perquisites and other 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 II (c) above shall not be included in the computation of the ceiling on minimum remuneration to the extent this either singly or put together are not taxable under the Income-tax Act, 1961.

V. The Board may alter or vary the above referred terms of appointment, salary, commission and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Mr. R. R. Welling 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.

VI. He shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

VII. He shall be entitled to the initial Employee Stock Options of the monetary value of ₹ 1,00,00,000/-.

Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, the Board of Directors at their meeting held on 6th May, 2019, revised the remuneration of Mr. R.R. Welling w.e.f 1st April, 2019 as under:

a. Basic Salary- ₹ 1,59,00,000/- p.a.

b. Perquisites and allowance, the aggregate value of which shall not exceed ₹ 45,01,000/- p.a. These perquisites and allowances in addition to the items mentioned above in clause II Clauses (c) (d) and (e) above.

c. Fully furnished house or House Rent not exceeding ₹ 63,60,000/- p.a. in lieu thereof.

The brief profile of Mr. R. R. Welling is given in the annexure and forms part of this Notice. He was earlier employed with the Company from 2013 to 2015 as President – Marketing and Corporate Strategy.

A copy of the Letter of Appointment issued to Mr. R.R. Welling, subject to approval of the Members, recording his terms of appointment for a period of five years from 11th December, 2018 and letter of modification dated 6th May, 2019 as referred to in the said Resolution is available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

Other particulars pertaining to the Company, which are required to be disclosed as per Section II of Part II of Schedule V to the Companies Act, 2013 are given in Annexure "A" to this Explanatory Statement.

Having regard to his qualifications, knowledge and experience in the field in which the Company operates, the appointment of Mr. R. R. Welling as the Managing Director will be in the interest of the Company. The Board recommends the Resolution as set out in Item No. 12 of the Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. R. R. Welling are in anyway deemed to be concerned or interested in the Resolution as set out in Item No. 12 of the Notice.

IN RESPECT OF ITEM NO. 13:

In terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), 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 crore, whichever is higher. The approval given by the shareholders shall be valid only till the expiry of the present tenure of such Director.

Mr. V. P. Mafatlal (DIN 00011350) was appointed as Executive Chairman, designated as "Chairman", for a term of five years effective from 20th August, 2016 and his remuneration was also approved by the Members of the Company in the 19th Annual General Meeting held on 29th June, 2017 by way of Special Resolution.

In order to comply with the requirement of Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying him remuneration if the annual remuneration payable to him exceeds 2.5% of the net profit of the Company as calculated under section 198 of the Companies Act, 2013 or ₹ 5 crore whichever is higher in any year during the remaining tenure of his appointment.

The Board recommends the Resolution as set out in Item No. 13 of the Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. V. P. Mafatlal are in anyway deemed to be concerned or interested in the Resolution as set out in Item No. 13 of the Notice.

IN RESPECT OF ITEM NO. 14:

In accordance with 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 audit of Chemical Products manufactured by the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of Mr. B. C. Desai, as the Cost Auditor for Cost Audit of chemical products for the Year 1st April, 2019, to 31st March, 2020 on a remuneration of ₹ 5,00,000/- (Rupees five lacs only) (apart from reimbursement of out-of-pocket expenses incurred for the purpose of Audit) subject to approval of remuneration by the Members.

Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules 2014 prescribes that the remuneration of the Cost Auditor shall be ratified by the Shareholders. Accordingly, this Ordinary Resolution is proposed for ratification by the Members.

The Board recommends the Resolution as set out in Item No. 14 of the Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives are in anyway deemed to be concerned or interested in the Resolution as set out in Item No. 14 of the Notice.

By Order of the Board,
For Navin Fluorine International Limited

Place: Mumbai
Dated: 6th May, 2019

N.B. Mankad
Company Secretary

Regd. 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 A TO THE EXPLANATORY STATEMENT

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

I. GENERAL INFORMATION:

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

(₹ in Lakhs)

	Current Year	Previous Year
Turnover	98,990.10	97.668.07
Profit after Tax	14,847.83	17,896.37

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

II. INFORMATION ABOUT THE APPOINTEE:

1. **Background details:**
   R.R. Welling has obtained Mechanical Engineering degree from National Institute of Technology, India and has done his Masters in International Business from IIFT, New Delhi. He has also done his MBA from IMD, Lausanne, Switzerland.
2. **Past remuneration:**
   Mr. Welling drew an aggregate remuneration of ₹ 429.50 lakhs by way of Salary, Perquisites, Commission, retention bonus etc. from his previous employer for the period from 1st April, 2018 to 15th November, 2018.
3. **Recognition or award:** Nil
4. **Job Profile and his suitability:**
   Mr. R.R. Welling is the Managing Director and overall in-charge of the business of the Company. Looking at the overall exposure and experience of Mr. Welling in diversified areas and responsibilities to be shouldered by him, 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. R.R. Welling is commensurate with the remuneration paid to similar appointee in other companies.
7. **Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**
   Except for the proposed remuneration and the stock options which will be granted to R.R. Welling under the terms of prevailing Scheme(s) from time to time, Mr. Welling 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	Not Applicable
2.	Steps taken or proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable terms	Not Applicable

Particulars of the Directors seeking appointment/re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 (SS-2)

Name	**Mr. V. P. Mafatlal (DIN:00011350)**
Age	45 years
Date of Appointment/ Re-appointment	21/01/2003
Brief Resume - Qualification	B.Sc. (Economics), University of Pennsylvania, Wharton School, U.S.A.
Expertise in Specific Functional Areas	He is the Executive Chairman designated as Chairman of the Company. He is an industrialist having varied experience of over 22 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	The remuneration paid to him during the financial year ended 31st March, 2019 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 shareholders.
Other Directorships	Mafatlal Services Ltd. Navin Fluorine International Ltd. Tropical Clothing Co. Pvt. Ltd. Manchester Organics Ltd.,UK Cebon Apparel Pvt. Ltd. Aspen Impex Pvt. Ltd. Avatar Impex Pvt. Ltd. Mafatlal Impex Pvt. Ltd. Adenium Ventures Pvt. Ltd. VAP Agricultural Products (Bombay) Pvt. Ltd.
Membership / Chairmanship of Committees	Navin Fluorine International Ltd.: Corporate Social Responsibility Committee: Member
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	He is not related to any Director or Key Managerial Personnel of the Company
Shareholding in the Company	15,34,349 Equity Shares
Number of Board Meetings Attended	8 out of 8 meetings held

Name	**Mr. P. N. Kapadia (DIN: 00078673)**	**Mr. S. S. Lalbhai (DIN: 00045590)**
Age	67 years	59 years
Date of first appointment on the Board	21/01/2003	03/03/2003
Brief Resume - Qualification	Mr. P. N. Kapadia by qualification is a B.A., LLB. He is an advocate and a solicitor.	Mr. S. S. Lalbhai is a science graduate and holds M.S degree in chemistry from USA and also M.S degree in economic planning & policy from the Boston University of USA.
Expertise in Specific Functional Areas	Mr. P. N. Kapadia is a partner in Vigil Juris, advocates and solicitors, Mumbai and has an experience of over 42 years in the legal field.	Mr. S. S. Lalbhai is an industrialist having varied experience of over 29 years in chemicals and general management.
Terms and Conditions of Appointment/Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. P. N. Kapadia will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a member/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 31st March, 2019 is shown under the Corporate Governance Report.	Mr. S. S. Lalbhai will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a member/ 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 31st March, 2019 is shown under the Corporate Governance Report.

Name	Mr. P. N. Kapadia (DIN: 00078673)	Mr. S. S. Lalbhai (DIN: 00045590)
Other Directorships	Afcons Infrastructure Ltd. HTA Marketing Services Pvt. Ltd. C.C. Chokshi Advisors Pvt. Ltd. Hindustan Thompson Associates Pvt. Ltd. Gokak Textiles Ltd. Navin Fluorine International Ltd. Hungama Digital Services Pvt. Ltd. Mafatlal Industries Ltd. Mirum Digital Pvt. Ltd. Gokak Power & Energy Ltd. Contract Advertising (India) Pvt. Ltd.	Amal Ltd. Atul Ltd. Atul Bioscience Ltd. Atul Rajasthan Date Palms Ltd. Navin Fluorine International Ltd. Pfizer Ltd. The Bombay Dyeing and Manufacturing Co. Ltd.
Membership / Chairmanship of Committees	Afcons Infrastructure Ltd.: Audit Committee: Member Stakeholders Relationship Committee: Chairman Nomination & Remuneration Committee: Member Corporate Social Responsibility Committee: Member Stakeholders Relationship Committee: Member Navin Fluorine International Ltd.: Audit Committee: Member Stakeholders Relationship Committee: Chairman Mafatlal Industries Ltd.: Stakeholders Relationship Committee: Member Nomination & Remuneration Committee: Chairman Hindustan Thompson Associates Pvt. Ltd.: Share Transfer Committee: Member Corporate Social Responsibility Committee: Member Gokak Power & Energy Ltd.: Audit Committee: Member Nomination & Remuneration Committee: Member Gokak Textiles Ltd.: Audit Committee: Member Stakeholders Relationship Committee: Member	Amal Ltd.: Nomination and Remuneration Committee: Member Atul Bioscience Ltd.: Nomination and Remuneration Committee: Member Atul Ltd.: Corporate Social Responsibility Committee: Member Investment Committee: Member Stakeholders Relationship Committee: Member Navin Fluorine International Ltd.: Nomination and Remuneration Committee: Chairman Audit Committee: Member Pfizer Ltd.: Stakeholders Relationship Committee: Member
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	He is not related to any Director or Key Managerial Personnel of the Company.	He is not related to any Director or Key Managerial Personnel of the Company.
Shareholding in the Company	6,925 shares	5,000 shares
Number of Board Meetings Attended	7 out of 8 meetings held	8 out of 8 meetings held

Name	Mr. S. M. Kulkarni (DIN: 00003640)	Mr. S. G. Mankad (DIN: 00086077)
Age	80 years	71 years
Date of first appointment on the Board	19/10/2006	29/04/2011
Brief Resume - Qualification	Mr. S. M. Kulkarni holds a Bachelor's degree in Engineering and is also a Fellow of the Indian Institute of Engineers, the Institute of Management, U.K., and also the Institute of Directors, U.K.	Mr. S. G. Mankad holds a Master's degree of Arts (History) from the university of Delhi and also has a diploma in Development Studies from the Cambridge University.
Expertise in Specific Functional Areas	Mr. S. M. Kulkarni, a consultant with vast experience acts as a corporate and business advisor to several Indian and International corporate entities. He has an experience of over 44 years in the areas of international business, alliance management, strategic planning, corporate governance, business development, venture capital funding and education.	Mr. S. G. Mankad is a retired IAS officer. He was the chief secretary to the Government of Gujarat from 2005 to 2007 and has also held important positions in the Central Government (Ministries of Finance, Agriculture, and Human Resource Development) and the Government of Gujarat.
Terms and Conditions of Appointment/Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. S. M. Kulkarni will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a member/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 31st March, 2019 is shown under the Corporate Governance Report.	Mr. S. G. Mankad will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a member/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 31st March, 2019 is shown under the Corporate Governance Report.
Other Directorships	Navin Fluorine International Ltd. Bayer Crop science Ltd. Hindustan Construction Co. Ltd. KEC International Ltd. Camlin Fine Sciences Ltd. JM Financial Trustee Co. Pvt. Ltd.	Gujarat International Finance Tec-City Co. Ltd. Deepak Nitrite Ltd. Gruh Finance Ltd. Navin Fluorine International Ltd. Mahindra Intertrade Ltd. Swaraj Engines Ltd. GIFT SEZ Ltd.
Membership / Chairmanship of Committees	**Navin Fluorine International Ltd.:** Audit Committee: Chairman Nomination & Remuneration Committee: Member **Bayer Crop science Ltd.:** Audit Committee: Chairman Stakeholders Relationship Committee: Member Nomination & Remuneration Committee: Member **Hindustan Construction Co. Ltd.:** Audit Committee: Chairman **KEC International Ltd.:** Audit Committee: Member Finance Committee: Member Nomination & Remuneration Committee: Chairman **JM Financial Trustee Co. Pvt. Ltd.:** Audit Committee: Member **Camlin Fine Sciences Ltd.:** Audit Committee: Chairman Nomination & Remuneration Committee: Member	**Swaraj Engines Ltd. :** Nomination & Remuneration Committee: Member Corporate Social Responsibility Committee: Chairman Audit Committee: Member **Gruh Finance Ltd.:** Nomination & Remuneration Committee: Chairman Corporate Social Responsibility Committee: Member Stakeholders Relationship Committee: Member **Navin Fluorine International Ltd.:** Corporate Social Responsibility Committee: Chairman **Deepak Nitrite Ltd.:** Audit Committee: Member Corporate Social Responsibility Committee: Chairman Nomination & Remuneration Committee: Chairman **Mahindra Intertrade Ltd.:** Audit Committee: Chairman Corporate Social Responsibility Committee: Member Nomination & Remuneration Committee: Member
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	He is not related to any Director or Key Managerial Personnel of the Company.	He is not related to any Director or Key Managerial Personnel of the Company.
Shareholding in the Company	NIL	NIL
Number of Board Meetings Attended	7 out of 8 meetings held	7 out of 8 meetings held

Name	Mr. H. H. Engineer (DIN: 01843009)	Mrs. R. V. Haribhakti (DIN: 02409519)
Age	70 years	61 years
Date of first appointment on the Board	23/10/2013	30/07/2014
Brief Resume - Qualification	Mr. H. H. Engineer has a Bachelor's degree of Science and also a Diploma in Business Management from the Hazarimal Somani College, Mumbai.	Mrs. R. V. Haribhakti is a Graduate in Commerce from Gujarat University and Post Graduate in Management from the Indian Institute of Management (IIM), Ahmedabad.
Expertise in Specific Functional Areas	Mr. H. H. Engineer has varied experience of over 44 years in the banking sector. He retired as executive director, wholesale banking of HDFC Bank Ltd.	Mrs. R.V. Haribhakti has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley, DSP Merrill Lynch and RH Financial. She has advised several large corporates and led their Equity and Debt offerings in domestic as well as international capital markets. She has also served on Boards of non-profits for over 18 years and is the former Chair of Friends of Women's World Banking (FWWB), a pioneer in the Micro-finance sector in India.
Terms and Conditions of Appointment/Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. H. H. Engineer will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a member/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 31st March, 2019 is shown under the Corporate Governance Report.	Mrs. R. V. Haribhakti will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which she is 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 31st March, 2019 is shown under the Corporate Governance Report.
Other Directorships	Navin Fluorine International Ltd. Piramal Capital & Housing Finance Ltd. Aditya Birla Sunlife Pension Management Ltd. HDFC Property Ventures Ltd. Aditya Birla PE Advisors Pvt. Ltd. Bhutan National Bank	Navin Fluorine International Ltd. EIH Associated Hotels Ltd. Rain Industries Ltd. ICRA Ltd. Adani Ports and Special Economic Zone Ltd. Mahanagar Gas Ltd.
Membership / Chairmanship of Committees	**Navin Fluorine International Ltd.:** Corporate Social Responsibility Committee: Member **Aditya Birla PE Advisors Pvt. Ltd.:** Audit & Investment Committee: Member **Piramal Capital & Housing Finance Ltd.:** Audit & Risk Committee: Chairman Corporate Social Responsibility Committee: Chairman **HDFC Property Ventures Ltd.:** Audit Committee: Chairman Nomination & Remuneration Committee: Member **Aditya Birla Sunlife Pension Management Ltd.:** Audit & Risk Committee: Member Nomination & Remuneration Committee: Member	**ICRA Ltd.:** Nomination & Remuneration Committee: Chairperson Audit Committee: Member Risk Management Committee: Member **Rain Industries Ltd.:** Audit Committee: Member Nomination & Remuneration Committee: Chairperson **Navin Fluorine International Ltd.:** Stakeholders Relationship Committee: Member **Adani Ports and Special Economic Zone Ltd.:** Audit Committee: Member Stakeholders Relationship Committee: Member Nomination & Remuneration Committee: Member **EIH Associated Hotels Ltd.:** Audit Committee: Member **Mahanagar Gas Ltd.:** Audit Committee: Member
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	He is not related to any Director or Key Managerial Personnel of the Company.	She is not related to any Director or Key Managerial Personnel of the Company.
Shareholding in the Company	NIL	NIL
Number of Board Meetings Attended	8 out of 8 meetings held	8 out of 8 meetings held

Name	Mr. A. K. Srivastava (DIN: 00046776)	Mr. R. R. Welling (DIN: 07279004)
Age	67 years	46 years
Date of first appointment on the Board	21/01/2003	11/12/2018
Brief Resume - Qualification	Mr. A. K. Srivastava is a Science Graduate and holds Degree of Fellow Chartered Accountant (F.C.A).	Mr. R. R. Welling has obtained Mechanical Engineering degree from National Institute of Technology, India and has done his Masters in International Business from IIFT, New Delhi. He has also done his MBA from IMD, Lausanne, Switzerland.
Expertise in Specific Functional Areas	Mr. A. K. Srivastava has an experience of over 35 years in large corporates, in the areas of Finance, Accounting, Taxation and Commerce.	Mr. R. R. Welling has over 22 years of experience and has handled many functions ranging from Innovation to Sales & Marketing to Corporate Strategy to Manufacturing.
Terms and Conditions of Appointment/Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. A. K. Srivastava will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a member/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 31st March, 2019 is shown under the Corporate Governance Report.	Terms and conditions of appointment along with details of remuneration sought to be paid to Mr. R. R. Welling is specified in the Explanatory Statement. The remuneration last drawn from his previous employer by way of salary, perquisites, commission, retention bonus, etc. was ₹ 429.50 Lakhs for the period from 1st April, 2018 to 15th November, 2018.
Other Directorships	Navin Fluorine International Ltd. Mafatlal Industries Ltd.	Navin Fluorine International Ltd. Manchester Organics Ltd. NFIL (UK) Ltd.
Membership / Chairmanship of Committees	**Navin Fluorine International Ltd.:** Stakeholders Relationship Committee: Member **Mafatlal Industries Ltd.:** Stakeholders Relationship Committee: Member	None
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	He is not related to any Director or Key Managerial Personnel of the Company.	He is not related to any Director or Key Managerial Personnel of the Company.
Shareholding in the Company	11,000 shares	8,000 shares
Number of Board Meetings Attended	8 out of 8 meetings held	3 out of 3 meetings held during his tenure

By Order of the Board,

N.B. Mankad
Company Secretary

Place: Mumbai
Dated: 6th May, 2019

Regd. 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		
		2009-10	2010-11	2011-12	2012-13	2013-14	2014- 5	2015-16	2016-17	2017-18	2018-19
	STATEMENT OF PROFIT & LOSS										
1	Total income	43723	44113	79486	53855	47850	57276	66093	79247	97668	98990
2	Profit before depreciation, interest, exceptional items and tax	13589	12313	34071	9428	9007	8996	14084	20561	30132	25288
3	Finance costs	(249)	(360)	(354)	(610)	(540)	(324)	(320)	(50)	(66)	(47)
4	Depreciation, amortisation and impairment	(1107)	(1354)	(1773)	(1961)	(2055)	(1864)	(2092)	(2835)	(3817)	(2588)
5	Profit before tax	12233	10599	31944	6857	6413	6808	11672	17676	26248	22653
6	Profit after tax	7436	7164	23124	4316	5066	4938	8647	13265	17896	14848
7	Dividend (₹ per share) #	2.80	3.00	15.00 *	3.00	3.20	3.20	4.20	6.30 **	10.00 ***	8.00
8	Earning per share (EPS) ₹ #	14.73	14.22	47.38	8.84	10.38	10.11	17.69	27.10	36.34	30.05
	BALANCE SHEET										
9	Equity share capital	1009.55	975.68	975.69	975.72	975.72	976.83	978.58	979.00	986.87	989.00
10	Net fixed assets	17793	20491	24168	23918	23127	27029	28169	47257	34043	36344
11	Investments	85	4776	20494	24664	26294	23447	26598	31571	52188	52673
12	Current assets (net)	14455	14734	15873	13945	13779	14315	15131	5599	13158	19858
13	Capital employed	32333	40002	60536	62527	63201	64791	69898	84427	99390	108875
14	Borrowings	1136	4907	9334	8324	5700	4489	2990	-	-	-
15	Net worth	29098	33180	48337	50946	54186	57113	63354	82352	96999	105921
16	Book value of share of ₹ 2.00 each (₹) # (15 / no. of shares)	57.62	67.98	99.04	104.39	111.02	116.92	129.46	168.21	196.55	214.17
17	Debt/ equity ratio (14/15)	0.04	0.15	0.19	0.16	0.11	0.08	0.05	-	-	-
18	EBITDA (%) (2/1)	31%	28%	43%	18%	19%	16%	21%	26%	31%	26%
19	Profit after tax (%) (6/1)	17%	16%	29%	8%	11%	9%	13%	17%	18%	15%
20	Return on net worth (%) (PAT/Avg of opening & closing net worth)	29%	23%	57%	9%	10%	9%	14%	18%	20%	15%
21	Return on Capital Employed (%) ((PBT + finance costs) / Avg opening & closing capital employed)	40%	30%	64%	12%	11%	11%	18%	22%	29%	22%
	OPERATING RATIOS										
22	Operating EBITDA (%) ((EBITDA - Other Income) / Revenue from Operations)	30%	26%	35%	15%	14%	12%	18%	20%	24%	23%
23	Operating PBT (%) ((PBT - Other Income) / Revenue from Operations)	27%	22%	32%	10%	8%	8%	14%	16%	19%	20%
24	Operating Return on Capital Employed (%) - ((PBT + Finance Costs - Other Income)/ Operating Capital Employed) @	53%	31%	77%	17%	12%	10%	23%	22%	34%	32%

Figures for 2018-19, 2017-18 & 2016-17 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 29th June, 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 20th July 2017.The figures for the period 2008-09 to 2015-16 have been calculated based on the face value of ₹ 2.00 per equity share, to make the numbers comparable.

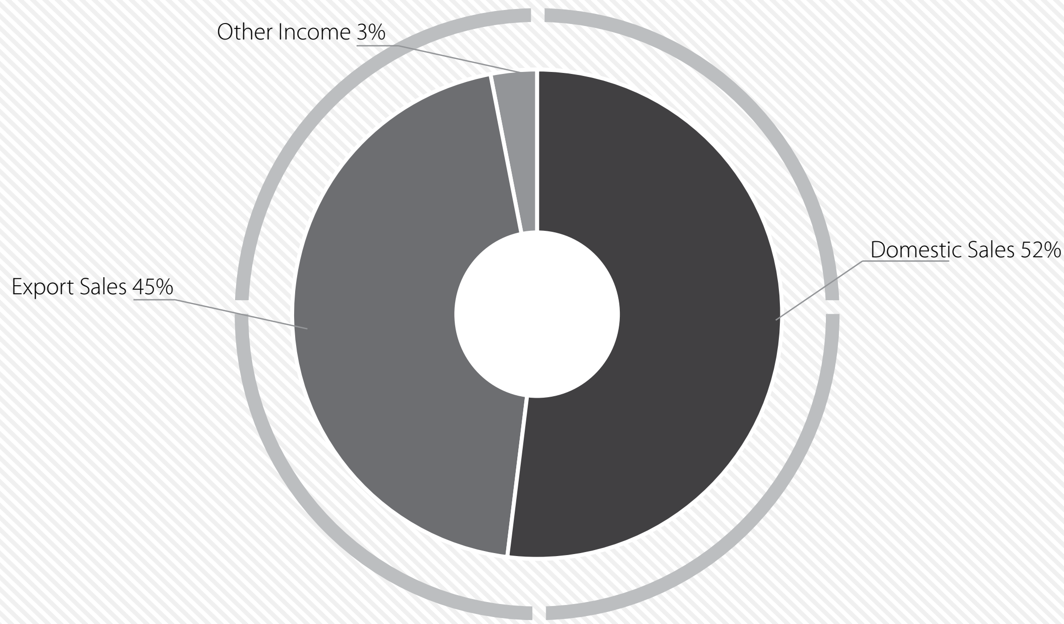
* including special dividend of ₹ 12.00

** including special dividend of ₹ 1.50

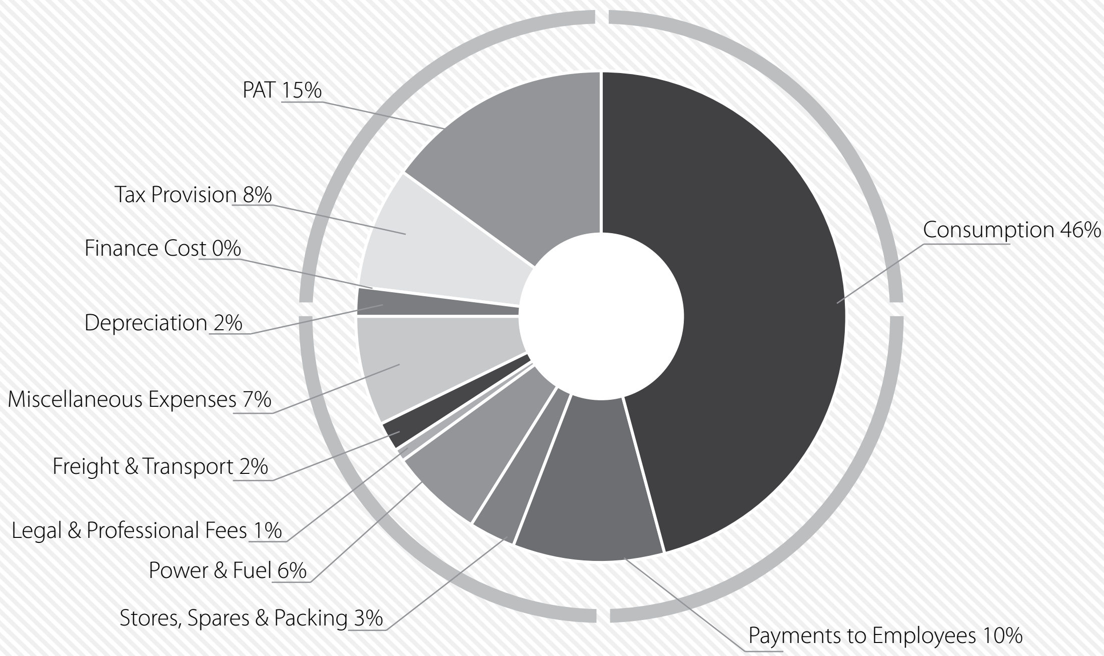
*** including special dividend of ₹ 3.00

@ 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 21st Annual Report together with the audited accounts for the year ended 31st March, 2019.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ in lakhs)

	2018-19	2017-18
Revenue from Operations	95,513	88,606
Other income	3,477	9062
Profit before Depreciation, Finance Costs, and Taxation	**25,288**	**30,132**
less: Depreciation	2,588	3,817
Finance Costs	47	66
Profit before Taxation	**22,653**	**26,248**
Less: Tax Expense	7,805	8,352
Profit for the year	**14,848**	**17,896**
add: Surplus brought forward from the previous year	71,808	57,540
Amount available for appropriation	**86,656**	**75,436**
Appropriation:		
Other Comprehensive Income/(Loss)*	(31)	(68)
Payment of dividends (including tax)	(6,185)	(3,560)
Surplus carried to Balance Sheet	**80,440**	**71,808**

*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 paid an interim dividend of ₹ 3.80 per share on 494,43,950 equity shares of nominal value of ₹ 2/- each, aggregating to ₹ 1,878.87 lakhs in the month of October 2018. The Board of Directors is pleased to recommend a final dividend for the year of ₹ 4/- per share on 494,57,165 equity shares of nominal value of ₹ 2/- each, aggregating to ₹ 1,978.29 lakhs.

3. YEAR IN RETROSPECT

During the year, the net turnover reached a high of ₹ 95,531 lakhs, a growth of 17% over the previous year's net sales of ₹ 81,773 lakhs (excluding ₹ 5,568 lakhs from our Dahej operations until 30th November 2017). The major contributors to this growth were Specialty Chemicals, Inorganic Fluorides and Refrigerant Gas businesses. The domestic business grew by 20%, clocking ₹ 51,345 lakhs driven by Specialty Chemicals and Inorganic Fluorides. Exports reached ₹ 44,168 lakhs posting a year-on-year growth of 13% over ₹ 38,971 lakhs of the previous fiscal (excluding ₹ 5,568 lakhs from our Dahej operations until 30th November 2017), predominantly driven by Specialty Chemicals and Refrigerant Gases.

The key driver for the profit growth has been better market penetration leading up to higher volumes, better capacity utilisation and dynamic pricing. The Operating Profit for the year, before Other Income, increased by 12% over that of the previous year. Operating EBITDA, before Other Income, reached ₹ 21,811 lakhs, up from ₹ 21,070 lakhs in FY 2017-18. Operating EBITDA Margin for the year was at 23% against 24% in FY 2017-18. Profit before tax (PBT) dropped by 14% from ₹ 26248 lakhs in FY 2017-18 to ₹ 22653 lakhs during the year under review. Profit after tax (PAT) at ₹ 14848 lakhs in the current year recorded a decrease of 17% from ₹ 17896 lakhs in FY 2017-18. The drop in PBT and PAT for the year vis-à-vis FY 2017-18, was mainly on account of the mark to market adjustments of the investment portfolio as well as sale of equity shares of Mafatlal Industries Ltd. and NOCIL Ltd. in FY 2017-18.

Specialty Chemicals business saw a healthy growth of 33%, reaching a turnover of ₹ 30005 lakhs in the current year vis-à-vis ₹ 22488 lakhs in FY 201718. It contributed around 31% of the overall turnover. The exports share in this business was about 40%. After two flat years, the business revived significantly on the back of efforts to increase domestic sales driven by demand from life sciences segment and the exports, which is mainly towards the Crop science industry, also improved in terms of volume as well as pricing. The efforts on creating a diversified portfolio of innovative products, winning new customers and penetration into new markets is ongoing. The key emphasis of this business has been on investing in research and development, towards building a strong product portfolio in niche fluorochemicals.

Inorganic Fluorides business registered a significant growth from ₹ 14542 lakhs in FY 2017-18 to ₹ 19709 lakhs during the current year, a growth of 36% year on year. It contributed around 21% of overall turnover. The growth has been fueled by positive traction in volumes and prices, both in the domestic as well as the export sectors across key product portfolios. The growth in the domestic consuming industries, led to positive demand generation in this segment. The sustained efforts over the last few years, led to addition of new overseas customers.

Refrigerant Gases business witnessed a growth of 14% year-on-year, achieving a turnover of ₹ 28026 lakhs during the year against ₹ 24545 lakhs in FY 2017-18. It contributed around 29% of overall turnover. The exports in the Refrigerant portfolio, constituted approximately 44%. The domestic market witnessed a weak demand during the year. Exports performed well in both volume as well as realisations on the back of supply constraints, and strong market expansion in Middle East. Pricing corrections both in the domestic and export market along with volume expansion in exports, helped in the increase in turnover.

CRAMS business during the current year was about 12% lower than FY 2017-18, reaching a turnover of ₹ 17787 lakhs during the year against ₹ 20179 lakhs in FY 2017-18 (excluding ₹ 5568 lakhs from our Dahej operations until 30th November 2017). It contributed 19% of overall Turnover for the year. Successful delivery of a variety of orders, addition of new customers as well as repeat orders from innovator global pharma majors, has reinforced the business's confidence in the capability to build and operate a world class cGMP facility. The focus continues on effective interface of project management and delivery framework, deepening customer relationships and effective capacity utilisation. Customer audits by several pharma majors have been successfully completed during the year.

During last year, the Board had approved a capital expenditure of ₹ 11500 lakhs towards creating additional cGMP capacity and associated infrastructure. This capex is underway at the Company's Dewas facility, which is the hub of the CRAMS activities. The new capacity is expected to come on stream by second half of FY2019-20. The expanded capacity will be utilized for the Company's growing contract manufacturing activity for the value added complex chemicals and fluoro intermediates, manufactured for innovator pharma companies across the globe. The Investment in expansion of the capacity is based on customer inquiries and discussions and in anticipation of future research pipeline of innovators. The new capacity addition will be similar to the Company's existing multi product plant configuration with multistage batch and products processing capabilities. The Company has reached out to markets in the US, Europe and Japan by having direct representations in those geographies, in addition to the strong presence of Manchester Organics Limited (MOL) in the UK.

During the year the costs of key raw materials moved northwards. The Company continued its strategy of importing fluorspar, its key raw material, from diverse sources. However, fluorspar prices increased by almost 45% year on year due to global supply constraints as well as weakening rupee. Sulphur and chloroform, the other critical raw materials experienced strong inflationary trends exerting stress on the margins across product lines. Sulphur price witnessed over 30% increase while chloroform prices increased by 45% in comparison to FY 2017-18. Price of boric acid too moved 25% upwards during the year.

On the energy cost front, cost of power has remained steady during the year vis-à-vis FY 2017-18. Non-availability of exchange traded power for most of the current year, continued to be a challenge. However, this has restarted towards the end of the current year. Price of natural gas for the Company increased by 16% in the current fiscal compared to that of the previous year.

The year proved to be one of the most volatile for currencies with US Dollar (USD) swinging more than 14%, British Pound (GBP) 11% and Euro 10%. Against USD the Rupee was at its strongest in April at ₹ 64.88 and the weakest in October at ₹ 74.33, depreciating by almost 15%. Towards the end of the current fiscal it was around ₹ 69.18. GBP, which was around ₹ 91.45 towards the beginning of the fiscal appreciated almost 12% to touch ₹ 97.97 level against the Indian Rupee in October from its yearly low of ₹ 87.95 in August. At the end of the current fiscal it was at ₹ 90.14. Euro too, amidst the volatile global scenario appreciated by almost 11% against the Indian Rupee. Euro was at its highest in October at ₹ 85.84 and had fallen to its weakest level of ₹ 77.60 towards the end of the fiscal. The exchange loss of ₹ 199.28 lakhs as seen in the financials is on account of timing difference of foreign exchange transactions and their realisation and / or restatement.

Deeper penetration into various market and customer segments, improving operating efficiencies and continuous margin improvement has been the sustained focus of the Company. Through the year, the R & D, technology, production, marketing and supply chain teams worked relentlessly to improve productivity, quality and costs of various products, to offer a competitive marketing edge to the businesses on one hand and a flexible sourcing strategy on the other. The top-line growth coupled with higher capacity utilisation, helped in better absorption of overheads, contributing to improvements in the operating margins.

During the year a conservative inventory policy was followed in order to remain closer to the market prices of all the raw materials and access the resultant movement in the finished product prices.

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.

The Company sustained its good financial health with a sizeable treasury income. 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 ₹ 6000 lakhs.

The Company is fully committed towards its responsibilities in health, safety and environmental (HSE) management and has continued to make sizable investments in HSE during the year, across all its locations. 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 health, safety & environment performance together with open and transparent communications with stakeholders. The logo is awarded in recognition of a company's commitment to sustainability. Our Responsible Care accreditation was reaffirmed for another period of three years starting from January 2018.

During the year, the Company has been conferred two awards by the Indian Chemical Council (ICC). One was the ICC award for "Excellence in Human Resource Management in Chemical Industry" for the year 2017 and the second was Certificate of Merit for the "Best Compliant Company for the Distribution Code under Responsible Care" for the year 2017. Apart from these, the Company also received the "CSR Excellence Award 2018" for Health and Sanitation in Gujarat CSR Summit - 2018.

4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has five subsidiaries and two Joint Ventures:

(i) Sulakshana Securities Limited (SSL), an entity created to settle dues of the term lenders of Mafatlal Industries Limited (MIL), 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 in 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, ₹ 246 lakhs has been repaid by SSL and its current outstanding to the Company is ₹ 1110 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) Ltd., a 100% step-down subsidiary created for the purpose. During the year MOL reported turnover of £ 4568k and net loss of £ 203k.

(iii) A 100% subsidiary, NFIL (UK) Ltd was formed in the UK to acquire the balance shareholding of 49% from the shareholders of Manchester Organics Ltd. During the year, the Company made further infusion of £ 830 K into NFIL (UK) Ltd., which has been utilized to service the HDFC Bahrain Term Loan taken by NFIL (UK) Ltd. to part finance the 49% acquisition of MOL.

(iv) A step-down subsidiary, NFIL USA Inc. was formed last year, as a 100% subsidiary of NFIL (UK) Ltd. 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 a 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. The quality and the cost of these materials make a significant impact on various value added products being made by the Company. In view of the foregoing, it was thought prudent to have a permanent representation in China. During the year, our Chinese presence has helped immensely to ensure timely procurement of some of the key raw materials for our CRAMS and specialty business. We could exercise a better control over quality, cost of procurement and timeliness due to our presence in China. Our footprint in China is also helping us to create strategic partnerships with key vendors.

(vi) 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. During the year various matters affecting overall costing of the project and product were discussed threadbare between the partners. This will help the partners to initiate the project related activities during the coming financial year.

(vii) The Company had entered into a Joint Venture (JV) agreement with Piramal Enterprises Limited (PEL) and accordingly a company by the name of Convergence Chemicals Private Limited (CCPL) has been formed to leverage the Company's capability in niche fluorination chemistry and deep outreach of the JV partner in the healthcare space. PEL holds 51% and the Company owns 49% of the equity share capital of CCPL. During FY 2017-18, the Company's business relating to manufacture and sale of Specialty Fluorochemicals at Dahej was transferred to Convergence Chemicals Private Limited, with effect from 1st December 2017, on a going concern basis by way of slump sales together with all the identified assets, liabilities, consents, permissions, services of employees etc.

The financial position of each of the said seven Companies is given in the Notes to Consolidated Financial Statements.

The accounts of all the above subsidiaries and joint ventures have been considered in the consolidated financial results of the Company.

The Company does not have any material subsidiary. Policy on material subsidiary is available on web link http://www.nfil.in/policy/index.html

The audited accounts of the subsidiary companies are placed on the Company's website and the same are open for inspection by any member at the Registered Office of the Company on any working day between 2.00 p.m. and 4.00 p.m. and the Company will make available a copy thereof to any member of the Company who may be interested in obtaining the same.

5. REPORTS ON MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE

As required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, management discussion and analysis and corporate governance report are annexed as **Annexure 1 and Annexure 2** respectively to this Report.

6. BUSINESS RESPONSIBILITY REPORT:

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

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Navin Fluorine International Ltd. (a part of Padmanabh Mafatlal Group), fulfilling CSR is a way of life. It is a legacy coming down from the same value tree, the lineage of Late Mr. A. N. Mafatlal who inspired implementation of a range of CSR activities over the last fifty years, in areas like poverty alleviation, healthcare, education, women's welfare etc. in rural India. The Company will continue to follow the path by contributing to social welfare and nation development.

Pursuant to the provision of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee. Mr. S. G. Mankad is the Chairman of the Committee and Mr. H. H. Engineer and Mr. V. P. Mafatlal are the other members of the

Committee. The CSR Policy formulated by the Board based on the recommendations of the CSR Committee is available on web link http://www.nfil.in/policy/index.html

The amount required to be spent on CSR activities during the year under report in accordance with the provisions of Section 135 of the Act is ₹ 315.45 Lakhs and the Company has spent ₹ 329.19 Lakhs during the current financial year (as against ₹ 296.52 Lakhs during the previous year). Thus, the Company has spent more amount on CSR activities than legally mandated. The requisite details on CSR activities pursuant to Section 135 of the Act and as per Annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **Annexure 4** to this Report.

8. INDUSTRIAL RELATIONS

The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full cooperation from the employees.

The Company continues to focus on extensive training and developmental activities and efficiency and quality improvement initiatives. The total number of employees as on 31st March, 2019 was 715.

9. INSURANCE

The properties and insurable assets and interests of the Company, like building, plant and machinery and stocks, among others, are adequately insured.

10. EMPLOYEE STOCK OPTION SCHEME

The Company has two Employees' Stock Option Schemes - 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 Employee Stock Option Schemes of the Company and the Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

During the year, 15,040 Stock Options were granted to the employees. 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 31st March, 2019 are annexed as **Annexure 5** to this Report.

11. RE-CLASSIFICATION AS PER REGULATION 31A OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS 2015

The Company had, at its Annual General Meeting held on 24th July, 2018, obtained the approval of the shareholders for re-classification of the following Persons/Entities (not holding any shares in the Company) from "Promoter and "Promoter Group" category to Public category as per Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

Sr. No.	Particulars
1.	A.N. Mafatlal Karta of A.N.M. HUF 4 Mafatlal
2.	Hrishikesh A Mafatlal
3.	Hrishikesh Arvind Mafatlal
4.	Rekha Hrishikesh Mafatlal
5.	Aarti Manish Chadha
6.	Hrishikesh A Mafatlal
7.	Anjali Kunal Agarwal
8.	Priyavrata Mafatlal
9.	Gayatri Pestichem Manufacturing Pvt Ltd
10.	Mafatlal Industries Ltd
11.	NOCIL Limited
12.	Suremi Trading Private Limited*
13.	Sumil Holdings Pvt Ltd
14.	Shamir Texchem Private Limited
15.	Sushripada Investments Pvt Ltd
16.	Arvi Associates Pvt Ltd

* Additionally, the reclassification approval was also sought for Milekha Texchem Co. Pvt. Ltd and Shripad Associates Pvt. Ltd. which merged into Suremi Trading Private Limited.

Subsequent thereto, the Company had made applications to the Stock Exchanges for their approval for the aforementioned re-classification. The Company has received the approvals from Stock Exchanges for the re-classification on 8th February, 2019.

12. DIRECTORATE:

Mr. S. S. Khanolkar resigned as Managing Director of the Company with effect from close of business hours of 12th October, 2018. The Board places on record its sincere appreciation for the valuable services rendered by Mr. Khanolkar during his tenure. Mr. R. R. Welling was appointed as Managing Director of the Company for a period of five years with effect from 11th December, 2018 subject to approval by the Members of the Company.

As per the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder, the Company had appointed Mr. H. H. Engineer, Mr. P. N. Kapadia, Mr. S. S. Lalbhai, Mr. S. M. Kulkarni and Mr. S. G. Mankad as Independent Directors at its 16th Annual General Meeting held on 25th June, 2014. Mrs. R. V. Haribhakti was appointed as an Independent Director w.e.f. 30th July, 2014. As the above named Independent Directors shall be completing their first term of appointment upon completion of five years from the respective dates of their appointment during the current year, it is proposed to re-appointment them for another term of five consecutive years. Also, it is proposed to appoint Mr. A. K. Srivastava as an Independent Director of the Company with effect from the conclusion of the 21st Annual General Meeting for a period of five consecutive years. Mr. A. K. Srivastava is already on the Board of the Company as a Non-Executive Director.

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. V. P. Mafatlal retires by rotation and being eligible, seeks reappointment.

Brief profiles of the directors seeking appointment/re-appointment have been given in the Notice convening the Annual General Meeting.

13. CHANGES IN KEY MANAGERIAL PERSONNEL:

As reported in the last Annual Report, Mr. Sitendu Nagchaudhuri, the Chief Financial Officer of the Company, tendered his resignation, with effect from close of business hours on 15th June, 2018. The Board of Directors appointed Mr. Ketan Sablok as the Chief Financial Officer of the Company with effect from 16th June, 2018.

14. EXTRACT OF THE ANNUAL RETURN:

Extract of the Annual Return for the Financial Year ended on 31st March, 2019 as required by Section 92(3) of the Act and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is annexed as **Annexure 6** to this Report.

The same has been placed on the website of the Company and can be accessed at www.nfil.in.

15. NUMBER OF BOARD MEETINGS:

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

16. DIRECTORS RESPONSIBILITY STATEMENT:

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

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

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period.

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

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

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

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

17. DECLARATION BY INDEPENDENT DIRECTORS:

Mr. P.N. Kapadia, Mr. S.S. Lalbhai, Mr. S.M. Kulkarni, Mr. S.G. Mankad, Mr. H.H. Engineer and Mrs. R.V. Haribhakti are independent in terms of Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has received requisite declarations/confirmations from all the above Directors confirming their independence.

18. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The policy on Directors appointment and remuneration approved by the Board of Directors is available on the web link is http://www.nfil.in/policy/index.html

19. AUDITORS REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31st March, 2019.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

Particulars of loans given and of the investments made by the Company as at 31st March, 2019 are given in the Notes forming part of the Financial Statements. During the Financial Year under review, the Company made investment in 8,30,000 equity shares of £ 1/- each of NFIL (UK) Ltd. and 13,72,537 equity shares of RMB 1/- each of Navin Fluorine (Shanghai) Co. Ltd.

The Company also made investments in schemes of various mutual funds aggregating to ₹ 27,128.71 lakhs and during this period realized ₹ 25548.06 lakhs on redemption of units of various mutual funds and debentures. During the year under review, no new loans were given by the Company.

21. SECRETARIAL AUDIT REPORT:

Pursuant to Section 204(1) of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2019 given by M/s. Makarand M. Joshi & Co., Company Secretaries is annexed as **Annexure 7** to this Report. The same does not contain any adverse remarks.

22. RELATED PARTY TRANSACTIONS:

All the related party transactions that were entered into during the year in the ordinary course of business were on arms' length basis. Related Party Transactions Policy is available on web link http//www.nfil.in/policy/index.html

23. STATEMENT OF COMPANY'S AFFAIRS:

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

24. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 134 of the Act, read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure 8** to this Report.

25. RISK MANAGEMENT POLICY:

The Company has a structured risk management policy. The risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during the decision making. It is dealt with in greater details in the Management Discussion and Analysis section.

26. ANNUAL PERFORMANCE EVALUATION:

In compliance with the provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation was carried out as under:

Board:

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:

The performance of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes and committee dynamics. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed thereunder and the Listing Agreement/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 each of the non-independent directors was providing good business and people leadership.

27. DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above Rules are annexed as **Annexure 9** to this Report.

28. DISCLOSURE UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The requisite details relating to the remuneration of the specified employees covered under the above Rules are annexed as **Annexure 10** to this Report.

29. PREVENTION OF WORKPLACE HARASSMENT:

The Company is committed to providing 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.

30. INTERNAL FINANCIAL CONTROLS:

The existing internal financial controls are commensurate with the nature, size, complexity of operations and the business processes followed by the Company. They have been reviewed and found satisfactory by the Management on the following key control matrices:

a. Entity level controls;
b. Financial controls; and
c. Operational controls

Which included authority and organization matrix, standard operating procedures, risk management practices, compliance framework within the organization, ethics and fraud risk management, management information system, self-assessment of control point, business continuity and disaster recovery planning and budgeting systems.

31. AUDITORS:

At the 19th Annual General Meeting held on 29th June, 2017, the Members approved appointment of M/s. 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 (subject to ratification of the appointment by the Members, at every Annual General Meeting held after the 19th Annual General Meeting) on such remuneration as may be fixed by the Board apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

On 7th May, 2018, Section 40 of the Companies Amendment Act, 2017 (amending Section 139 of the Companies Act, 2013) was notified whereby ratification of Statutory Auditor's appointment is not required at every Annual General Meeting. Accordingly, resolution for ratification of appointment of Statutory Auditors is not proposed.

32. COST AUDITORS:

As per the requirements of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is applicable to the Company. The Audit of the Cost Accounts relating to Chemical products is being carried out every year. The Board of Directors have, based on the recommendation of the Audit Committee, appointed Mr. B.C. Desai, Cost Auditor, Ahmedabad (Membership No.M-1077) to audit the cost accounts of the Company for the year 2019-20 from 1st April, 2019 to 31st March, 20120 on a remuneration of ₹ 5,00,000/. As required under the Act, necessary resolution seeking Member's ratification for the remuneration payable to Mr. B.C. Desai is included as item No. 14 of the Notice convening the 21st Annual General Meeting. The Cost Audit Report in respect of Financial Year 2018-19 will be filled on or before the due date.

33. STATUTORY DISCLOSURES:

There were no transactions/events with respect to the following items during the financial year under review and accordingly no disclosure or reporting is required with respect to the same:

1. Deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014
2. Issue of equity shares with differential rights as to dividend, voting or otherwise
3. Receipt of any remuneration or commission by the Managing Director/Whole-time Director of the Company from any of its subsidiaries
4. Significant or material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future
5. Buyback of shares
6. 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 the report

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

The Company has complied with the Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by ICSI.

34. APPRECIATION:

The Directors wish to place on record their appreciation of 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, the lenders and other associates.

For and on behalf of the Board,
Navin Fluorine International Limited

V.P. Mafatlal
Chairman
(DIN:00011350)

Place: Mumbai
Dated: 6th May, 2019

Regd. 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**

GLOBAL ECONOMIC OVERVIEW

The global economy grew 3.6% in 2018 compared with 3.8% in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth is estimated at 3.3% in 2019 on account of a sustained weakening in advanced economies. *(Source: World Economic Outlook).*

GLOBAL ECONOMIC GROWTH FOR 6 YEARS

Year	2015	2016	2017	2018(E)	2019 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

INDIAN ECONOMIC OVERVIEW

After growing at 6.7% in 2017-18, the Indian economy is expected to report a growth of 7% in 2018-19 (as per the second estimates of CSO). The principal developments during the year comprised increased per capita income, decline in the national inflation, steady interest rates, decline in the price of crude oil and weaker consumer sentiment in the second half of the financial year.

India retained its position as the world's fastest growing economy and the sixth largest economy (eleventh in 2013-14). In 2018, India received more foreign inflows than China - US$ 38 billion compared with China's US$ 32 billion. India reported a 23-notch jump to 77th position in the World Bank's report on the Ease of Doing Business that captured the performance of 190 countries, reporting an improvement in six of 10 parameters.

Outlook

World Bank projected India's economic growth to accelerate to 7.5% in 2019-20. Strong private consumption and services are expected to catalyse economic activity. Private investment is expected to revive as the corporate sector adjusts to GST. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur national investment. *[Source: IMF, World Bank]*

GLOBAL FLUOROCHEMICALS INDUSTRY OVERVIEW

Global demand growth for fluorochemicals accelerated to 3.8% to 3.8 million metric tonnes in 2018. Above-average growth in higher-value products helped drive the market >7% to US$25 billion. Asia-Pacific accounted for the largest share of the global market in 2018. North America accounted for the second-largest market share.

The global fluorochemicals market is pegged to grow at a CAGR of 5.5% by 2024. The growing industrialisation in developing economies, especially in China, India and South East Asian countries, is likely to catalyse the demand for refrigerants.

The growing fluorochemicals use in applications like water filtration and solar photovoltaic cells is anticipated to drive market growth. *(Source: Freedonia, Business Wire, Ken Research)*

The China factor

The Chinese fluorine industry has been one of the fastest developing chemical industries. China is one of the largest fluorine production and consumption areas worldwide.

The Chinese government turned its attention to environmental protection from 2016. China deepened regulatory investigations to enhance production safety and moderate environment pollution.

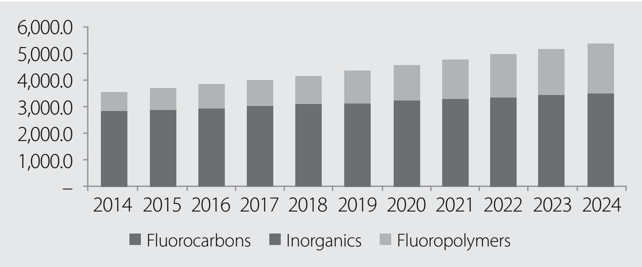
The fluorspar mining industry was impacted and a number of small and medium-size fluorspar enterprises were closed. Lower fluorspar supply from China strengthened realisations in 2018 from around USD 380 per tonne at the beginning of 2018 to around USD 545 per tonne at close.

Outlook

A rapidly growing demand of air-conditioning and refrigeration systems in the industrial and domestic sectors drives fluorochemicals market growth. In addition, the increased use of fluorochemicals in various industries like HVAC (heating, ventilation, and air-conditioning) industry, applications in the food and beverages, construction and pharmaceutical industries are also rising.

With some fluorochemicals responsible for the degradation of ozone layer, several countries have taken strict measures to reduce related consumption, restricting fluorochemicals market growth over the forecast period.

Rising demand of aluminium products from various industries (automotive and aeronautics construction, electronics and others) is expected to create several opportunities going ahead. *(Source: Business Wire, Ken Research)*



EMERGING TRENDS

Inherent dynamism: The fluorocarbons market remains the most dynamic sector of the fluorochemicals industry for two reasons: first, the evolving regulations aimed at protecting the ozone layer and reducing global warming; second, a sharp contrast in the outlook between developed and developing countries.

Hydro-chlorofluorocarbons (HCFCs) phase-out: In developed countries, the phase-out of HCFCs is nearly complete, with most end users switching to Hydro-chlorofluorocarbons (HCFCs). However, even HFCs now face restrictions due to their global warming potential, with new laws in developed countries expected to limit demand. While competition from non-fluorine gases is growing, reductions in HFCs are providing growth opportunities for newer fluorocarbons such as HFOs, which offer good performance and an excellent environmental profile. Nevertheless, demand for fluorocarbons in the developed world could continue to decline in volume terms.

Industrial development: In the developing world, however, demand for fluorocarbons could register strong gains due to a combination of increasing industrialisation, higher personal incomes and a relative lack of environmental regulation.

Advanced materials: Lower-volume fluoropolymers account for a disproportionate share of the market value due to their higher average prices. Growth in fluoropolymer demand could be driven by expanding opportunities for high-performance materials in a variety of industries, notably motor vehicles, coatings and electronics, especially in the developing world where their intensity of use remains low. In the electronics sector, demand for polymers and specialty chemicals could remain strong in the flat panel display market, but growth could be driven by a rapid increase in the production of lithium-ion batteries for automotive applications. (Source: Freedonia)

KEY DOWNSTREAM CUSTOMERS

Automotive: Emerging automotive industry trends are driving increased demand for fluorochemicals. Fluorochemicals find use in various parts of cars like cables, gaskets and hoses, in addition to being used in the manufacture of lubricants, coatings and additives. This is happening due to tightening emission standards, smaller engines operating at higher temperatures and a transition from internal combustion engines to alternative energy vehicles. The establishment of stringent emission regulations, increased demand for fuel-efficient vehicles and a growing demand for electric vehicles are expected to drive growth in the fluorochemicals market.

Electronics and communications: Fluorochemicals are an integral part of mobile phones and communications systems. Fluorochemicals find use in screens, antennas, microphones, camera lenses, batteries and earphones, among others, of mobile phones. Fluorochemicals also play a key role in cloud computing. Emerging trends in the electronics industry are driving the need for fluorochemicals, due to the exceptional dielectric properties and chemical inertness of fluorochemicals, which makes them ideal for a variety of applications like consumer electronics, autonomous vehicles, LAN cabling, autonomous vehicles, communications technology, semi-conductors and wearable solutions. Higher data speeds, increasing LAN traffic, demand for smarter and thinner next-gen devices, imminent arrival of 5G and a growing pervasiveness of IoT have caused semiconductor fabrication builds around smaller node sizes, accelerating the demand for fluorochemicals.

Infrastructure: Increased commercial and residential construction increased demand for the installation of HVAC systems in warehouses, stores, malls, households and others. There has been a significant increase in the demand for frozen products and fresh food, which require temperature-controlled storage units to maintain optimum quality for the preservation of products.

Energy: Trends in energy production and storage increase a need for fluorochemical performance. Fluorochemicals are ideal for applications like heat exchangers and fuel cells in the alternate energy and oil & gas industries for energy storage. With stationery power storage expanding rapidly and energy storage 'in front of the meter' is expected to grow substantially, prospects for this sector have brightened. Trends like government bodies and OEMs driving the de-carbonisation of transportation and an increasing need for environmental control and energy efficiency in fossil-fuel power plants should grow the industry. *(Source: Global Market Insights, Grand View Research, Globe News Wire, Chemours)*

INDIAN SPECIALTY CHEMICALS SECTOR OVERVIEW

The Indian chemicals sector was worth ~US$ 160 billion, with specialty chemicals representing ~20% of this value. The specialty chemicals sector is expected to grow ~10% annually to almost double the market size by FY2025. The specialty chemicals sector registered double-digit growth over FY2013-FY17, supported by subdued oil prices and strong domestic and export demand.

The year 2018-19 was strong for the domestic specialty chemicals sector on the back of a continued increase in demand from end-user industries and tightened global supply due to the imposition of stringent environmental norms in China.

End-user industries for specialty chemicals, including textiles, automotive, personal care, construction chemicals and agrochemicals, as well as application-driven segments such as surfactants, paints, coatings and colourants, experienced high growth. However, per capita chemical consumption in the country remains low compared to developed countries and emerging economies like China, indicating a vast latent potential.

Over the past few years, China has been taking steps to fight pollution caused by its chemical industry. This crackdown by the government has resulted in both higher prices and/or volumes for most Indian chemical players. The Chinese government is also using this opportunity to restructure the industry by promoting consolidation and shift focus from lower-end segments with high pollution like dyes and pigments, among others.

With supply chain disruption from China, global players are looking at diversifying supply chain—India with a large end market offers a decent alternative. Hence, we expect a gradual shift towards India boosting both import reduction in India and rising share of exports for Indian players. In 2017, ~40% of the chemical manufacturing capacity in China was temporarily shut for safety inspections, with >80,000 manufacturing units charged and fined for breaching permissible emission limits. This favourably impacted volumes and the pricing power of Indian chemical exporters.

However, sharp changes in oil prices due to an unfavourable macroeconomic scenario, uncertainty about feedstock procurement and an uptick in global capacity expansion had a negative impact on the sector. (Source: India Ratings, Economic Times)

Outlook

India's specialty chemical companies are set to invest their highest ever on capacity expansions in 2019 to cater to a rising demand from domestic and overseas markets, following plant shutdowns in China, the world's largest producer and exporter. Specialty chemical companies in India witnessed a sharp increase in demand of their products over the last few years. Profit margins of India's chemical companies are likely to remain robust in the next couple of years due to improved demand. Most importantly, these companies diversified their product portfolios to address demands from customers.

The decline in supply from China offers an immense opportunity for Indian players to ramp their supply and explore new global markets. Meanwhile, skilled labour and extensive government support are set to help grow the specialty chemical sector in India.

To support the industry, the Central Government allowed 100% FDI. A growing middle-class population with an increasing disposable income, strong export demand and high domestic demand for construction and agrochemicals could drive the sector's growth *(Source: Business Standard, SBI CAP Securities)*

INDIAN FLUOROCHEMICAL INDUSTRY OVERVIEW

The fluorochemical market growth in India is driven by its downstream sectors' growth - automobile, air conditioning and refrigeration, construction, cold storage and life science segments. Over the years, the life science segment emerged as one of the key drivers of the industry and India being one of the key global life science manufacturing hub, the Indian fluorochemical industry witnessed strong demand coming from this sector.

Outlook

Increasing urbanisation, growing per capita income and corresponding surge in consumption investment are driving the key user segments of the Indian fluorochemicals industry. A large part of India is still under penetrated in terms of air conditioners. Besides, car ownership in the country is one of the lowest.

With strong summers, the demand for refrigerators and air conditioners is on rise. Consider this: From 5.2m units in FY18, India's AC sales are expected to increase to 7.7m units by FY20, implying a 15% CAGR.

India remains under penetrated vis-à-vis other countries

Taiwan	90%
US	87%
Korea	70%
China	100%**
Thailand	30%
Indonesia	8%
India	3-4%

*Source: Industry, MOSL. ** for urban areas only*

GROWTH DRIVERS

Increased intensity of consumption: Compared to countries like the US or China, India's penetration of specialty chemicals is low (e.g. construction chemicals). With an increased focus, improved products and customer awareness, the use of specialty chemicals could increase (construction chemicals and pesticides, among others) in India.

Improved consumption standards: Consumption standards are policies implemented by the Central Government to promote the responsible use of products. These standards are necessary for improving standards of living and enhancing consumer safety. India has started to regulate products stringently and strengthen consumption standards, leading to an increased consumption of specialty chemicals (e.g. solvent-based paints versus water-based paints)

IPR protection: Although IPR protection is still in its infancy in India, it is stronger than many countries (e.g. China). The International Property Rights Index ranked India 55 out of 130 countries compared to China which ranked at 59. In legal terms, India ranked 71 against China at 77. This makes India a potentially better location for R&D-intensive and early-technology life-cycle production. (Source: Freedonia)

GOVERNMENT INITIATIVES

- Industrial licensing has been done with in most sectors, except for a small list of hazardous chemicals
- Approval is granted for FDI up to 100% in chemical sector
- The Central Government is continuously reducing the list of reserved chemical items for production in the small-scale sector, catalysing investments in technology up-gradation and modernization.
- Policies were initiated to set up integrated Petroleum, Chemicals and Petroleum Investment Region, spread across 250 square kilometres for manufacturing domestic and export-oriented chemicals.
- These initiatives are expected to attract large investments, domestic and foreign, with requisite improvements in infrastructure and competition. *(Source: Freedonia)*

BUSINESS PERFORMANCE

Refrigerants: NFIL's refrigerant business started in 1967. Over the last five decades, the Company has emerged as a preferred player. The Company's Mafron brand is a reputed refrigerant gas brand in India.

The year 2018-19 was mixed. Demand from OEMs was weak owing to their planned phase-out of R22. However, demand from after-markets emerged stronger. The export traction was strong, reporting a 49% growth.

The Company is increasing its presence in the non-emissive feedstock segment catering to the pharmaceutical and agrochemical industries. The non-emissive segment contributed to 12% of the segment's sales in FY19 and this segment is expected to grow.

INORGANIC FLUORIDES

NFIL's inorganic portfolio caters to downstream sectors like steel, glass, oil & gas, abrasives, electronic products, life science drugs and crop science, among others.

The Chinese supply art impacted raw material prices. However, owing to strong relationships with customers, it could pass price increases to customers. Though demand from domestic steel manufacturers remained subdued, strong demand emerged from the stainless steel and glass industry.

The Company started building exports this segment, generating a positive response from customers in East Asia. The exports business could be a key revenue driver for this business in the coming years.

SPECIALTY CHEMICALS

NFIL's specialty chemicals business is engaged in manufacturing niche fluorine-based molecules for downstream use in the life science, crop science and chemicals industries.

In the last few years, there was steep competition from China owing to an overcapacity eroding margins and making products unviable. However, with impending environment issues forcing the closure of manufacturing plants, prices of specialty chemicals increased globally.

NFIL's new launches attracted positive traction. The Company's strong relationships with customers helped generate longer contracts, enhancing revenue visibility. Going ahead, the Company expects the market to remain favourable and expand its presence in new markets.

CONTRACT RESEARCH AND MANUFACTURING SERVICES (CRAMS)

The Company entered the CRAMs business in 2011. It offers services in critical fluorination processes to major global life science and crop science innovators.

The year FY2019 was challenging, with a number of campaigns being postponed. During the last year, the Board approved the capex for creating additional cGMP capacity and associated infrastructure. The capex is underway and the plant is expected to be operational by the second half of FY 2019-20. The Company has already started building a customer pipeline for the new plant. Though the year witnessed a decline in revenues, the Company selected products and molecules judiciously and did not market me-too products that could have eroded margins.

Despite the revenue challenges, the Company was audited by several pharma clients. The Company is exploring different fluorination processes that could enhance offerings. Going ahead, the Company intends to strengthen the business through the effective interface of project management and delivery framework, deepening customer relationships and enhanced capacity utilisation.

WHY FLUORINE?

Globally, fluorine has become a leading choice to carry active ingredients in pharma and agrochemical applications, leading to rising interest in fluorine research. However, three of 10 blockbuster drugs contain fluorine and therefore, the use of fluorine in pharma and agrochemical has attracted interest. Some 40%-50% of new molecules being researched (for use in agrochemicals/pharma) contain some form of fluorine, since fluorine is inert and much more lipophilic (fat soluble) than hydrogen. (Source: Solvay)

HEALTH, SAFETY AND ENVIRONMENT

The Company follows all the rules and regulations regarding health, safety and environment management. The Company is among the few corporates in the country with a 'Responsible Care' accreditation from the Indian Chemical Council. In 2018, this accreditation was extended for three years.

STRENGTHS AND OPPORTUNITIES

This business enjoys immense potential, driven by a growing end-user industry. Technology and innovation will play a major growth role. India has a large pool of English-speaking technical workforce as well as scientists and researchers.

THREATS

The major threat to the business lies in global competition and the Company's inability to retain existing customers and attract new customers. The Company's product innovation and timely delivery help in retaining customers and its innovation capabilities help in attracting new customers.

HUMAN RESOURCE MANAGEMENT

Human resource management plays an important role in the Company's growth.

The HR team was instrumental in driving employee motivation and regularly undertook Employee Connect Meetings, chaired by sites heads and site HR heads to share the vision of the Company. It undertook HR meets to share specific HR-related issues.

The Company formed cross-functional quality circle teams to identify problem areas and seek solutions. The Company undertook regular training programs (functional, corporate, sexual harassment prevention) to hone employee skills. It formed the OMLE (Operations Management and Leadership Excellence) Program comprising plant managers and key people from other functions, for upgrading the knowledge of plant managers and develop leadership skills.

All senior managers undertook coaching programmes where they mentored and coached graduate engineer trainees.

Going ahead, the Company will continue to focus on training and leadership development programs. The Company had 715 employees as of 31st March, 2019.

FINANCIAL STATEMENT ANALYSIS

The Company's key financial highlights are mentioned below:

- Revenue from Operation increased by 8% from ₹ 88,606 lakhs in 2017-18 to ₹ 95,513 lakhs.
- Profit before tax decreased by 14% from ₹ 26,248 lakhs in 2017-18 to ₹ 22,653 lakhs.
- Operating Profit before tax increased by 12% from ₹ 17,186 lakhs in 2017-18 to ₹ 19,176 lakhs
- Net profit decreased by 17% from ₹ 17,896 lakhs in 2017-18 to ₹ 14,848 lakhs
- The Company reported an EPS of ₹ 30.05 in 2018-19 compared to ₹ 36.34 in 2017-18.
- Key Financial Ratios :-

	FY2018-19	FY2017-18
Debtors Turnover	18%	17%
Inventory Turnover	10%	10%
Current Ratio	3.33	2.86
Operating Profit Margin	23%	24%
Net Profit Margin	16%	20%
Return on Net worth*	15%	20%

* The Return on net worth is lower by 25% due to lower PAT of ₹3049 Lakhs.

RISK MANAGEMENT

The risk management protocol at the Company entailed the following:

- Identify, assess and manage existing and emerging risks in a planned and cohesive manner.
- Increase the effectiveness of the internal and external reporting structures
- Develop a risk management culture that encourages employees to identify various risks to protect the organisation.

At NFIL, we realise the need to better understand, anticipate, evaluate and mitigate business risks in order to minimise their impact on our business.

Our risk management programme is aligned with our business strategy, process, technology, people, culture and governance.

The Company's fundamental approach to risk management remains the same:

- Forward-looking approach to identify and measure risks
- In-depth knowledge of the business and competitors
- Diligence in risk identification and management

The Company's structured risk management programme safeguards the organisation from various risks through adequate and timely action. The objectives of the Company's risk management framework comprise the following:

- To identify, assess, prioritise and manage existing as well as emerging risks in a planned and cohesive manner
- To increase the effectiveness of the internal and external reporting structure
- To develop a risk culture that encourages employees to identify risks and associated opportunities, responding to them with appropriate timely actions.

The Company prioritises risks and each risk is attached with a designated owner, who monitors the likelihood of occurrence, the probable impact on the business and implementation of a risk mitigation programme. The progress is reviewed along with the regular management review process.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems of the Company are effective and adequate for business processes with regards to efficiency of the operations, compliance with applicable laws and regulations, financial reporting and controls, among others, that are commensurate with the size and complexities of the operations. These are regularly tested for their effectiveness by the statutory as well as the internal auditors. All the Company's major business processes are currently run on SAP ECC 6. The internal control systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information. An independent firm of chartered accountants carries out the internal audit across the organisation including Manchester Organics Limited, the UK-based subsidiary of the Company. The internal auditors review the adequacy, integrity and reliability of the internal control systems and suggest improvements in its effectiveness. The internal audit team conducts extensive reviews covering financial, operational and compliance controls and risk mitigation. 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 to the Audit Committee. The Audit Committee monitors the implementation of the audit recommendations.

For and on behalf of the Board

Place: Mumbai | **V.P. Mafatlal**
Dated: 6th May, 2019 | Chairman

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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, its efficiency lies in its ability to protect the stakeholders' interest. This is precisely what your Company's governance process and practice ventured to achieve; a transparency and professionalism in action as well as the implementation of policies and procedure to ensure high ethical standards as well as responsible management.

To enunciate the spirit behind the governance process, your Company listed out 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:

As on 31st March, 2019, your Company's Board of Directors consisted of Ten Directors. The composition of the Board is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. V.P. Mafatlal, the Chairman of the Company, heads the Board. The Board comprises of one Executive Promoter Director, one Executive Professional Director, two Non-Executive Non-Independent Directors and six Independent Directors.

Names of the Directors	Category (Executive / Non-Executive)	Number of Board Meetings attended	Whether last AGM held on 24th July, 2018 attended
Mr. V.P. Mafatlal	Promoter Executive	8	Yes
Mr. T.M.M. Nambiar	Non-Executive Non-Independent	8	Yes
Mr. P.N. Kapadia	Non-Executive Independent	7	Yes
Mr. S.S. Lalbhai	Non-Executive Independent	8	Yes
Mr. S.M. Kulkarni	Non-Executive Independent	7	Yes
Mr. S.G. Mankad	Non-Executive Independent	7	Yes
Mr. H.H. Engineer	Non-Executive Independent	8	Yes
Mr. A.K. Srivastava	Non-Executive Non-Independent	8	Yes
Mrs. R.V. Haribhakti	Non-Executive Independent	8	Yes
Mr R.R. Welling			
(w.e.f. 11th December, 2018)	Professional Executive	3	N. A.
Mr. S.S. Khanolkar			
(Up to 12th October, 2018)	Professional Executive	3	Yes

Names of Directors	Directorships held#	Number of Committee Memberships / Chairmanships in public companies$		Names of other listed companies where he/she is a Director	
		Member@	Chairman	Name of the Company	Category of Directorship
Mr. V.P. Mafatlal	10	-	-	-	-
Mr. T.M.M. Nambiar	3	2	1	ION Exchange (India) Ltd	Independent
Mr. P.N. Kapadia	11	8	2	Gokak Textiles Ltd.	Independent
				Mafatlal Industries Ltd.	Independent
Mr. S.S. Lalbhai	7	3	-	Amal Ltd.	Non-Independent
				Atul Ltd.	Non-Independent
				Pfizer Ltd.	Independent
				The Bombay Dyeing and Manufacturing Company Ltd.	Independent
Mr. S.M. Kulkarni	6	6	4	Bayer Crop science Ltd.	Independent
				Hindustan Construction Co. Ltd.	Independent
				KEC International Ltd.	Independent
				Camlin Fine Sciences Ltd.	Independent
Mr. S.G. Mankad	7	4	1	Deepak Nitrite Ltd.	Independent
				Gruh Finance Ltd.	Independent
				Swaraj Engines Ltd.	Independent
Mr. H.H. Engineer	6	3	2	-	-
Mr. A.K. Srivastava	2	2	2	Mafatlal Industries Ltd.	Non-Independent
Mrs. R.V. Haribhakti	6	7	-	EIF Associated Hotels Ltd.	Independent
				Rain Industries Ltd.	Independent
				ICRA Ltd.	Independent
				Adani Ports and Special Economic Zone Ltd.	Independent
				Mahanagar Gas Limited	Independent
Mr R.R. Welling (w.e.f. 11th December, 2018)	1	-	-	None	N.A.
Mr. S.S. Khanolkar (Up to 12th October, 2018)	-	N.A.	N.A.	N.A.	N.A.

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

$ Under this column, membership/chairmanship of Audit Committee and Stakeholders Relationship Committee is considered.

@ This is 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 2018-19, eight meetings of the Board of Directors were held on 9th May, 2018, 24th July, 2018, 17th August, 2018, 22nd October, 2018, 30th October, 2018, 21st December, 2018, 23rd January, 2019 and 11th March, 2019. The Company has thus observed the provisions of the Companies Act, 2013 and Listing Regulations allowing not more than four months gap between two such meetings.

Personal shareholding of Non-Executive Directors, in the Company as on 31st March, 2019 is as follows:

Name of the Directors	Number of equity shares of ₹2/- each, held
Mr. T.M.M. Nambiar	5,000
Mr. P.N. Kapadia	6,925
Mr. S.S. Lalbhai	5,000
Mr. S.M. Kulkarni	NIL
Mr. S.G. Mankad	NIL
Mr. H.H. Engineer	NIL
Mrs. R.V. Haribhakti	NIL
Mr. A.K. Srivastava	11,000

SKILLS/EXPERTISE/COMPETENCE OF THE BOARD:

The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess:

1. Commercial
2. Finance
3. Sales and marketing
4. Science and technology
5. Domain industry
6. General management and Human Resources
7. Legal, including laws related to corporate governance

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

None of the Directors are related to each other.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

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 has constituted an Audit Committee. Mr. S.M. Kulkarni is the Chairman of the Committee. Mr. T.M.M. Nambiar, Mr. P.N. Kapadia and Mr. S.S. Lalbhai 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.

The details of meetings held during 2018-2019 and attendance of the members thereat are as follows:

Sr. No.	Dates on which the Audit Committee Meetings were held	Attendance of Directors			
		Mr. S.M. Kulkarni	Mr. T.M.M. Nambiar	Mr. P.N. Kapadia	Mr. S.S. Lalbhai
1.	9th May, 2018	Attended	Attended	Attended	Attended
2.	24th July, 2018	Attended	Attended	Attended	Attended
3.	30th October, 2018	Absent	Attended	Attended	Attended
4.	21st December,2018	Attended	Attended	Attended	Attended
5	23rd January, 2019	Attended	Attended	Attended	Attended

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, Mr. N.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 Part D(A) of Schedule II and Regulations 19 of the Listing Regulations, the Board has constituted the Nomination and Remuneration Committee. Mr. S. S. Lalbhai is the Chairman of the Committee. Mr. T.M.M. Nambiar and Mr. S.M. Kulkarni are the other members of the Committee.

The Committee is, inter alia, authorized to identify persons who are qualified to become Directors and who may be appointed in Senior Management, evaluation of 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, review of remuneration of Senior Management Personnel and granting of stock options to eligible employee

The details of meetings held during 2018-2019 and attendance of the members thereat are as follows:

Sr. No.	Date on which the Nomination and Remuneration Committee Meetings were held	Attendance of Directors		
		Mr. S.S. Lalbhai	Mr. T.M.M. Nambiar	Mr. S.M. Kulkarni
1.	9th May, 2018	Attended	Attended	Attended
2	22nd October, 2018	Attended	Attended	Attended
3	11th March, 2019	Attended	Attended	Attended

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 fulfil the conditions of independence as specified in Regulation 16 of the Listing Regulations and are independent of the management.

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 and other employees which was approved and adopted by the Board and the same is available on the web link http://nfil.in/policy/index.html

DETAILS OF REMUNERATION TO ALL THE DIRECTORS:

Remuneration paid to the Executive Directors and Non-Executive Directors:

(₹ in lakhs)

Sr. No.	Director & Designation	Salary and Perquisites	Commission*	Sitting Fees
1	Mr. V.P. Mafatlal Executive Chairman	258.22	330.00	-
2	Mr. T.M.M. Nambiar	-	17.50	5.60
3	Mr. P.N. Kapadia	-	17.50	5.25
4	Mr. S.S. Lalbhai	-	17.50	5.95
5	Mr. S.M. Kulkarni	-	17.50	5.25
6	Mr. S.G. Mankad	-	17.50	3.50
7	Mr. H.H. Engineer	-	17.50	3.85
8	Mr. A.K. Srivastava	-	17.50	3.50
9	Mrs. R.V. Haribhakti	-	17.50	3.85
10	Mr R.R. Welling Managing Director***	138.49**	30.00	-
11	Mr. S.S. Khanolkar Managing Director****	397.70**	55.00	-

*Payable in financial year 2019-2020

**Including perquisite value of ESOPs

*** From 11th December, 2018

**** Up to 12th October, 2018

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

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

In terms of the Company's "Employee Stock Option Scheme – 2017" approved by the shareholders at the 19th Annual General Meeting held on 29th June, 2017, Mr. R. R. Welling has been granted 14,315 stock options during the year. The relevant details required to be disclosed under SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, are given in Annexure 5 to the Directors' Report.

The Non-Executive Directors are paid remuneration in accordance with the prevalent practice in the industry and commensurate with their experience, 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 web link 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. P. N. Kapadia is the Chairman of the Committee. Mr. A.K. Srivastava and Mrs. R.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, among others. During 2018-2019, two meetings of the Stakeholders' Relationship Committee were held on 8th May, 2018 and 30th October, 2018 and the same were attended by all the members of the Committee.

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

The other relevant details are as under:

a)	No. of Investor complaints pending as on 1st April, 2018	4
b)	Number of complaints received from shareholders from 1st April, 2018 to 31st March, 2019	44
c)	Number of complaints resolved	47
d)	Number of complaints remaining unresolved as on 31st March, 2019 which was subsequently resolved	1

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required under Section 135(1) of the Act, the Board has constituted a Corporate Social Responsibility Committee. Mr. S. G. Mankad is the Chairman of the Committee. Mr. V. P. Mafatlal and Mr. H. 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 and monitoring the CSR Policy.

During the year, two meetings of the Committee were held on 9th May, 2018 and 30th October, 2018 and the same were attended by all the Members of the Committee.

8. RISK MANAGEMENT COMMITTEE:

Pursuant to an amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee with effect from 1st April, 2019. Mr. V.P. Mafatlal, Executive Chairman of the Company, is the Chairman of the Committee. Mr. R.R. Welling - Managing Director, Mr. A.K. Srivastava - Director, Mr. Ketan Sablok - Chief Financial Officer and Mr. Lalit Soni – General Manager, Corporate Treasury, are the other 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 management. During the year, one meeting of independent directors was held on 11th March, 2019. All the Independent Directors attended the Meeting. Mr. S.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 Chairperson) 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
20th	2017-18	Rama & Sundri Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	24th July, 2018	3.00 p.m.	2
19th	2016-17	Rama & Sundri Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	29th June 2017	3.00 p.m.	3
18th	2015-16	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	25th July, 2016	3.00 p.m.	1

During the year 2018-19, no Resolution was passed through Postal Ballot.

11. MEANS OF COMMUNICATION:

The financial results of the Company are reported as mentioned below:

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. 21st Annual General Meeting	
Date	21st June, 2019
Time	3.00 p.m.
Venue	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road Churchgate, Mumbai 400020
B. Financial Calendar	1st April, 2019 to 31st March, 2020 (tentative)
First quarterly results	End of July 2019
Second quarterly results	End of October 2019
Third quarterly results	End of January 2020
Audited yearly results	End of May 2020
C. Date of Book Closure (both days inclusive)	11th June, 2019 to 14th June, 2019
D. Dividend payment date	24th June, 2019
E. Listing	BSE Ltd. (BSE) National Stock Exchange of India Ltd.(NSE) The Listing Fees for the year 2019-20 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 2018-19:

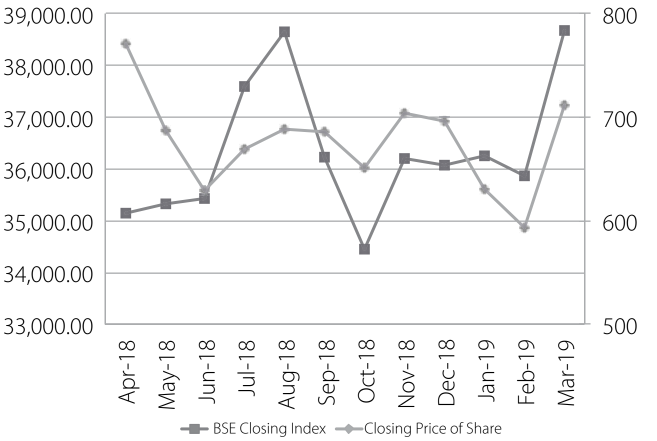
Market Price data- high, low during each month in last Financial Year
Bombay Stock Exchange (BSE Ltd.)

Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	Number of shares traded
April 2018	815.35	744.00	35,213.30	32,972.56	2,09,729
May 2018	792.00	668.30	35,993.53	34,302.89	1,11,981
June 2018	711.00	624.00	35,877.41	34,784.68	59,832
July 2018	710.00	582.00	37,644.59	35,106.57	8,21,090
August 2018	709.00	623.75	38,989.65	37,128.99	2,16,472
September 2018	823.00	667.00	38,934.35	35,985.63	2,04,597
October 2018	730.00	588.40	36,616.64	33,291.58	1,14,069
November 2018	741.70	633.95	36,389.22	34,303.38	90,604
December 2018	759.50	663.85	36,554.99	34,426.29	1,29,116
January 2019	730.00	605.00	36,701.03	35,375.51	1,52,663
February 2019	633.00	581.35	37,172.18	35,287.16	1,17,636
March 2019	743.00	595.00	38,748.54	35,926.94	1,34,000

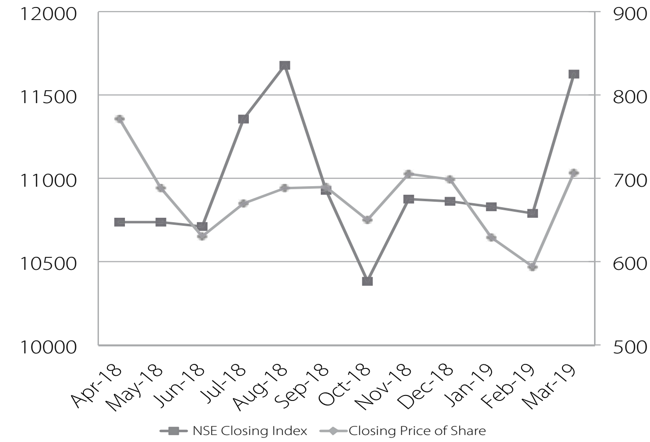
National Stock Exchange of India Ltd. (NSE):

Month	Highest	Lowest	NSE NIFTY Highest	NSE NIFTY Lowest	Number of shares traded
April, 2018	820.00	747.00	10,759.00	10,111.30	8,15,940
May 2018	790.10	665.00	10,929.20	10,417.80	8,44,749
June 2018	704.80	625.95	10,893.25	10,550.90	9,64,643
July 2018	709.80	583.05	11,366.00	10,604.65	30,01,875
August 2018	705.90	597.70	11,760.00	11,234.95	7,65,495
September 2018	779.65	663.10	11,751.80	10,850.30	10,58,890
October 2018	699.00	590.45	11,035.65	10,004.55	7,87,724
November 2018	741.00	632.20	10,922.45	10,341.90	10,83,868
December 2018	758.50	655.10	10,963.65	10,333.85	10,71,752
January 2019	720.00	605.00	10,987.45	10,583.65	7,41,633
February 2019	640.00	579.70	11,118.10	10,585.65	4,65,848
March 2019	728.45	591.00	11,630.35	10,817.00	5,59,871

Performance in comparison to broad based indices: Company share price and BSE Sensex



Performance in comparison to broad based indices: Company share price and NSE Nifty



I. Registrar and Share Transfer Agents:

M/s. Karvy Fintech Private Limited are the Registrars and Share Transfer Agents of the Company. The address for correspondence is as under:

M/s. Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032
Tel No 91- 040 -6716 2222, Telefax No 91 040 2300 1153, Toll Free No 1800 3454 001
E mail ID :einward.ris@karvy.com, navin.ris@karvy.com
Website: www.karvyfintech.com

Mumbai Office:	Ahmedabad Office:
24B, Rajabahadur Mansion, Ambalal Doshi Marg,	201, Shail Complex. Opp Madhusudan House, Off C.G. Road,
Ground Floor, Fort, Mumbai 400023,	Near Navrangpura Telephone Exchange, Ahmedabad 380 006
Tel: 022-6623 5454,	Tel: 079 – 2640 0527, 6515 0009
Fax: 022-6633 1135	E mail: ahmedabad@karvy.com

J. SHARE TRANSFER SYSTEM :

All the share related work is being undertaken by our R&T Agent, Karvy Fintech Pvt Ltd Any two Directors of the Share Transfer Committee approves the share transfer, split and consolidation, among others, of the shares. The shareholders'/investors' grievances are also taken up by our R&T Agent.

K. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2019 :

Slab	Total number of shareholders	%	Number of Shares	% of total share capital
Less than 500	77,689	94.64	43,27,278	8.75
501-1000	1,979	2.41	14,93,751	3.02
1001-2000	1,228	1.50	18.14,972	3.67
2001-3000	402	0.49	9,99,398	2.02
3001-4000	204	0.25	7,14,798	1.45
4001-5000	139	0.17	6,51,967	1.32
5001-10000	185	0.23	13,58,454	2.75
10001-above	261	0.32	3,80,96,547	77.03
Total	**82,087**	**100.00**	**4,94,57,165**	**100.00**

L. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019:

Sr. No.	Category	Number of shares held	% of holding
1.	Promoters' holding	15349724	31.04
2.	Mutual Funds/AIFs and UTI	8762216	17.72
3.	Bank, Financial institutions, insurance companies, central / state government institutions	185892	0.37
4.	FIIs (Foreign Institutional Investors)	8006076	16.19
5.	Private Corporate Bodies	2474284	5.00
6.	Indian Public	13708974	27.72
7.	NRIs / OCBs	564393	1.14
8.	Any other (please specify) Trust	405606	0.83
	Total	**4,94,57,165**	**100.00**

M. DEMATERIALISATION DETAILS :

The equity shares of the Company are traded on BSE Ltd. and National Stock Exchange of India Ltd.

As on 31st March 2019, 45,547 shareholders were holding 4,81,96,690 equity shares in demat form which constitute 97.45% of the total share capital of the Company.

N. OUTSTANDING GDR / ADR : N.A.

O. 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 15th November, 2018 is not required to be given.

P. PLANTS / FACTORIES:

1. Navin Fluorine, Bhestan, Surat – 395023
2. Navin Fluorine, Dewas, M.P. - 455002

Q. ADDRESS FOR CORRESPONDENCE :

Navin Fluorine International Limited

a) 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
Website: www.nfil.in
E-mail: niraj.mankad@mafatlals.com

b) Kaledonia, Office No.3, 6th floor, Opp. Vijay Nagar Society,
Sahar Road, Andheri (E), Mumbai 400069.
Tel: 91 22 6771 3800, Fax:91 22 6771 3924

13. OTHER DISCLOSURES:

i) Disclosure on materially significant related party transaction, that may have potential conflict with the interest of the Company at large:

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

ii) Details of non-compliance by the Company, penalties, strictures imposed by stock exchanges/SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

None

iii) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee:

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 behaviour, actual or suspected fraud or violation of the Company's Ethics Policy and

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.

c. To appropriately communicate the existence of such mechanism, within the organization and to outsiders. Whistle Blower Policy is available on web link http://www.nfil.in/policy/index.html

The Company confirms that no personnel has been denied access to the audit committee pursuant to the whistle blower mechanism.

iv) Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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.

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

   The following non-mandatory requirements have been adopted by the Company:

   (a) Auditor's Report does not contain any qualifications.

   (b) The Company has appointed separate persons to the posts of Chairman and Managing Director

   (c) The Internal Auditors report directly to the Audit Committee

vi) The policy for determining 'material' subsidiaries is available on web link: http://www.nfil.in/policy/index.html.

vii) The policy on dealing with related party transactions is available on web link http://www.nfil.in/policy/index.html.

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

ix) 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.

x) A certificate from M/s. Makarand M. Joshi & Co., Company Secretaries, as to the Directors of the Company not being debarred or disqualified is enclosed herewith.

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

xii) During 2018-2019, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. Price Waterhouse Chartered Accountants LLP and all entities in the network firm/network entity of M/s. Price Waterhouse Chartered Accountants LLP was ₹ 43.58 Lakhs.

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.

15. DISCLOSURE OF ACCOUNTING TREATMENT DIFFERENT FROM ACCOUNTING STANDARDS:

None

16. 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.

Further, the Directors and the Senior Management of the Company has submitted disclosure to the Board that they do not have any material financial and commercial transactions, that may have a potential conflict with the interest of the Company at large

17. 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.

ANNEXURE TO CORPORATE GOVERNANCE REPORT OF NAVIN FLUORINE INTERNATIONAL LIMITED

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 31st March, 2019..

For and on behalf of the Board,

Place: Mumbai
Date: 6th May, 2019

R.R. Welling
Managing Director

For and on behalf of the Board,

Place: Mumbai
Date: 6th May, 2019

V.P. Mafatlal
Chairman

AUDITOR'S CERTIFICATE

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, 2019 as stipulated in Regulations 17, 18, 19, 20, 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 : 19048125AAAAAL1607

Place: Mumbai
Date: 6th May, 2019

CERTIFICATE RELATING TO NON-DISQUALIFICATION OF DIRECTORS

To,
The Members,
NAVIN FLUORINE INTERNATIONAL LIMITED
2nd Floor, Sunteck Centre,
37-40 Subhash Road, Vile Parle (East),

Based on our verification of the declarations provided to Navin Fluorine International Limited (hereinafter referred to as 'the Company') by the Directors (as enlisted in Table A) and the documents and details available on the website of the Ministry of Corporate Affairs, BSE Limited, National Stock Exchange of India Limited and publicly available details of cases/litigations filed against any individuals as on May 05, 2019, we hereby certify that in our opinion, the Directors of the Company (as enlisted in Table A) are neither debarred nor disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authorities.

We have followed processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the declarations. We believe that the processes and practices, we followed provide a reasonable basis for our certification.

Table A

Sr. No.	Name of the Directors	Director Identification Number
1.	Mr. Vishad Padmanabh Mafatlal	00011350
2.	Mr. Thekkekkara Meloth Mohan Nambiar	00046857
3.	Mr. Sunil Siddharth Lalbhai	00045590
4.	Mr. Atul Kumar Srivastava	00046776
5.	Mr. Sharad Madhav Kulkarni	00003640
6.	Mr. Pradip Narotam Kapadia	00078673
7.	Mr. Sudhir Gunvantray Mankad	00086077
8.	Mr. Harish Hansubhai Engineer	01843009
9.	Mr. Radhesh Welling	07279004
10.	Mrs. Radhika Vijay Haribhakti	02409519

For Makarand M. Joshi & Co.,
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 6th May, 2019

Annexure-3

Business **responsibility report**

INTRODUCTION

Business Responsibility Report 2018-19 follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs (MCA), Government of India. Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the company	L24110MH1998PLC115499
2.	Name of the Company	Navin Fluorine International Limited. (NFIL)
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	2018-19
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 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 • 5 sales offices in New Delhi, Mumbai, Surat, Chennai and Hyderabad. • Head office in Mumbai.
10.	Markets served by the Company	Our roots are spread across India, South East Asia and Middle East Countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up capital (INR)	989.00 Lakhs
2.	Total Turnover (INR)	98,990.10 Lakhs
3.	Total profit after taxes (INR)	14,847.83 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	529.19 Lakhs 3.56%
5.	List of activities in which expenditure in 4 above has been incurred	Healthcare, sanitation, promotion of Olympic sports, livelihood enhancement, education, safe drinking water, eradicating malnutrition and animal welfare.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, our list of subsidiaries can be found in Annexure 6 of the annual report

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 company/companies do not participate in our 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%. Today, value chain has a very high impact on the society and environment. Being a responsible company, we abide to all the policies and governmental laws. We have a robust and comprehensive selection process with stringent norms to ensure that we on board the right value chain partners. The vendors are assessed by the Review committee on the parameters of quality, safety, manufacturing process, capabilities, delivery and commitment. Depending on the assessment and grading; vendors would be selected or rejected. Also, Post-onboarding compliance parameters are checked for every vendor.

   The vendors are graded as:

Excellent	Grade A
Good	Grade B
Fair	Grade C
Not acceptable	Grade D

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/ Directors responsible for BR

   a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies

1	DIN Number	07279004
2	Name	Mr. R.R. Welling
3	Designation	Managing Director

   b) Details of the BR Head

No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. G. C. Jain
3.	Designation	President-Operations
4.	Telephone Number	0261-6715303, Mo: 8347459700
5.	E-mail ID	gyanchand.jain@nfil.in

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct, Archival Policy, Whistle-blower Policy, Sustainable Development Policy P2: Integrated Management Systems Policy, Sustainable Development Policy, Code of Conduct P3: Integrated Management Systems Policy, Human Rights Policy, HSE Policy, Sexual Harassment Policy P4: CSR Policy, Sustainable Development Policy P5: Human Rights Policy P6: Integrated Management Systems Policy, Sustainable Development Policy, HSE Policy P7: Sustainable Development Policy P8: CSR Policy P9: Quality Policy, Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in consultation with the Management of the Company and are approved by the Board								
3	Does the policy conform to any national / international standards? If yes, specify.	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are in – line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG).								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD /owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by the Managing Director.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	NFIL has appointed Mr. R.R. Welling - Managing Director who is responsible for implementation of BR policies and monitoring the BR performance.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		http://www.nfil.in/policy/index.html http://www.nfil.in/about_us/code_conduct.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Our all policies are available on the Company's website and are included in the agreements with external stakeholders as applicable.								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy/policies?	The queries regarding to BR polices can be sent to info@nfil.in								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Surveillance and recertification audits of our Integrated Management System (IMS) are performed by TÜV SÜD. As part of these audits, polices are evaluated for its effective implementation.								

b) **If answer to Sr. No. 2 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.**

      This is our third BR report and 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?**

      Our business responsibility report is part of the annual report. The hyperlink for previous year's report is: http://www.nfil.in/investor/financialresult/fy20172018/Navin%20AR 2018.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (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?**

   NFIL is a fair and transparent organisation. Our business practices and activities are based on the Company pillars which are core ethics and values. Corporate Governance at the organisation is steered by our policies on ethics including Code of Conduct, Ethics Policy and Whistle Blower Policy; where our Code of Conduct extends to all our employees, suppliers and contractors.

   Highest level of transparency, integrity, accountability and corporate social responsibility is maintained by our Ethics Policy. Our whistle blower policy provides agile mechanism for employees of the Company and other persons dealing with the Company to report to the Audit Committee. Also, we have a well-structured supply chain policy which sets out specific guidance on the code of conduct for our business partners while they work with the Company. The suppliers can provide their feedback to Corporate Supply Chain cell at scm@nfil.in.

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.**

   For the reporting year, across our organisation, we have not received any stakeholder complaint related to unethical practices.

Principle 2 (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.**

   Our mission states "To innovate, build and operate chemical plants in the most safe and environment friendly manner". With respect to our mission, we strive to innovate and incorporate environmental concerns in our products, three of which are:

   a) BF3 Gas
   b) Pera Fluoro Phenol
   c) KF

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?**

      Our Company is driven towards enhancing operational efficiency and focuses on resource optimisation to curb the environmental footprint of its activities. We achieve these goals by incorporating best in class technologies.

      We have adopted processes which have resulted in reduction of raw material and energy consumption. Details of the reductions achieved through the above products are as follows:

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	Fluorspar natural mineral norms improved. NG norms improved	0.016	0.019	0.009
KF	Power and NG norms improved	-	0.08	0.042
PFP	B4 norms improved	0.033	-	-
DFBA	DCBN and NG norms improved	0.776	-	0.652
BF3	Power norms improved	-	0.089	-
RTH	RM norms reduction, Power norms improved, effluent reduction	0.75	0.41	-

Also processes for products like DCC, QSC, MMP, BDL, TDC, TCE, TCC, DCA, PPA, AFB, and BCM have also reduced energy consumption.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

Several measures have been adopted towards Green procurement- which includes procurement of certain recycled solvents, catalysts & raw materials. As packaging has a broad scope of responsible procurement, we utilise packaging materials like drums, carboys, pallets, etc., which are reused on regular basis.

We have also reduced material requirement for packaging of our finished product- Diluted Hydrofluoric Acid by storing it in tankers instead of drums/carboys. Also while innovating new molecules as our products, all the raw materials and its environmental impacts are considered. Of the total procurement of INR 450 crores, the following materials are brought on sustainable basis through long term contracts:

1	Fluorspar	24%
2	Chloroform	10%
3	Benzo Tri Fluoride	7%
4	Boric Acid	2%

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?**

In the view of sustainable and responsible procurement, local sourcing plays an important role to the local community and to the Company also. At NFIL, we have spent almost INR 450 Crores (42%) on local sourcing itself. Due to local unavailability of some particular material suppliers, those materials are outsourced.

We have engaged local service vendors for most of the fabrication, manpower, house-keeping services, etc. Other local vendors include those which provide services like machining, electrical instrumentation, air-conditioning, transportation services, we have fostered long-term relationships with most of these vendors. We improve and strengthen our relation with these value chain partners by providing them with the necessary technical knowledge and capacity building. We organize an annual vendor meet where we engage with our vendors and their feedback is collected on their experience while partnering with NFIL. Also, vendor audits are conducted to assess them on QHSE basis.

5. **Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

Yes, we aim to reduce and improve our waste management practices. Our by-products are partly recycled and recovery mechanism of RM and solvent are practiced. We have almost recycled 70% of water from effluents.

Principle 3 (P3): Businesses should promote the well-being of all employees

1. **Please indicate the total number of employees.**

1410 (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 695

3. **Please indicate the number of permanent women employees.**

32

4. **Please indicate the number of permanent employees with disability.**

0

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?**

37% of our employees are associated with Navin Fluorine International Employees Union.

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.**

Category	No. of complaints during financial year	No. of complaints pending at the end of the financial year
Child Labour	-	-
Forced Labour/ Involuntary Labour	-	-
Sexual Harassment	-	-

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

What are the average hours of training on: (In percentage)	Surat site		Dewas site		Average sites	
	Safety Training	Skill Upgradation training	Safety Training	Skill Upgradation training	Safety Training	Skill Upgradation training
Permanent Employees	100%	80%	100%	80%	100%	80%
Permanent women employees	100%	80%	100%	80%	100%	80%
Casual/temporary/ Contractual employees	100%	0%	100%	0%	100%	0%
Employees with disability	100%	NA	NA	NA	100%	100%

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage 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 impacted by the Company's operations. These stakeholders include:

a	Management
b	Shareholders
c	Employees
d	Contract labor
e	Suppliers
f	Vendors
g	NGO's
h	Government authorities
i	Local communities

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, we have identified the disadvantaged, vulnerable & marginalized stakeholders and they are listed below:

1	Children
2	Tribal village
3	Senior-age citizens

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.**

   In order to address, the stakeholder concerns and improve & uplift the underprivileged sections of the society; we have undertaken special stakeholder engagement initiatives for each of these stakeholder groups. The interventions undertaken in FY 2018-19 are as follows:

   1. **Children:** The paradigmatic shift in the past decade in the understanding of the role of health and nutrition in school-age children has fundamental implications for the design of effective programs; for which Educational programs on Cleanliness and Health & Hygiene have been practiced in Ashram Shala. Through Gyanshala, elementary education is provided to slum children while Pathshala Pravesh Mahostav aims to provide primary education for these children.

   2. **Tribal Villages:** There are more than 500 tribes and sub-tribes in India, who are living in the roots of nature and are the richest among the natural resources. But due to rapid industrialization and recent urbanization they are suffering with economic backwardness, insecure livelihood, health problems, etc. Today healthcare, sanitation, availability of potable water and safety are few of the crucial challenges faced by the tribal communities associated with NFIL. We have arranged a facility of mobile health services in villages for medical care including routine check -up and medicines where tribes can reach out. We have also intervened in installing RO water purifiers and toilet blocks to ensure availability of potable water and sanitation.

   3. **Senior age citizens:** They are highly experienced people; aware of the success, threats and pitfalls of the life. They have brought the world to this stage being aware of the nature and tendency of life. With age, there are extremely high chances of reduced functioning of basic functions of body; of which eye-sight is the major one. Several eye check-up camps were set up for the elderly where medicines and spectacles were provided free of cost.

   4. **Foundation for Promotions of Sports and Games:** We see investment in sports as nation building, community development, empowerment, skill development and investment in health. We discovered a new ground for

serving and influencing our society for their betterment by initiatives in sports.

5. **Discussions with Local Government :** To maintain good working relationships with governmental authorities at different levels, and to assure them that we follow the guidelines and regulations prescribed by them we undertake and participate in all government run initiatives like Safety Day, Responsible Care, Earth Day, Environment Day etc.

6. **Discussions with the village Sarpanch:** We hold regular meetings with the Sarpanch of nearby villages to assure them that we carry out our operations with world class safety measures in place to avoid any fatal accidents.

Principle 5 (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?**

   Today, we are aware of the fact that human rights abuses might exist in the value chains of the materials we procure and hence our policy on human rights is extended to our suppliers, contractors and all relevant business associates. At NFIL, our robust mechanism which are in place to prevent human rights violations; we aim to create an environment which expels all the biased relations and harassment, allowing the employees to work at their full potential with maximum output. Our Human rights policy covers the following:

   - Overall well-being of our employees in terms of health, hygiene, safety and productivity.
   - Zero discrimination and equal employment opportunity to all.
   - Freedom of expression and collective bargaining
   - Robust grievance mechanisms
   - Compliance with all applicable local and national laws

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   For the reporting year, we have not received any stakeholder complaint related to violation of Human rights.

Principle 6 (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.**

   Yes, our Sustainable Development Policy extends to all our 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.?**

   Observing the global phenomena and the urgency for reducing the environmental footprints; we being a responsible Company took some initiatives for the same which can be found below:

   a) Reduction in GHG emissions: We have installed 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. Our R&D has developed greener processes in water media for oxidative bromination for specialty molecules, which avoids use of organic solvents & hence reduces effluent & air pollution.

      b. Five new BF3 adducts (liquid) have been developed which are safer to use, store and transport as compared to BF3 gas. All these adduct reduce the pollution during usage as they are handled at atmospheric pressure.

      c. R&D has also developed processes for preparing Inorganic Bulk Metal Fluoride utilizing waste (H2SiF6) stream of existing product, which reduces effluents.

      d. NFIL has entered into developing and manufacturing new generation of refrigerant gases which have very low global warming potential e.g.: HFO-1234YF.

      e. NFIL also entered into agreement with Surat Municipal Council to take 2 MLD treated recycled water from their STP (Sewage treatment plant) which will curb our CO2 emissions and also result in water savings.

   a) Reduction in resource consumption: We have replaced furnace oil with natural gas, electric lights with solar power lights etc.

   b) Reduction in solvent emissions:

      a. We have installed chilled water vent condensers on solvent storage tanks and reactors.

      b. Process vents have been connect to scrubbers

3. **Does the Company identify and assess potential environmental risks?**

   Yes, we identify the potential environmental risks through a robust Quantitative Risk Assessment (QRA) process. QRA assesses all the hazardous chemicals that are stored in bulk quantity at our sites and provides direction in case of any mishap with safe handling of the chemicals. The key environmental risks identified are;

   - Energy efficiency

   - Water discharge

   - Air quality

   - Effluent waste management

   We have addressed all the above mentioned risks by various means and they are listed below:

   a) Energy efficiency- NFIL has been consistently taking efforts towards improving its energy efficiency through installation of LED lights, Astro Timer, Voltage servo stabilizer and various other power saving schemes in the plants.

   b) Water discharge- Our effluents are treated using MEE (Multi effect evaporator) and the treated water is recycled.

   c) Air quality- Our air emissions are closely monitored through online monitoring systems.

   d) Effluent waste management- NFIL has a dedicated primary, secondary and tertiary treatment facility (both organic and inorganic) and has also tied up with preprocessors for disposal of organic and inorganic waste (cement industries).

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, we have a clean development mechanism for elimination of R-23 through incineration in a thermal oxidiser.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.**

   Our commitment for continual improvement, efficient resource utilization & optimisation and technological upgradations has benefited us and environment in several ways. This can be explained by our R&D in the following manner:

   a) During the development of processes for new molecules or products, R&D selects solvents which can be effectively recovered and reused. We also pay heed to the environment hazard while selecting the solvents or reagents or RMS. Currently our R&D team is focusing on developing greener processes where solvent recovery is maximum and reducing the effluent load.

   b) R&D also works on Vapour Phase Technology for developing clean and environment friendly processes (Fluorination/ chlorination/ hydrogenation). It avoids usage of hazardous and corrosive reagents by introducing reusable solid catalysts, which offers easy separation and purification of the product and minimize the waste generation.

   c) All reactors and centrifuges are provided with variable frequency drives (VFD) for energy saving.

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 by NFIL are within the permissible limits specified by the CPCB and 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 legal notices from CPCB/SPCB are pending in the reporting period.

Principle 7 (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 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

   e) South Gujarat Chamber of Commerce

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes. For betterment, improvement and advancement of the sector, NFIL has lobbied through above mentioned associations for:

a) Protection of industry area of interest with a long term sustainability goal.

b) Updates on various Government notifications and legislative changes in the areas of customs, central excise, GST etc.

c) Taking issues on import – export activities with government.

Principle 8 (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.**

NFIL walks an extra mile to collaborate with several communities to have a constructive footprint. We are very much dedicated towards corporate sustainability and social responsibility. Our activities oversees environment, health, education, sustainable livelihood, animal care and other social causes. Our major activities included:

a) Mobile health services: In order to promote health care in some of the remote areas of the country, the mobile health services makes provision for medical care including routine check -up and medicines in villages.

b) Ashram Shala: Nutrition and ensuring that children get the required dietary supplements is essential. Ashram Shala initiative provides breakfast to tribal children to support their health and well-being.

c) RO water projects: Under this project we provide potable drinking water to villagers and schools through the installation of water ATMs.

d) Swachh Bharat Abhiyan: We constructed and handed over 280 toilets under this program in rural areas of Gujarat and Madhya Pradesh.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

At NFIL, we have a separate CSR team which identifies and implements most of the initiatives. We associated with Piramal Sarv Jal, an NGO to run the RO water project in the villages.

3. **Have you done any impact assessment of your initiative?**

Yes, an impact assessment is administered for all our programs. Also, before any initiative is taken up; we conduct a pre-impact study to assess the needs of the people in our vicinity to plan our CSR interventions.

4. **What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.**

NFIL engages into CSR activities after a thorough research, its implementation and adoption of those practices in the local community. As mentioned earlier, to have a constructive footprint, our CSR intervention is amounted in the following initiatives as:

Mobile health services	₹ 41,56,932
Sarvajal Yojna	₹ 69,00,371
Shala Pravestostav	₹ 45,396
Animal Welfare	₹ 2,50,000
Eye Camps	₹ 7,08,353

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Our CSR initiatives are supervised by our monitoring mechanism established by the Corporate HR/Unit HR head. The monitoring mechanism specifically includes a vigilant feedback system assigned to the project heads. Details of the initiatives monitoring and growth are noted down as:

a) Mobile health services: Villages are re-visited at least twice a month to follow up on patient's condition and monitor their health.

b) Ashram Shala: Continuous follow up with the administration of Ashram Shala is done to check on their needs and provide them with the same.

c) RO Water Project: The water ATMs are solar powered and cloud connected, enabling remote tracking of water quality and of each pay per use transaction.

Principle 9 (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.**

We have received a total of 44 complaints during the reporting period and none of the complaints are pending for resolution. 100% resolution of 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?**

NFIL abides to all the applicable laws with respect to product labelling. Relevant labelling on packaging is also done indicating nature of hazards as per the defined format identified in Domestic / International laws. We practice 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 our 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.**

   We have not received any complaints during the reporting year.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Being a customer centric organisation and believe to deliver the best-in class products, we conduct regular customer satisfaction survey which enables us to improve ourselves. The survey is driven through our system, where it indulges with our external and internal customers. Our 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. This year the total customer satisfaction index scores were 96.82%.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 6th May, 2019

V.P. Mafatlal
Chairman
(DIN:00011350)

Regd. 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. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

   The Company has framed a CSR Policy in compliance with the provisions of The Companies Act, 2013 and the same is available on the web link http://www.nfil.in/policy/index/html. 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), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. The Composition of the CSR Committee –

   Mr. S.G. Mankad – Chairman
   Mr. H.H. Engineer – Member
   Mr. V.P. Mafatlal – Member

3. Average net profit of the Company for last three financial years
   ₹ 15772.65 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
   ₹ 315.45 lakhs

5. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year:
₹ 315.45 lakhs

(b) Amount actually spent on CSR activities
₹ 329.19 lakhs (not considering one-time amount of ₹ 1.00 Cr. each to Shri Sadguru Seva Sangh Trust and Arvind Mafatlal Foundation for completion of 50 successful years of business).

(c) Amount unspent, if any
NIL

(a) Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programmes (2) Overheads**	**Cumulative expenditure upon the reporting period**	**Amount Spent: Direct or through implementing agency**
1	Meeting cost of free eye surgeries	Health Care	Janki Kund, Satna, MP	120.00	120.00	120.00	Through Shri Sadguru Seva Sangh Trust
2	Providing RO Water (safe drinking water) to villages	Making available safe drinking water	3 villages in Gujarat and 5 villages in Madhya Pradesh	72.00	69.00	69.00	Through Piramal Sarvajal
3	Mobile health services in villages for medical care including routine check -up and medicines	Health Care	Villages around Bhestan in Surat, Gujarat	31.50	28.36	28.36	Directly
4	Olympic Sports Promotion	Promoting Olympic Sports	Olympic Gold quest Foundation	20.00	20.00	20.00	Foundation for promotion of sports and games (Olympic Gold Quest)
5	Supporting rebuilding Kerala post floods	Livelihood enhancement	Kerala	15.00	15.00	15.00	Through Seva Bharati Keralam, Kerala
6	Mobile health services in villages for medical care including routine check -up and medicines	Health Care	Villages around Dewas in Madhya Pradesh	14.50	13.20	13.20	Directly
7	Elementary education of slum children	Education	Ahmedabad, Gujarat	10.00	10.00	10.00	Through Gyanshala, Ahmedabad
8	Maharogi Seva Samiti, Warora	Health Care	Hemalkasa, Maharashtra	10.00	10.00	10.00	Through Lok Biradari Prakalp

(₹ in lakhs)

(1) Sr. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount Outlay (budget) project or programs wise	(6) Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programmes (2) Overheads	(7) Cumulative expenditure upon the reporting period	(8) Amount Spent: Direct or through implementing agency
9	Building and handing over of 34 toilets under Swach Bharat Abhiyan in rural areas	Sanitation	In Madhya Pradesh	12.50	9.65	9.65	Directly
10	Bharat Ke Veer Corpus Fund	Benefit of armed force veterans, war widows and their dependants	National	-	7.78	7.78	Directly
11	Eye Camps	Health Care	Areas around Bhestan, Surat in Gujarat and Dewas in Madhya Pradesh	6.50	7.08	7.08	Directly
12	Miscellaneous Provisions			2.00	4.18	4.18	
13	Nair Charitable Hospital Department Development Fund	Health Care	Nair Hospital, Mumbai	-	4.00	4.00	Directly
14	Audiology and Speech therapy equipments	Health Care	Ramkrishna Mission, Mumbai	-	3.00	3.00	Directly
15	Nutrition to under privileged children	Eradicating Malnutrition	Salaam Balak Trust	3.60	2.64	2.64	Directly
16	Animal Welfare, bird rescue and rehabilitation	Animal Welfare	Surat, Gujarat	1.50	2.50	2.50	Through Prayas (Green NGO)
17	Community Development and Plantation of Trees	Sustainable Development	Ahmedabad	-	2.02	2.02	Through Shashakt Foundation
18	Pathshala Pravesh Mahotsav at Surat Schools	Education	In and around Surat Schools	0.30	0.45	0.45	Directly
19	Providing nutrition to students at Ashram Shala	Eradication of Malnutrition	Surat, Gujarat	2.00	0.32	0.32	Directly
	TOTAL			**321.40**	**329.19**	**329.19**	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

   N. A.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

   The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

S.G. MANKAD
CHAIRMAN - CSR COMMITTEE
(DIN:00086077)

R.R. WELLING
MANAGING DIRECTOR
(DIN:07279004)

Place: Mumbai
Date: 6th May, 2019

Regd. Office:
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CIN: L24110MH1998PLC115499

Annexure-5

DISCLOSURES WITH RESPECT TO EMPLOYEES' STOCK OPTION SCHEME, 2007 AND EMPLOYEES' STOCK OPTION SCHEME, 2017 OF THE COMPANY PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2019:

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 statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2018-19.

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, 2019 is ₹ 30.03 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 scheme is summarised as under:

Sr. no.	Particulars	ESOS - 2007	ESOS - 2017
(a)	Date of shareholder's approval	July 20, 2007	June 29, 2017
(b)	Total number of options approved under ESOS	504900 (of 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 Remuneration Committee finalises 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 vesting of options.	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	1,93,760	58,700
(b)	Number of options granted during the year	-	15,040
(c)	Number of options forfeited / lapsed during the year	11,405	9,650
(d)	Number of options vested during the year	44700	-
(e)	Number of options exercised during the year	1,06,355	-
(f)	Number of shares arising as a result of exercise of options	1,06,355	-
(g)	Money realised by exercise of options	₹ 207.18 Lakhs	-
(h)	Number of options outstanding at the end of the year	76,000	64,090

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

a) Weighted average exercise price – ₹ 568.88.

b) Weighted average fair value (Black Scholes model) - ₹ 220.70.

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

a) Key managerial personnel and senior managerial personnel.

Name	Designation	Options
Mr. R.R. Welling	Managing Director	14,315
Mr. A. P. Birari	DGM	725

Exercise price of options 14,315 granted is ₹ 698.45 and options 725 granted is ₹ 770.35

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)

Particulars	For the year ended March 31, 2019
Expected volatility (%)	39.50%
Option life (Years)	6
Dividend yield (%)	2.79%
Risk-free interest rate	7.45%

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 6th May, 2019

V.P. Mafatlal
Chairman
(DIN:00011350)

Regd. 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

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED MARCH 31, 2019
PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANY (MANAGEMENT & ADMINISTRATION) RULES, 2014]

I REGISTRATION AND OTHER DETAILS:

i	CIN	L24110MH1998PLC115499
ii	Registration Date	25/06/1998
iii	Name of the Company	Navin Fluorine International Limited
iv	Category/ Sub-category of the Company	Company limited by Shares
v	Address of the Registered office and contact details	2nd Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai - 400057, Maharashtra, India.
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32,Gachibowli, Financial District, Nanakramguda,Hyderabad 500 032 Tel No 91- 040 -6716 2222 to 24

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / Service	% to total turnover of the Company
1	Hydrofluoric acid and other fluorine chemicals	2411	55%
2	Synthetic cryolite, fluorocarbon gases	2411	26%
3	Others	2411	19%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	**Sulakshana Securities Limited** Mafatlal House Back bay Reclamation Mumbai City Maharashtra 400020 India	U67120MH1995PLC085469	Wholly- Owned Subsidiary	100.00%	Section 2(87) of Companies Act, 2013
2	**Manchester Organics Limited** The Health Business and Technical Park, Runcorn Cheshire, WA 74QX, U.K.	NA	Subsidiary	51.00%	Section 2(87) of Companies Act, 2013
3	**Convergence Chemicals Private Limited** Plot No D- 2/11/A1 G.I.D.C., Phase-II Dahej Tal, Vagra, Dahej - 392130	U24100GJ2014PTC081290	Joint Venture	49.00%	Section 2(6) of Companies Act, 2013
4	**Swarnim Gujarat Fluorspar Private Limited** 7th Floor, Khanij Bhavan, Nr Gujarat University, Ground, 132ft Ring Road, Vastrapur, Ahmedabad -380052	U24119GJ2012PTC070801	Joint Venture	49.48%	Section 2(6) of Companies Act, 2013
5	**NFIL(UK) Limited** Third Floor, 126-134 Baker Street, London W1U6UE	NA	Wholly Owned Subsidiary	100.00%	Section 2(87) of Companies Act, 2013
6	**Navin Fluorine (Shanghai) Co, Ltd.** Rm.2656, 26/F, No.83, Lou Shan Guan Road, Changning District, Shanghai	NA	Wholly Foreign Owned Enterprise (WFOE)	100.00%	Section 2(87) of Companies Act, 2013
7	**NFIL USA, INC.** 47 Bond St, Bridgewater, NJ 08807 US	NA	Wholly Owned Subsidiary	100.00%	Section 2(87) of Companies Act, 2013

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

A) Category-wise Shareholding

Category of Shareholders	No. of Shares of ₹2/- each held at the beginning of the year 01/04/2018				No. of Shares of ₹2/- each held at the end of the year 31/03/2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	19,29,499	-	19,29,499	3.91	19,37,200	-	19,37,200	3.92	0.01
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	1,32,83,940	-	1,32,83,940	26.92	1,32,91,249	-	1,32,91,249	26.87	(0.04)
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	1,21,275	-	1,21,275	0.25	1,21,275	-	1,21,275	0.25	(0.00)
SUB TOTAL:(A) (1)	**1,53,34,714**	**-**	**1,53,34,714**	**31.07**	**1,53,49,724**	**-**	**1,53,49,724**	**31.04**	(0.04)
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	0.00	-
b) Other Individuals	-	-	-	-	-	-	-	0.00	-
c) Bodies Corp.	-	-	-	-	-	-	-	0.00	-
d) Banks/FI	-	-	-	-	-	-	-	0.00	-
e) Any other	-	-	-	-	-	-	-	0.00	-
SUB TOTAL (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.00**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**1,53,34,714**	**-**	**1,53,34,714**	**31.07**	**1,53,49,724**	**-**	**1,53,49,724**	**31.04**	**(0.04)**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	84,87,897	54,240	85,42,137	17.31	87,62,216	-	87,62,216	17.72	0.41
b) Banks/FI	35,171	2,765	37,936	0.08	38,445	51,965	90,410	0.18	0.11
C) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	86,88,592	-	86,88,592	17.61	80,06,076	-	80,06,076	16.19	(1.42)
h) Foreign Venture Capital Funds		-							-
i) Others (specify)							-	-	-
SUB TOTAL (B)(1):	**1,72,11,660**	**57,005**	**1,72,68,665**	**34.99**	**1,68,06,737**	**51,965**	**1,68,58,702**	**34.09**	**(0.90)**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	20,04,111	3,545	20,07,656	4.07	25,67,201	2,565	25,69,766	5.20	1.13

Category of Shareholders	No. of Shares of ₹2/- each held at the beginning of the year 01/04/2018				No. of Shares of ₹2/- each held at the end of the year 31/03/2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakhs	1,01,22,712	13,95,285	1,15,17,997	23.34	1,07,75,921	12,02,830	1,19,78,751	24.22	0.88
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	17,42,394	-	17,42,394	3.53	12,48,511	-	12,48,511	2.52	(1.01)
iii) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c) Others (specify)		-		-					
CLEARING MEMBERS	19,066	-	19,066	0.04	22,686	-	22,686	0.05	0.01
FOREIGN NATIONALS	2,220	-	2,220	0.00	2,570	-	2,570	0.01	0.00
NON RESIDENT INDIANS	4,98,416	3,100	5,01,516	1.02	5,62,368	2,025	5,64,393	1.14	0.12
TRUST	14,320		14,320	0.03	14,420		14,420	0.03	0.00
DIRECTORS AND THEIR RELATIVES	1,10,502	33,570	1,44,072	0.29	32,425	1,070	33,495	0.07	(0.22)
SOCIETIES	-	25	25	0.00	-	20	20	0.00	(0.00)
HUF	4,84,895	-	4,84,895	0.98	4,48,217	-	4,48,217	0.91	(0.08)
IEPF	3,13,270	-	3,13,270	0.63	3,65,910	-	3,65,910	0.74	0.11
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	1,53,11,906	14,35,525	1,67,47,431	33.94	1,60,40,229	12,08,510	1,72,48,719	34.88	0.94
Total Public Shareholding (B)= (B)(1)+(B)(2)	3,25,23,566	14,92,530	3,40,16,096	68.93	3,28,46,966	12,60,475	3,41,07,421	68.96	0.04
Total A+B	4,78,58,280	14,92,530	4,93,50,810	100	4,81,96,690	12,60,475	4,94,57,145	100	-
C. Shares held by Custodians, against which	-	-	-	-	-				
"Depository Receipts have been issued"	-	-	-	-	-	-	-	-	-
1)Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2)Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**4,78,58,280**	**14,92,530**	**4,93,50,810**	**100%**	**4,81,96,690**	**12,60,475**	**4,94,57,165**	**100%**	**-**

B) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% change in share holding during the year
	Equity Shares of ₹ 10/- each	Number of shares	"% of total shares of the Company"	% of shares pledged/ encumbered to total shares	Number of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	MAFATLAL IMPEX PRIVATE LIMITED	1,16,56,420	23.62	0.00	1,16,57,420	23.57	0.67	-0.05
2	MAFATLAL EXIM PVT LTD	16,22,420	3.29	0.00	16,28,729	3.29	0.91	0.01
3	PAMIL INVESTMENTS PVT LTD	5,000	0.01	0.00	5,000	0.01	0.00	0.00
4	MILAP TEXCHEM PVT LTD	100	0.00	0.00	100	0.00	0.00	0.00
5	VISHAD PADMANABH MAFATLAL	15,34,349	3.11	0.00	15,34,349	3.10	0.00	-0.01
6	VISHAD MAFATLAL AS TRUSTEE OF VISHAD P MAFATLAL FAMILY TRUST NO 1	3,75,035	0.76	0.00	3,82,635	0.77	0.00	0.01
7	VISHAD P. MAFATLAL PAM HUF1 P MAFATLAL	4,550	0.01	0.00	4,550	0.01	0.00	0.00
8	PADMANABH ARVIND MAFATLAL (HUF)	14,550	0.03	0.00	14,550	0.03	0.00	0.00
9	RUPAL VISHAD MAFATLAL	-	0.00	0.00	101	0.00	0.00	0.00
11	NAVINCHANDRA MAFATLAL CHARITY TRUST NO 1-15	55,020	0.11	0.00	55,020	0.11	0.00	0.00
12	SHRI PRANSUKHLAL CHARITY TRUST NO 1-6	23,580	0.05	0.00	23,580	0.05	0.00	0.00
13	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 1-4	12,480	0.03	0.00	12,480	0.03	0.00	0.00
14	MRS MILONI PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 1-5	13,460	0.03	0.00	13,460	0.03	0.00	0.00
15	SHRI PADMAKESH PUBLIC CHARITY TRUST NO 1-4	10,840	0.02	0.00	10,840	0.02	0.00	0.00
16	MRS VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARITY TRUST NO. 16	1,965	0.00	0.00	1,965	0.00	0.00	0.00
17	MRS VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARITY TRUST NO. 19	1,965	0.00	0.00	1,965	0.00	0.00	0.00
18	MRS VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARITY TRUST NO. 20	1,965	0.00	0.00	1,965	0.00	0.00	0.00
19	CHETNA PADMANABH MAFATLAL	1,015	0.00	0.00	1,015	0.00	0.00	0.00
	Total	1,53,34,714	31.07	0.00	1,53,49,724	31.04	1.58	-0.04

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)*

Sr. No.	Particulars	Share holding at the beginning of the Year 01/04/2018		Cumulative Share holding during the year ended on 31/03/2019	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1	At the beginning of the year	1,53,34,714	31.07	1,53,34,714	31.07
2	At the end of the year	1,53,49,724	31.04	1,53,49,724	31.04

NOTE: Change is due to sale/purchase of shares in the open market and increase in paid-up capital due to allotment of equity shares against exercise of stock options.

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the Year 01/04/2018		Changes during the Year		Share holding at the end of the Year 31/03/2019	
		No.of shares	% of total shares of the Company	Date	Increase / Decrease in shareholding	No.of shares	% of total shares of the Company*
1	SMALLCAP WORLD FUND, INC.	32,02,000	6.49	01/04/2018	-	32,02,000	6.47
				31/03/2019	-	32,02,000	6.47
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL	22,75,504	4.61	01/04/2018	-	22,75,504	4.60
				05/10/2018	5,000	22,80,504	4.61
				28/12/2018	(70,000)	22,10,504	4.47
				31/03/2019	-	22,10,504	4.47
3	DSP BLACK ROCK SMALL CAP FUND	16,52,909	3.35	01/04/2018	-	16,52,909	3.34
				15/06/2018	(1,62,954)	14,89,955	3.01
				22/06/2018	(38)	14,89,917	3.01
				15/03/2019	6,950	14,96,867	3.03
				31/03/2019	-	14,96,867	3.03
4	GOLDMAN SACHS INDIA LIMITED	13,91,860	2.82	01/04/2018	-	13,91,860	2.81
				21/12/2018	(2,35,382)	11,56,478	2.34
				31/03/2019	-	11,56,478	2.34
5	AJAY UPADHYAYA	10,00,000	2.03	01/04/2018	-	10,00,000	2.02
				03/08/2018	(5,00,000)	5,00,000	1.01
				09/11/2018	(5,00,000)	-	0.00
				31/03/2019	-	-	0.00
6	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GROWTH & EMERGE	9,14,495	1.85	01/04/2018	-	9,14,495	1.85
				06/04/2018	21,502	9,35,997	1.89
				31/03/2019	-	9,35,997	1.89
7	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY	7,13,080	1.44	01/04/2018	-	7,13,080	1.44
				18/05/2018	(38,754)	6,74,326	
				25/05/2018	(51,099)	6,23,227	
				01/06/2018	(91,939)	5,31,288	
				08/06/2018	(87,425)	4,43,863	
				15/06/2018	(7,230)	4,36,633	
				22/06/2018	(6,047)	4,30,586	
				30/11/2018	(46,462)	3,84,124	0.78
				01/02/2019	(12,115)	3,72,009	0.75
				31/03/2019	-	3,72,009	0.75

Sr. No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the Year 01/04/2018		Changes during the Year		Share holding at the end of the Year 31/03/2019	
		No.of shares	% of total shares of the Company	Date	Increase / Decrease in shareholding	No.of shares	% of total shares of the Company*
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	7,00,101	1.42	01/04/2018	-	7,00,101	1.42
				22/02/2019	(17,600)	6,82,501	1.38
				31/03/2019	-	6,82,501	1.38
9	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES	6,44,404	1.31	01/04/2018	-	6,44,404	1.30
				29/06/2018	(7,700)	6,36,704	1.29
				13/07/2018	(3,656)	6,33,048	1.28
				20/07/2018	(1,78,153)	4,54,895	
				27/07/2018	(4,54,895)	-	
				31/03/2019	-	-	0.00
10	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING	6,41,473	1.30	01/04/2018	-	6,41,473	1.30
				27/04/2018	86,826	7,28,299	1.47
				02/11/2018	(1,652)	7,26,647	1.47
				09/11/2018	(1,00,000)	6,26,647	1.27
				21/12/2018	(16,244)	6,10,403	1.23
				31/03/2019	-	6,10,403	1.23
11	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE	5,62,174	1.14	01/04/2018	-	5,62,174	1.14
				04/05/2018	5,729	5,67,903	1.15
				31/03/2019	-	5,67,903	1.15
12	BARCLAYS WEALTH TRUSTEES INDIA PRIVATE LIMITED	-	0.00	01/04/2018	-	-	0.00
				30/11/2018	5,00,000	5,00,000	1.01
				31/03/2019	-	5,00,000	1.01
13	AJAY UPADHYAYA	-	0.00	01/04/2018	-	-	0.00
				03/08/2018	5,00,000	5,00,000	1.01
				31/03/2019	-	5,00,000	1.01

*The percentage change in shareholding is due to increase in paid-up capital due to allotment of equity shares against exercise of stock options.

(v) SHAREHOLDING OF DIRECTORS & KMP

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year ended on 31/03/2019	
		No.of shares	% of total shares of the Company	No of shares	% of total shares of the Company*
1	Mr. V.P. Mafatlal				
	At the beginning of the year	15,34,349	3.11	15,34,349	3.10
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	0.00		0.00
	At the end of the year	15,34,349	3.11	15,34,349	3.10
2	Mr. A.K. Srivastava				
	At the beginning of the year	11,000	3.11	11,000	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	0.00		0.00
	At the end of the year	11,000	0.02	11,000	0.02
3	Mr. T.M.M. Nambiar				
	At the beginning of the year	5,000	0.01	5,000	0.01
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	0.00		0.00
	At the end of the year	5,000	0.01	5,000	0.01
4	Mr. P.N. Kapadia				
	At the beginning of the year	6,925	0.01	6,925	0.01
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	0.00		0.00
	At the end of the year	6,925	0.01	6,925	0.01
5	Mr. S.S. Lalbhai				
	At the beginning of the year	5,000	0.01	5,000	0.01
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	0.00		0.00
	At the end of the year	5,000	0.01	5,000	0.01
6	Mr. R.R. Welling				
	At the beginning of the year	8,000	0.02	8,000	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	0.00	8,000	0.02
	At the end of the year	8,000	0.02	8,000	0.02

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year ended on 31/03/2019	
		No.of shares	% of total shares of the Company	No of shares	% of total shares of the Company*
7	Mr. N.B. Mankad				
	At the beginning of the year	32,500	0.07	32,500	0.07
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	0.00		0.00
	At the end of the year	32,500	0.07	32,500	0.07
8	Mr. K. Sablok				
	At the beginning of the year	5,000	0.01	5,000	0.01
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)				
	01/02/19	3,575	0.01	8,575	0.02
	At the end of the year	8,575	0.02	8,575	0.02

*The percentage change in shareholding is due to increase in paid-up capital due to allotment of equity shares against exercise of stock options.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount*	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR F. Y. 2018-19

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount ₹ Lakhs
	Gross salary	Mr. V.P. Mafatlal	Mr. S.S. Khanolkar (Up to October 12, 2018)	Mr. R.R. Welling (w.e.f. December 11, 2018)	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961.	238.48	279.02	138.37	655.87
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	19.74	10.91	0.12	30.77
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option (ESOP Perquisites)	-	107.77	-	107.77
3	Sweat Equity				
4	Commission*	330.00	55.00	30.00	415.00
	- as % of profit	1.50 %	0.25%	0.14%	
	- others (specify)	-	-	-	-
5	Others (sitting fees)	-	-	-	-
	Total (A)	**588.22**	**452.70**	**168.49**	**1209.41**
	Ceiling as per the Act				2200
	* Payable in financial Year 2019-2020				

B. REMUNERATION TO OTHER DIRECTORS:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Directors								Total Amount
		Independent Directors						Non Executive Non Independent Directors		
		Mr. S.G.Mankad	Mr. P.N. Kapadia	Mr. S.S. Lalbhai	Mr. S.M. Kulkarni	Mr. H.H. Engineer	Mrs. R.V. Haribhakti	Mr. A.K. Shrivastava	Mr. T.M.M. Nambiar	
1	(a) Fee for attending Board/ Committee meetings	3.50	5.25	5.95	5.25	3.85	3.85	3.50	5.60	36.75
	(b) Commission	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	140.00
	(c) Others (please specify)									
	Total (B)	**21.00**	**22.75**	**23.45**	**22.75**	**21.35**	**21.35**	**21.00**	**23.10**	**176.75**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		(Company Secretary)	Chief Financial Officer		
		Mr. N. B. Mankad	Mr. Sitendu Nagchaudhuri (Upto June 15, 2018)	Mr. Ketan Sablok (w.e.f. June 16, 2018)	
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961.	113.16	54.77	54.41	222.34
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	4.14	0.21	0.41	4.76
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option			18.82	18.82
3	Sweat Equity				
4	Commission				
	– as % of profit				
	– others (specify)				
	Others (please specify)				
5	a) Company's contribution to the Provident Fund	3.76	1.21	2.28	7.25
	b) Company's contribution to the Superannuation Scheme (shown upto exemption limit of ₹ 1.50 lakh, over and above has been added to perk at point (b)	1.5	1.5	0.05	3.05
	c) Medical Allowance				
	d) Mediclaim and Accident Insurance	0.31	0.31	0.31	0.93
	Total (C)	**122.87**	**58.00**	**76.28**	**257.15**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended on March 31, 2019

For and on behalf of the Board of Directors

Place: Mumbai
Date: 6th May, 2019

V.P. Mafatlal
Chairman
(DIN:00011350)

Regd. 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

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

[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, 2019 (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, 2019 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 thereunder to the extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(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, 2009 (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 (De-listing of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period); and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period)**

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(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 and Standards, etc. as mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following law 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 1, 06,355 equity shares of face value of Re. 2 each pursuant to Employee Stock Option Scheme of the Company.

For Makarand M. Joshi & Co.,
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 6th May, 2019

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.,
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 6th May, 2019

Annexure-8

1. CONSERVATION OF ENERGY

A. Energy Conservation measures taken :

1. Reduction in the batch cycle time in inorganic product plant, resulting in increase in throughput with the same power.
2. Improvement in natural gas consumption norms in inorganic product plants by recycling optimum quantity of the flue gases escaping from stack back into the HAG system, reducing the insulation losses by replacement of heating system with high efficiency version and improving the productivity.
3. Replacement of diesel fired burner with energy efficient natural gas burner.
4. Improvement in power consumption norms in inorganic product plant by optimizing the refrigeration system and increasing brine flow at chiller.
5. Power saving by utilization of power efficient magnetic driven pump, resulting in saving of resources and improvement in safety.
6. Improvement in power consumption of cooling tower in MPP plant by bringing on new high efficiency cooling tower pump.
7. Initiated and implemented the water recycling scheme through SMC which led to savings of 2000 mt3/day of fresh water requirement.
8. Effluent quantity reduction in 2 products by 12 l/kg and 53 l/kg respectively.
9. Replacement of lights inside plant with LEDs, resulting in to saving of 351626 KWH/annum.
10. Use of non-conventional energy - 1772190 KWH solar power during the year
11. Synchronization of chilled water and brine units, resulting in to saving of 15000 KWH /month.

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

1. Planned to modify one more cooling towers by changing the network which will lead to power savings of approximately 68 KWH.
2. 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.
3. Dedicated brine system is planned to be installed in certain plants, which will reduce the line losses and improve the power norms respectively.
4. Increase in contract demand of grid power from 5500 KVA to 6500 KVA, this will reduce the use of captive power plant and reduce the power cost.
5. Cooling water distribution system to be modified in respect of heat load of production plant and utility machine.
6. Installation of Plate Heat Exchangers in water ring vacuum system, to reduce effluent generation and water consumption.
7. Steam condensate recovery plan from the main header, for improving Natural Gas consumption norms.
8. Replacement of exiting old inefficient centrifugal pump with new energy efficient pump.
9. 50 KLD fresh water reduction by treating effluent and recycling water from RO and MEE.

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 1.8 million KWH of power per year at present rate of production from this year onwards.
3. Additional savings of about 0.5 million KWH power per year is expected after one cooling tower network is modified and shifted at elevated height.
4. Above points will lead to savings of about 3 Lakhs SM3/Annum of natural gas at present rate of production from this year onwards.

5. Reduction in power consumption by enhancing batch size in multiple folds in 27 stages.
6. Reduction in water consumption by about 50 KLD by recycle and re-use.

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 46% of the Company's revenue came from exports of refrigerant gases, inorganic and organic specialties and contract research and manufacturing services. With an aim to balance its foreign exchange movements, the Company continues to follow focused strategy of global sourcing on one hand and growing its export basket on the other. The Company along with its subsidiary Manchester Organics Limited, continues to reinforce overseas presence by regularly attending international conferences, exhibitions, customer meets, conduct R & D seminars on Fluorination capabilities etc. to improve presence in various geographies and also increase customer visibility. Dedicated business development teams have been deployed in various geographies like USA, Europe and Japan to cater to the needs of the global life science and crop science majors, to explore new marketing opportunities and to develop new customer connects.

B. TOTAL FOREIGN EXCHANGE USED AND EARNED

(₹ lakhs)

	Current Year	Previous Year
Total Foreign exchange used	27,602.37	23,889.41
Total Foreign exchange earned	42,697.75	44308.15

ANNEXURE TO DIRECTORS' REPORT : APRIL 2018 TO MARCH 2019

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

(₹ in lakhs)

	2018-19	2017-18
(A) POWER & FUEL CONSUMPTION		
(1) Electricity		
(a) Purchased		
Units (in Kwh)	3,53,03,270	4,29,18,056
Total Cost (₹)	31,09,36,602	33,14,63,402
Rate/Unit (₹)	8.81	7.72
(b) Own Generation		
(i) Through Captive Power Plant		
Units (in Kwh)	16,59,612	16,65,650
Unit per M3 of Natural Gas (Kwh)	3.16	3.99
Cost/Unit (₹)	12.55	8.15
(ii) Through Diesel Generator		
Units (in Kwh)	52,629	22,186
Unit per litre of diesel oil (Kwh)	2.93	0.91
Cost/Unit (₹)	22.77	68.37
(2) Others		
(a) High Speed Diesel (HSD)		
Quantity (K.Ltrs)	38	161
Total Cost (₹)	25,15,102	1,00,89,724
Rate/Unit (Per K.Ltr.)	66,565	62,482
(b) Natural Gas		
Quantity (Cub. Mtrs.)	60,58,944	51,20,396
Total Cost (₹)	23,07,00,020	16,73,81,050
Rate (₹ /Cub Mtrs.)	38.08	32.69
(c) Water		
Quantity (K. Ltrs.)	5,92,716	2,11,760
Total Cost (₹)	1,61,06,319	55,76,930
Rate (₹ /K.Ltrs)	27.17	26.34
(B) CONSUMPTION PER UNIT OF PRODUCTION:		
(1) Electricity (Kwh/Mt.)	941	1,240
(2) Natural Gas (Cub.Mtrs/Mt.)	8,509	778
(3) Others (K Ltrs/Mt.)	12	3
Production	MT	MT
Synthetic Cryolite,Aluminium Fluoride & Fluorocarbon Gases	9,990	9,366
Misc. Fluorides	29,309	26,597
Total	**39,299**	**35,962**

FORM B

RESEARCH & DEVELOPMENT

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

The Research & Development efforts of the Company continue to be directed from its two centres:

a) The R & D Centre at Bhestan, Surat, which focusses in fluorination and other chemistries in the organic and inorganic specialty chemicals space

b) The R & D Centre at Dewas, focused on use of electrophilic and nucleophilic fluorinating agents, heterocyclic and aromatic organic molecules for development of high end intermediates for the life science applications.

The efforts in both these research centres of the Company are focused predominantly towards the following areas:

a) Develop innovative, scalable, cost effective and environment friendly robust processes, to meet the market needs

b) Work on selected corporate strategic projects with an objective to adding long term technical value and move up the fluorination value chain

c) Work with all stakeholders like marketing, production, customers, to initiate products and processes, with a clear business objective of sustainable growth

d) Work with the technical services and manufacturing team members to scale up the laboratory based knowledge for commercial production including trouble shooting, along with continuous development of existing products in terms of improvement in norms, quality, waste reduction

e) Develop and innovate relevant analytical methods and tools to better understand, synthesise and manufacture products as per specifications

f) Explore innovative technology and processes for development of new products, platforms and long term strategic partnerships

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

Following benefits are derived from the above R&D activities:

a) Contributed to sales through introduction of several new products developed at R&D and created business opportunities in both organic and inorganic chemicals;

b) Identified newer applications for fluorinated liquids and gases such as BF3, HF and their adducts, to enhance newer opportunities for sales and application of these key products

c) Developed and enhanced new business opportunities for the manufacture of intermediates for life science and crop science majors, using in-house technologies and processes

d) Worked with the manufacturing team on many of our existing products to modify and improve processes and practices to meet the ever increasing quality requirements and price demands from customers and growing global competition

e) Continued to strengthen and increasing our customer interface by involving with them early in the value chain for their product pipeline, create future long-term opportunities for the Company as a strategic vendor both in national and international markets

C) Future plan of action:

The drive for innovation is continuously pursued by R&D. The future plan is to continue developing new chemistries, novel molecules, newer technologies as well as by partnering with innovator companies in research and development projects. R&D continues to drive sales and profitability of all its business units through development of new products, working on cost effective processes and technologies. The strategy is to continue to invest in people and equipment to effectively carry on its research and development projects, support the development of internal Company needs, strengthen capabilities to achieve growth. The role is not limited to just developing new processes but also to support the technical services, production and manufacturing team including trouble shooting for existing products. The R&D is also continuing its efforts to leverage its capabilities with its research based subsidiary company Manchester Organics Limited to enhance its competencies to synthesize and manufacture value added chemicals in the future. Plans are underway to further expand our capabilities by adding more laboratory space and enhancing the team of our experts.

D) Expenditure on R&D:

(₹ in Lakhs)

	Current Year	Previous Year
Capital Expenditure	232.17	206.98
Recurring Expenditure	1,688.65	1,580.70
Total Expenditure	1,920.82	1,787.68
Total R&D Expenditure as percentage of Total turnover	2.01%	2.02%

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

NFIL R&D Centre continues to be focused on utilizing its wide experience, competencies, knowledge base and technical capabilities to handle difficult reagents, specially used in fluorination. Over the years, the Company has created processes and developed platforms which have created a niche area of expertise, increasingly finding its usage in life science, crop science, non-conventional energy storage, refrigerant and related industries worldwide. R&D team ensures access to modern tools, 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 benefits for such efforts as mentioned above shall lead to:

a) Significant increase in both revenue and profitability across business units of the Company and also work towards becoming a long term supplier and partner of choice for its customers

b) Enhance capabilities to adopt technologies from reputed multinational companies, ability to get involved and collaborate with international customers to help them manufacture and commercialize products in India by becoming a partner;

c) Technology developments and process understanding, novel chemistries and platforms would continue in the near future to support the business development teams to create possible joint ventures, preferred partnership, enhance opportunities of collaboration with customers to create sustainable and aggressive business growth and value for the Company;

c) **Information regarding technology imported during the last five years :** NIL

For and on behalf of the Board,

V.P. Mafatlal
Chairman
(DIN:00011350)

Place: Mumbai
Dated: 6th May, 2019

Regd. 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-9

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 31 March, 2019

(₹ In Lakhs)

Sr. No	Director	Remuneration	Median Remuneration	Ratio
1	Mr. V.P. Mafatlal	588.22	5.56	106
2	Mr. R.R. Welling (w.e.f. December 11, 2018)	168.49	5.56	30
3	Mr. T.M.M. Nambiar	23.10	5.56	4
4	Mr. P.N. Kapadia	22.75	5.56	4
5	Mr. S.S. Lalbhai	23.45	5.56	4
6	Mr. S.M. Kulkarni	22.75	5.56	4
7	Mr. A.K. Srivastava	21.00	5.56	4
8	Mr. S.G. Mankad	21.00	5.56	4
9	Mr. H.H. Engineer	21.35	5.56	4
10	Mrs. R.V. Haribhakti	21.35	5.56	4
11	Mr. S.S. Khanolkar (upto October 12, 2018)	452.70	5.56	81

2. The Percentage increase in remuneration of each Director, CFO, Company Secretary in the financial year

Sr No.	Director	% increase
1	Mr. V.P. Mafatlal	4%
2	Mr. R.R. Welling (w.e.f. December 11, 2018)	NA
3	Mr. T.M.M. Nambiar	7%
4	Mr. P.N. Kapadia	5%
5	Mr. S.S. Lalbhai	7%
6	Mr. S.M. Kulkarni	4%
7	Mr. A.K. Srivastava	6%
8	Mr. S.G. Mankad	6%
9	Mr. H.H. Engineer	8%
10	Mrs. R.V. Haribhakti	9%
11	Mr. S.S. Khanolkar (upto October 12, 2018)	N.A.

Company Secretary & CFO:

1	Company Secretary	15%
2	CFO	12%

3. Percentage increase in median remuneration of employees in the financial year – 3%
4. The number of permanent employees on the rolls of the Company as on 31 March, 2019 - 715
5. 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 18% for a period of 3 years (6% per annum); Non managerial employees also get increase in Dearness Allowance as per Consumer Price Index; therefore, average increase in total remuneration is approx. 9-10% which is in line with the increase in average managerial remuneration
6. The key parameters for any variable component of remuneration availed by the directors:

   Please refer to the remuneration policy available on web link: http://www.nfil.in/policy/index.html.
7. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board,

Place: Mumbai
Date: 6th May, 2019

V.P. Mafatlal
Chairman
(DIN:00011350)

Regd. 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-10

Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(A) The following details are given hereunder in respect of employees employed throughout the year and were in receipt of remuneration of not less than ₹ 1.02 crores per annum:

Name & age (years), designation/nature of duties, remuneration (rupees), qualification & experience (years), date of commencement of employment, last employment held (name of employer, post held and period (years)

Mr. V.P. Mafatlal (44), Executive Chairman, ₹ 5,87,21,602/-, B.Sc. (Economics), University of Pennsylvania, Wharton School, USA (23), 20.8.2016, Mafatlal Industries Limited, Executive Vice-Chairman(4). Mr. Ashis Mukherjee (54), President-CRO&CTO, ₹ 3,63,62,896/-, Ph.D, Org. Chemistry, (27), 24.08.2009, PI Industries Ltd., Gurgaon, Chief Technology Officer & Head Fine Chemicals (2 years). Mr. Gyanchand Jain (59), President-Operations, ₹ 2,17,33,495/-, A.M.I.E. (Chemical Engg.), Advance Diploma in Management (39), 26.09.2011, Finolex Industries Limited, President Operations (1 year 10 months). Mr. P.S. Haridas (61), Vice-President-SCM, ₹ 1,40,54,508/-, BA (Economics), MBA in Materials Management (42), 14.7.2008, Jubilant Organosys Ltd., Associate Vice President (23 Years). Mr. Niraj Mankad (50), Vice-President Legal & Company Secretary, ₹ 1,22,87,579/-, B.Com., LLB, ACS (26), 1.1.2004, Mafatlal Industries Ltd., Joint Secretary and GM-Legal (10). Mr. T.N. Nandakumar (55), Business Head-International Trade, ₹ 1,20,30,731/-, B.Sc., GDMM, DIEM (34), 27.10.2009, UPL Ltd., General Manager-Purchase (6).

(B) Names of employees employed for part of the year and were in receipt of remuneration of not less than ₹8.5 lakhs per month:

Mr. Radhesh Welling (46), Managing Director (w.e.f. December 11, 2018), ₹ 1,38,49,195/-BE (Mech) and Masters in International Bus. & MBA (23), Laxmi Organic Industries Ltd., CEO & Executive Director (3 years and 2 months), Mr. Shekhar Khanolkar (50), Managing Director (upto October 12, 2018), ₹ 4,94,66,669/, B.E., MMS (27), 16.11.2007, BASF India Ltd., Chief Executive (Functional Polymers) (7 years), Mr. Sitendu Nagchaudhuri (50), Chief Financial Officer & Head IT (upto June 15, 2018), ₹ 58,00,023/-, B.Com. (Hons.) FCA (28), 08.07.2015, Kesoram Industries Ltd., Chief Financial Officer – Cement B.U (2), Mr. Anurag Roy (44), Chief Operating Officer – CRAMS (w.e.f. May 14, 2018), ₹ 1,20,28,736/- B Tech, Chemicals Engg. and Masters in International Bus. & MBA (21), DSM Pharmaceuticals and Affiliates, Managing Director (3 years),

(C) The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

N.A.

NOTES:

1. Remuneration, as above, includes, salary, Company's contribution to Provident Fund and Superannuation Schemes, Leave Encashment, Holiday Travel Benefits, Reimbursement of Medical Expenses, Medical Insurance Premium, House Rent Allowances, Additional House Rent Allowance, Compensatory Allowances, Personal Allowance, Voluntary Retirement Benefit, Commission wherever applicable, Personal Accident Insurance, monetary value of perquisites calculated in accordance with provision of Income tax Act, 1961 and rules made thereunder in respect of Housing, Company's furniture and equipments etc. but does not include Company's contribution to Gratuity Fund.
2. The nature of employment is contractual for all the above employees.
3. None of the Company's employee is related to any Director of the Company.

For and on behalf of the Board,

Place: Mumbai
Dated: 6th May, 2019

V.P. Mafatlal
Chairman
(DIN:00011350)

Regd. 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

NAVIN FLUORINE INTERNATIONAL LIMITED
DIVIDEND DISTRIBUTION POLICY

The following Dividend Distribution Policy has been approved by the Board of Directors:

(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 endeavour 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 of Statues;

(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 utilise 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

(E) UTILISATION OF RETAINED EARNINGS:

The retained earnings shall be utilised for all such activities that in the opinion of the Board of Directors shall enhance the shareholder's 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.

For and on behalf of the Board

Place: Mumbai
Dated: 6th May, 2019

V.P. Mafatlal
Chairman
(DIN:00011350)

Regd. 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

Financial Statement

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Navin Fluorine International Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Navin Fluorine International Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended 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 Companies Act, 2013. 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 Investment in Wholly Owned Subsidiaries i.e. NFIL (UK) Limited, UK and Manchester Organics Limited, UK (Refer to Note 2(u) and 8 in the standalone financial statements) The carrying value of the investment in above mentioned subsidiaries is ₹8,966.18 lakhs as at March 31, 2019 which represents approximately 7% of the total assets of the Company. These investments are carried at cost less accumulated impairment losses, if any. The Company reviews the carrying values of these investments 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 amount of investments. For the assessment of carrying value of investment in these subsidiaries, the Management estimates recoverable value 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 value of these investments. We have considered this to be a key audit matter as the investments balance 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.	Our procedures included the following : • We understood the management process for assessment of carrying values of investments and also evaluated the design and tested the operating effectiveness of the Company's internal controls surrounding such assessment. Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting. • To assess 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 by using the terminal growth rates and discount rates as provided by the auditors' valuation experts. - Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. Based on the above procedures performed, we noted that the management's assessment of the carrying value of the investments in subsidiaries 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 Board of Directors report, but does not include the financial statements and our auditor's report thereon.

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

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

   We have nothing to report in this regard.

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

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 statement 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. The 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 skepticism 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 accounts 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 the 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 46 to the financial statements;

        ii) The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2019;

        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, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N-500016

Jeetendra Mirchandani
Partner
Membership Number: 48125

Mumbai
May 06, 2019

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, 2019

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, 2019 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 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, 2019, 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/ N-500016

Jeetendra Mirchandani
Partner
Membership Number: 48125

Mumbai
May 06, 2019

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, 2019

1. (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 and Equipment and Investment Properties respectively, to the standalone financial statements, are held in the name of the Company.

2. 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.

3. The Company, in earlier years, had granted interest bearing unsecured loan to a Joint venture Company and an interest free unsecured loan to a wholly owned subsidiary (pursuant to an 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.

4. 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.

5. 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.

6. 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.

7. (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 generally regular in depositing the undisputed statutory dues in respect of provident fund, income tax and goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 46(ii) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of 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 income-tax, sales-tax, duty of excise and value added tax as at March 31, 2019 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
Income Tax Act	Income Tax	0.10	Assessment Year 2008-09	CIT(A), Mumbai
Income Tax Act	Income Tax	225.90	Assessment Year 2009-10 and 2011-12	ITAT and CIT(A), Mumbai
Income Tax Act	Income Tax	2,149.27	Assessment Year 2010-11	ITAT, Mumbai
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
The Central Sales Tax Act	Central Sales Tax - West Bengal	2.70	2005-06	Appellate Revision Board
The West Bengal Value Added Tax	Value Added Tax	78.91	1992-93 to 1998-99 and 2000-2001 to 2004-05	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	18.53	2014-15	Appellate Authority – Upto Commissioner's level

*Net of amount paid under protest.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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/ N-500016

Jeetendra Mirchandani
Partner
Membership Number: 48125

Mumbai
May 06, 2019

Standalone Balance Sheet as at March 31, 2019

₹ in lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	27,960.22	27,553.13
b. Capital work-in-progress	5B	3,932.96	2,008.59
c. Investment properties	6	4,322.02	4,407.29
d. Other intangible assets	7	128.62	74.28
e. Investment in Subsidiaries, Associate and Joint Ventures	8	13,345.47	12,556.80
f. Financial assets			
i. Investments	9	20,493.10	18,871.50
ii. Loans	10	1,602.78	1,711.81
iii. Other financial assets	10 A	14.70	20.32
g. Income tax assets (net)	11	970.05	970.05
h. Other non-current assets	12	1,964.74	418.77
Total non-current assets		**74,734.66**	**68,592.54**
Current assets			
a. Inventories	13	9,286.22	9,237.13
b. Financial assets			
i. Investments	14	18,834.61	20,760.04
ii. Trade receivables	15	16,746.47	14,713.80
iii. Cash and cash equivalents	16A	1,270.15	1,362.66
iv. Bank balances other than (iii) above	16B	969.35	826.54
v. Loans	17	716.11	1,096.23
vi. Other financial assets	18	195.35	224.22
c. Other current assets	19	4,058.00	3,104.01
Total current assets		**52,076.26**	**51,324.63**
Total assets		**1,26,810.92**	**1,19,917.17**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	989.00	986.87
b. Other equity	21	1,04,932.15	96,012.11
Total equity		**1,05,921.15**	**96,998.98**
Liabilities			
Non-current liabilities			
a. Provisions	22	862.65	881.46
b. Deferred tax liabilities (Net)	23	2,953.44	2,390.78
c. Other non-current liabilities	24	1,445.07	1,685.32
Total non-current liabilities		**5,261.16**	**4,957.56**
Current liabilities			
a. Financial liabilities			
i. Trade payables	25		
a. Total outstanding dues of micro enterprises and small enterprises		684.26	486.21
b. Total outstanding dues other than (i)(a) above		6,102.71	8,401.49
ii. Other financial liabilities	26	2,336.10	1,751.03
b. Contract liabilities		345.76	-
c. Provisions	27	235.65	201.99
d. Income tax liabilities (net)	11	3,604.39	3,480.29
e. Other current liabilities	28	2,319.74	3,639.62
Total current liabilities		**15,628.61**	**17,960.63**
Total liabilities		**20,889.77**	**22,918.19**
Total equity and liabilities		**1,26,810.92**	**1,19,917.17**
Significant Accounting Policies	2		

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

T. M. M. Nambiar (DIN:00046857)
R. V. Haribhakti (DIN:02409519)
S. S. Lalbhai (DIN:00045590)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
S. G. Mankad (DIN:00086077)
S. M. Kulkarni (DIN:00003640)
H. H. Engineer (DIN:01843009)
Directors

Mumbai, May 6, 2019

Standalone Statement of Profit and Loss for the year ended March 31, 2019

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	29	95,513.08	88,605.77
Other Income	30	3,477.02	9,062.30
Total Income		**98,990.10**	**97,668.07**
EXPENSES			
Cost of materials consumed	31	44,142.37	36,084.03
Purchases of stock-in-trade		1,283.68	1,750.26
Changes in Inventories of finished goods, work in progress and stock-in-trade	32	110.00	643.67
Excise duty		-	1,265.13
Employee benefits expense	33	9,694.95	9,080.23
Finance costs	34	47.28	66.03
Depreciation and amortisation expense	35	2,587.65	3,817.31
Other Expenses	36	18,471.35	18,712.95
Total Expenses		**76,337.28**	**71,419.61**
Profit before tax		**22,652.82**	**26,248.46**
Tax expenses			
(1) Current tax	37	7,242.33	8,036.11
(2) Deferred tax [including Minimum Alternate Tax (credit) / utilised]	37	562.66	315.98
Total Tax expenses		**7,804.99**	**8,352.09**
Profit for the year		**14,847.83**	**17,896.37**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement loss of the defined benefit obligations		(48.75)	(105.26)
Current tax relating to the above		17.03	36.78
Total other comprehensive income, net of tax		**(31.72)**	**(68.48)**
Total comprehensive income for the year		**14,816.11**	**17,827.89**
Earnings per equity share (of face value of ₹2 each)	39		
(1) Basic (in ₹)		30.05	36.34
(2) Diluted (in ₹)		30.03	36.25
Significant Accounting Policies	2		

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes

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Directors

Mumbai, May 6, 2019

Standalone Statement of Cash flows for the year ended March 31, 2019

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	**22,652.82**	**26,248.46**
Adjustments for:		
Depreciation and amortisation expense	2,587.65	3,817.31
Loss on sale / write off of property, plant and equipment (Net)	57.97	553.45
Profit on sale of undertaking	-	(53.94)
Gain on sale of investments (Net)	(367.07)	(2,528.60)
Changes in fair value of financial assets at fair value through profit or loss	(1,354.58)	(3,341.78)
Employee Share-based payment expense	83.66	64.02
Provision for diminution in value of investment	146.56	130.09
Unwinding of Rent	2.00	10.27
Finance Costs	47.28	66.03
Interest income	(415.60)	(509.58)
Lease rental income on investment properties	(946.55)	(1,204.12)
Net (gain)/loss on foreign currency translations	62.30	(106.23)
Dividend Income	(68.71)	(77.54)
Excess provision/ liabilities written back	(17.90)	(2.89)
Provision for doubtful debts / advances	-	64.07
Operating profit before changes in operating assets and liabilities	**22,469.82**	**23,129.02**
Adjustments for:		
Increase in trade receivables	(2,109.14)	(1,644.64)
Increase in inventories	(49.09)	(459.46)
Increase in other assets	(692.12)	(2,347.14)
Increase in trade and other payables	(3,513.33)	3,552.17
Cash generated from operations	**16,106.15**	**22,229.95**
Income taxes paid (net of refunds)	(7,101.19)	(4,955.74)
Net cash generated from operating activities	**9,004.96**	**17,274.21**
Cash flows from investing activities		
Payments for property, plant and equipment	(6,103.80)	(4,609.90)
Increase in deposits with banks	(122.43)	(88.33)
Repayments of loans and advances from Subsidiaries and Joint ventures	835.68	235.99
Payments for purchase of investments	(27,128.71)	(52,869.11)
Amount invested in a Subsidiaries and Joint Ventures.	(935.24)	(1,589.07)
Proceeds from sale of property, plant and equipment	39.78	37.91
Proceeds from sale of investments	29,154.18	39,582.04
Advance received / Proceeds from sale of undertaking	-	2,729.48
Lease rental income on investment properties	946.55	1,204.12
Dividend received	68.71	77.54

Standalone Statement of Cash flows for the year ended March 31, 2019 *(contd.)*

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest received	94.78	399.68
Net cash used in investing activities	**(3,150.50)**	**(14,889.65)**
Cash flows from financing activities		
Calls in arrears received (including securities premium)	0.26	0.34
Proceeds from allotment of Employee Stock Option Plan (ESOP)	207.18	311.37
Dividend paid (including tax)	(6,107.14)	(3,503.38)
Interest paid	(47.28)	(66.03)
Net cash used in financing activities	**(5,946.98)**	**(3,257.70)**
Net decrease in cash and cash equivalents	**(92.51)**	**(873.14)**
Cash and cash equivalents at the beginning of the year	1,362.66	2,235.80
Cash and cash equivalents at the end of the year	**1,270.15**	**1,362.66**
Reconciliation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - note 16A	1,270.15	1,362.66
As per Cash flow statement	1,270.15	1,362.66

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 53).

The above Standalone Statement of Cash Flow should be read in conjunction with the accompanying notes

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

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(DIN:00011350)

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Directors

Mumbai, May 6, 2019

Standalone Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

₹ in lakhs

Balance as at April 1, 2017	**979.00**
Shares issued on exercise of employee stock options during the year	7.89
Less: Calls in arrears	(0.02)
Balance as at March 31, 2018	**986.87**
Shares issued on exercise of employee stock options during the year	2.13
Less: Calls in arrears	-
Balance as at March 31, 2019	**989.00**

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 pending for allotment	Retained Earnings	
Balance as at April 1, 2017	**8035.17**	**7035.19**	**33.88**	**1164.72**	**7333.34**	**230.69**	**0.07**	**57540.03**	**81373.09**
Profit for the year	-	-	-	-	-	-	-	17,896.37	17,896.37
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(68.48)	(68.48)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17,827.89**	**17,827.89**
Shares issued on exercise of employee stock options during the year	-	-	-	393.83	-	-	-	-	393.83
Recognition of share-based payments (Net)	-	-	-	-	-	(23.60)	-	-	(23.60)
Calls in arrears received during the year	-	-	-	-	-	-	0.34	-	0.34
Payment of dividends (including tax)	-	-	-	-	-	-	-	(3,559.44)	(3,559.44)
Balance as at March 31, 2018	**8035.17**	**7035.19**	**33.88**	**1558.55**	**7333.34**	**207.09**	**0.41**	**71808.48**	**96012.11**
Profit for the year	-	-	-	-	-	-	-	14,847.83	14,847.83
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(31.72)	(31.72)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,816.11**	**14,816.11**
Shares issued on exercise of employee stock options during the year	-	-	-	276.06	-	-	-	-	276.06
Recognition of share-based payments (Net)	-	-	-	-	-	12.65	-	-	12.65
Calls in arrears received during the year	-	-	-	-	-	-	0.26	-	0.26
Payment of dividends (including tax)	-	-	-	-	-	-	-	(6,185.04)	(6,185.04)
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**

The above Statement of changes in equity should be read in conjunction with the accompanying notes

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H. H. Engineer (DIN:01843009)
Directors

Mumbai, May 6, 2019

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

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 115, Revenue from Contracts with Customers

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustments are made to the amounts recognised in the financial statements. The adoption has resulted in changes to accounting policies and mandated certain disclosures. Refer note no (b) below for accounting policies and note no. 51 for related disclosures.

(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.

(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

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(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.

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

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

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.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. 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.

(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.

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".

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

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 higher than those prescribed in Schedule II to the Companies Act, 2013, as per below :

Assets	Useful life
Plants 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 de-recognised.

Investment properties are depreciated using straight line method over their useful lives specified in Schedule II to the Companies Act, 2013.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the investment properties.

k) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset/cash generating unit exceeds its recoverable amount. The recoverable amount of the assets/ cash generating unit is fair value less costs of disposal or value in use, whichever is higher. A previously recognised impairment loss is reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

m) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements of the Company are presented in Indian Rupees (₹), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

n) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

o) Trade receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other income/expense.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

r) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

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, associate and joint ventures

Investments in subsidiary companies, 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 subsidiary companies, associate 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, associate 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.

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

b. Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires. An instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3. Critical estimates and judgements

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. Application of new and revised Ind AS's

(a) Ind AS 116 – Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of the right-of-use asset and a lease liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

Where a contract meets Ind AS 116's definition of a lease, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a lease liability for future lease payables.

In the Statement of Profit and Loss, lessees will have to present interest expense on the lease liability and depreciation on the right-of-use asset. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

The Company is in the process of evaluating the impact of adoption of Ind AS 116 on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

(b) Other amendments

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These other amendments come into force on 1 April 2019.

(i) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes' - The appendix explains how to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

(ii) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, 'Employee Benefits' - The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. The Company must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
- separately recognise any changes in the asset ceiling through other comprehensive income.

(iii) Ind AS 12, 'Income Taxes' - The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

(iv) Ind AS 23, 'Borrowing Costs' - The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

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, 2017	10.56	5,510.26	828.22	157.89	34,489.80	2,489.50	286.28	43,772.51
Additions	-	964.13	58.78	80.98	2,345.15	-	483.96	3,933.00
Disposals/Adjustments (refer note 2 below)	-	(897.45)	(24.73)	(12.90)	(14,357.56)	-	(94.71)	(15,387.35)
Balance as at March 31, 2018	**10.56**	**5,576.94**	**862.27**	**225.97**	**22,477.39**	**2,489.50**	**675.53**	**32,318.16**
II. Accumulated depreciation								
Balance as at April 1, 2017	-	238.63	133.24	15.84	2,261.05	26.21	45.53	2,720.50
Depreciation expense for the year	-	272.76	112.83	29.91	3,188.40	26.21	78.98	3,709.09
Disposals/Adjustments (refer note 2 below)	-	(65.31)	(5.73)	(6.94)	(1,568.69)	-	(17.89)	(1,664.56)
Balance as at March 31, 2018	**-**	**446.08**	**240.34**	**38.81**	**3,880.76**	**52.42**	**106.62**	**4,765.03**
Net block (I-II)								
Balance as at March 31, 2018	**10.56**	**5,130.86**	**621.93**	**187.16**	**18,596.63**	**2,437.08**	**568.91**	**27,553.13**
I. Gross Block								
Balance as at April 1, 2018	10.56	5,576.94	862.27	225.97	22,477.39	2,489.50	675.53	32,318.16
Additions	26.57	284.21	64.73	19.38	2,386.87	75.00	118.41	2,975.17
Disposals/Adjustments	-	(21.62)	(104.38)	(8.89)	(45.87)	-	-	(180.76)
Balance as at March 31, 2019	**37.13**	**5,839.53**	**822.62**	**236.46**	**24,818.39**	**2,564.50**	**793.94**	**35,112.57**
II. Accumulated depreciation								
Balance as at April 1, 2018	-	446.08	240.34	38.81	3,880.76	52.42	106.62	4,765.03
Depreciation expense for the year	-	257.54	95.60	29.50	1,969.43	26.97	91.30	2,470.34
Disposals/Adjustments	-	-	(43.57)	(8.45)	(31.00)	-	-	(83.02)
Balance as at March 31, 2019	**-**	**703.62**	**292.37**	**59.86**	**5,819.19**	**79.39**	**197.92**	**7,152.35**
Net block (I-II)								
Balance as at March 31, 2019	**37.13**	**5,135.91**	**530.25**	**176.60**	**18,999.20**	**2,485.11**	**596.02**	**27,960.22**

Notes:

1. Standby Letter of Credit facility amounting to ₹413.83 lakhs (March 31,2018 ₹2,952.83 lakhs) availed from HDFC Bank for loan taken by Subsidiary is being secured by Second charge on the property, plant and equipment of the Company.
2. In previous year, assets lying at Dahej unit sold on slump sale basis (refer note 49).
3. For details of Capital commitment relating to Property, Plant and Equipment (refer note 45).

5B. Capital work-in progress

Capital work-in progress as at March 31, 2019 is ₹3,932.96 lakhs (March 31,2018 ₹2,008.59 lakhs;). It is mainly comprises of expansion projects in progress.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

6. Investment Properties

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
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	170.51	85.24
Charge for the year	85.27	85.27
Closing Balance	255.78	170.51
Net carrying amount (I-II)	**4,322.02**	**4,407.29**

(i) Amount recognised in the Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2019	As at March 31, 2018
Rental Income (refer note 30)	946.55	1,204.12
Direct operating expenses from property that generated rental income	183.32	177.58
Profit from investment properties before depreciation	**763.23**	**1,026.54**
Depreciation	85.27	85.27
Profit from investment properties	**677.96**	**941.27**

(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, 2019	As at March 31, 2018
not later than one year	368.72	445.11
later than one year and not later than five years	436.45	790.92
Total	**805.17**	**1,236.03**
Operating lease rentals credited to the Statement of Profit and Loss (refer note 30)	**946.55**	**1,204.12**

(iii) Fair Value

Particulars	As at March 31, 2019	As at March 31, 2018
Investment properties	13,942.51	13,912.33

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.

7. Other intangible assets

Particulars	Software
Balance at April 1, 2017	**84.76**
Additions	67.82
Deduction/Adjustment	-
Balance at March 31, 2018	**152.58**
Accumulated amortisation	
Balance at April 1, 2017	**55.35**
Amortisation expense	22.95
Deduction/Adjustment	-
Balance at March 31, 2018	**78.30**
Net carrying amount as at March 31, 2018	**74.28**
Balance at April 1, 2018	**152.58**
Additions	86.38

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

7. Other intangible assets *(contd.)*

₹ in lakhs

Particulars	Software
Deduction/Adjustment	-
Balance at March 31, 2019	**238.96**
Accumulated amortisation	
Balance at April 1, 2018	**78.30**
Amortisation expense	32.04
Deduction/Adjustment	-
Balance at March 31, 2019	**110.34**
Net carrying amount as at March 31, 2019	**128.62**

8. Investment in Subsidiaries, Associate and Joint Ventures

Particulars	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
(a) 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 Manchester Organics Limited of GBP 0.01 each	5,100	3,265.12	5,100	3,265.12
- Equity shares of NFIL (UK) Ltd. of GBP 1.00 each.	59,70,000	5,701.06	51,40,000	4,921.59
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 ₹146.56 lakhs (March 31, 2018: ₹130.09 lakhs)]	39,68,847	-	25,96,310	-
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	10,82,500	108.25
- Equity shares of Convergence Chemicals Private Limited of ₹10.00 each	3,43,04,900	3,430.49	3,43,04,900	3,430.49
(b) Investments in Partnership firm - (at cost)				
Capital contribution in Urvija Associates	-	-	-	0.80
Total		**13,345.47**		**12,556.80**

Details of investment in partnership firm - Urvija Associates

Name of the partner	As at March 31, 2019		As at March 31, 2018	
	Total capital	Share of profits	Total capital	Share of profits
Navin Fluorine International Limited	-	-	0.80	80%
Avanija Commercials Private Ltd. (formerly known as Mayflower Textiles Private Limited)	-	-	0.10	10%
Aditri Commercials Private Ltd. (formerly known as Myrtle Textiles Private Limited)	-	-	0.10	10%

9. Investments

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	175.54	4,81,600	154.59
- 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, 2018: ₹1.50 lakhs)#	150	-	150	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

9. Investments *(contd.)*

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
10% Non-convertible debentures of Wondrous Buildmart Private Limited	290	317.28	290	296.29
10% Non-convertible debentures of Phillip Capital (India) Private Limited - ATS NCD	18	189.19	-	-
(c) Investments in Non-Convertible Market Linked debentures - (at fair value through profit or loss)				
- ECAP Equities Limited - Enhanced FMP XVII-F9F709B	1,000	1,160.70	1,000	1,054.30
- Citicorp Finance (India) Limited - INE915D07G41	983	1,038.44	-	-
- ECAP Equities Limited - Enhanced FMP XVII-F9F709E	500	580.30	500	527.15
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8A	50	574.47	100	1,064.33
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8B	100	1,149.37	50	532.17
(d) Investments in mutual funds - (at fair value through profit or loss)				
- ICICI Prudential FMP - Series 78 1127 days Plan R Cumulative	-	-	42,50,000	508.56
- HDFC FMP 1120D March 2016 (1) - Regular- Growth - Series - 36	-	-	42,50,000	495.59
- Kotak FMP Series 191 - Growth	-	-	42,50,000	497.08
- UTI Fixed Term Income Fund Series XXVI-V(1160 days)-Growth Plan	1,00,00,000	1,154.77	1,00,00,000	1,074.10
- DHFL Pramerica Fixed Duration Fund-Series AE-Regular Plan Growth	30,000	346.70	30,000	322.07
- DHFL Pramerica Fixed Duration Fund - Series BC - Regular Plan - Growth	50,000	519.57	-	-
- UTI Fixed Term Income Fund XXVI - VII (1140 days) Growth Plan	1,70,00,000	1,951.23	1,70,00,000	1,814.07
- Aditya Birla Sun Life Fixed Term Plan-Series OJ(1136 days) Growth Regular	1,50,00,000	1,677.08	1,50,00,000	1,603.04
- DHFL Pramerica Fixed Duration Fund-Series AF-Regular Plan Growth	50,000	579.11	50,000	539.95
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 days) - Growth Plan	1,00,00,000	1,081.71	1,00,00,000	1,018.02
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days), Regular Growth	62,50,000	679.98	62,50,000	634.08
- Sundaram Fixed Term Plan - IE - Regular Growth	1,00,00,000	1,076.99	1,00,00,000	1,013.45
- UTI FIXED Term Income Fund XXVIII – X- (1153 days) - Growth Plan	1,50,00,000	1,574.28	1,50,00,000	1,512.33
- DHFL Pramerica Fixed Duration Fund Series AR-Regular Plan Growth	50,000	500.66	50,000	502.24
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	1,00,00,000	1,066.34	1,00,00,000	1,005.11
- Kotak FMP Series 220 - Growth (Regular Plan)	1,00,00,000	1,076.09	1,00,00,000	1,000.00
- HDFC Equity Savings Fund - Regular Plan -Growth	-	-	14,49,190	500.72
- Kotak Equity Savings Fund - Growth (Regular Plan)	55,74,933	791.42	38,08,598	502.65
- ICICI Prudential Equity Income Fund - Cumulative	57,22,313	787.96	39,00,156	499.61
(e) Investments in Alternate investment fund - (at fair value through profit or loss)				
- ASK Real Estate Special Situation Fund - I -RESSF-4071	450	443.92	200	200.00
Total		**20,493.10**		**18,871.50**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		**20,493.10**		**18,871.50**
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 Standalone Financial Statements as at and for the year ended March 31, 2019

10. Loans

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
- Security deposits	733.39	732.38
- Loans to related parties (refer note 44.1)	869.39	979.43
Total	**1,602.78**	**1,711.81**

Break-up of Security details

Particulars	As at March 31, 2019	As at March 31, 2018
Loans considered good - Secured	-	-
Loans considered good - Unsecured	1,602.78	1,711.81
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**1,602.78**	**1,711.81**
Loss allowance	-	-
Total	**1,602.78**	**1,711.81**

10A. Other financial assets (Non-Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with bank held as margin money*	14.70	20.32
Total	**14.70**	**20.32**

* The above bank deposit is marked as lien against bank guarantee issued to Custom authorities.

11. Non-current tax assets/ Current tax liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Tax Assets [net of provision ₹18,767.29 lakhs (March 31, 2018: ₹18,767.29 lakhs)]	970.05	970.05
Current Tax Liability [net of Advance tax ₹24,920.87 lakhs (March 31, 2018: ₹17,819.68)]	3,604.39	3,480.29

12. Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	1,774.81	31.71
Prepaid expenses	15.15	6.64
Advance Fringe benefit tax [net of provision of ₹89.00 lakhs (March 31, 2018: ₹89.00 lakhs)]	12.08	12.08
Others		
- Advances towards a Project (refer note 48)	162.70	162.70
- Other Advances	-	205.64
Total	**1,964.74**	**418.77**

13. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	3,935.48	4,237.94
Work-in-progress	1,881.77	2,049.43
Finished goods	2,308.27	2,132.29
Stock-in-trade	-	118.32
Stores and Spares	1,160.70	699.15
Total	**9,286.22**	**9,237.13**

Write-downs of inventories to net realisable value amounted to ₹23.84 lakhs (March 31, 2018 ₹33.93 lakhs). These were recognised as an expense during the year and included in 'Changes in Inventories of finished goods, work-in-progress and stock-in-trade' in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

14. Investments

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	4,95,000	728.39	22,79,550	4,361.95
- Equity shares of Mafatlal Industries Limited of ₹10.00 each	2,63,616	285.50	3,86,332	1,008.33
(b) Investments in mutual funds (unquoted, fully paid) - (at fair value through profit or loss)				
- ICICI Prudential Flexible Income Plan - Growth	4,05,303	1,453.94	4,29,052	1,430.10
- ICICI Prudential Banking & PSU Debt Fund - Growth	40,60,533	861.84	40,60,533	811.21
- HDFC Liquid Fund - Regular Plan - Growth	70,847	2,593.21	34,099	1,162.96
- IDFC Cash Fund - Growth - (Regular Plan)	97,582	2,202.86	55,588	1,169.26
- UTI Liquid Cash Plan Institutional Growth	29,869	910.97	16,205	459.80
- Aditya Birla Sun Life Short Term Fund - Growth - Regular Plan	-	-	19,48,412	1,294.66
- HDFC Short Term Opportunities Fund - Regular Plan Growth	-	-	80,96,415	1,552.46
- IDFC Corporate Bond Fund Regular Plan - Growth	-	-	1,16,95,255	1,390.36
- Kotak Corporate Bond Fund - Standard Growth (Regular Plan)	-	-	56,002	1,278.23
- HDFC Medium Term Opportunities Fund – Regular Plan Growth	-	-	26,48,375	511.43
- Sundaram Banking and PSU Debt Fund - Growth (Regular Plan)	-	-	18,73,017	510.31
- Kotak Flexi Debt Regular Plan-Growth	-	-	23,20,746	517.34
- Aditya Birla Sun Life Medium Term Plan - Growth-Regular Plan	-	-	23,80,340	523.14
- Aditya Birla Sun Life Savings Fund - Growth- Regular Plan	2,87,438	1,061.04	3,87,110	1,323.55
- Kotak Savings Fund – Growth (Regular Plan) (Erstwhile Kotak Treasury Adv.)	38,58,059	1,156.32	52,34,831	1,454.95
- HDFC FMP 1120D March (1)	42,50,000	532.24	-	-
- ICICI Prudential FMP Series 78 1127 days Plan R Cumulative	42,50,000	548.48	-	-
- Kotak FMP Series 191 - Growth	42,50,000	534.14	-	-
- Tata Treasury Advantage Fund – Growth Option	74,525	2,117.07	-	-
- Tata Liquid Fund Regular Plan - Growth	49,646	1,454.89	-	-
- Kotak Liquid Regular Plan Growth	26,625	1,004.47	-	-
- Axis Liquid Fund - Growth	42,170	870.86	-	-
- Aditya Birla Sun Life Liquid Fund - Growth	1,73,369	518.39	-	-
Total		**18,834.61**		**20,760.04**
Of the above:				
Aggregate amount of quoted investments and market value thereof		1,013.89		5,370.28
Aggregate amount of unquoted investments		17,820.72		15,389.76
Aggregate amount of impairment in value of investments		-		-

15. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	16,707.71	14,763.29
Receivables from related parties (refer note 44.1)	172.59	93.34
Less:- Allowance for doubtful debts (expected credit loss allowances) (refer note 42.7)	(133.83)	(142.83)
Total	**16,746.47**	**14,713.80**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

Break-up for Security details

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - Secured	139.16	135.15
Trade receivables considered good - Unsecured	16,741.14	14,721.48
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	**16,880.30**	**14,856.63**
Allowance for doubtful debts (expected credit loss allowances) (refer note 42.7)	(133.83)	(142.83)
Total	**16,746.47**	**14,713.80**

16A. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	7.79	8.28
Balances with banks in current account*	1,262.36	1,354.38
Total	**1,270.15**	**1,362.66**

*One current account with bank balance ₹2.40 lakhs (March 31, 2018 ₹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, 2019	As at March 31, 2018
Unpaid dividend	402.06	324.16
Buyback account	1.09	1.09
Deposits with maturity of more than 3 month and less than 12 months	566.20	501.29
Total	**969.35**	**826.54**

17. Loans

Particulars	As at March 31, 2019	As at March 31, 2018
- Security deposits	107.67	67.60
- Loans to related parties (refer note 44.1)	608.30	1,027.88
- Loans to employees	0.14	0.75
Total	**716.11**	**1,096.23**

Break-up of Security details

Particulars	As at March 31, 2019	As at March 31, 2018
Loans considered good - Secured	-	-
Loans considered good - Unsecured	716.11	1,096.23
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**716.11**	**1,096.23**
Loss allowance	-	-
Total	**716.11**	**1,096.23**

18. Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Rent Receivable	101.03	206.25
Derivative assets - Forward exchange contracts	94.32	17.97
Total	**195.35**	**224.22**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

19. Other current assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers	721.65	179.64
Prepaid expenses	117.77	99.01
Balances with government authorities	2,577.21	2,558.14
Other deposits	101.46	52.54
Others advances		
- Unsecured, considered good	539.91	214.68
- Unsecured, considered doubtful	-	1.85
	539.91	216.53
Less: Provision for doubtful advances	-	(1.85)
	539.91	214.68
Total	**4,058.00**	**3,104.01**

20. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Shares		
17,50,00,000 equity shares of ₹2.00 each	3,500.00	3,500.00
Issued, subscribed and fully Paid shares		
4,94,57,165 (as at March 31, 2018 - 4,93,50,810) equity shares of ₹2.00 each	989.15	987.02
Less: Calls in arrears [refer note 20 (e)]	0.15	0.15
Total	**989.00**	**986.87**

(a) Reconciliation of the number of shares and amount outstanding:

Particulars	Number of shares	Amount
Balance as at April 1, 2017	4,89,56,485	979.13
Add: Shares issued on exercise of employee stock options during the year	3,94,325	7.89
Balance as at March 31, 2018	**4,93,50,810**	**987.02**
Add: Shares issued on exercise of employee stock options during the year	1,06,355	2.13
Balance as at March 31, 2019	**4,94,57,165**	**989.15**

(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 (refer note 39.1). 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 43.

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2019		
Mafatlal Impex Private Limited	1,16,57,420	23.57%
Smallcap World Fund, Inc	32,02,000	6.47%
As at March 31, 2018		
Mafatlal Impex Private Limited	1,16,56,420	23.62%
Smallcap World Fund, Inc	32,02,000	6.49%

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

20. Equity share capital *(contd.)*

(e) Calls unpaid (by other than officers and directors)

Particulars	Number of shares	Amount
As at March 31, 2019		
Equity shares of ₹2.00 each, ₹1.00 called up but unpaid	14,555	0.15
As at March 31, 2018		
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.

21. Other Equity

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
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	1,834.61	1,558.55
General Reserve	7,333.34	7,333.34
Share Options Outstanding Account	219.74	207.09
Call in arrears pending for allotment	0.67	0.41
Retained Earnings	80,439.55	71,808.48
Total	**1,04,932.15**	**96,012.11**

(i) Capital Reserve No.1

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Opening Balance	33.88	33.88
Closing Balance	**33.88**	**33.88**

(iv) Securities Premium

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	1,558.55	1,164.72
Add: Received during the year on shares issued on exercise of employee stock options during the year	276.06	393.83
Closing Balance	**1,834.61**	**1,558.55**

v) General Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	7,333.34	7,333.34
Closing Balance	**7,333.34**	**7,333.34**

21. Other Equity *(contd.)*

(vi) Share Options Outstanding Account

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	207.09	230.69
Add: Recognition of share-based payments (Net)	12.65	(23.60)
Closing Balance	**219.74**	**207.09**

(vii) Call in arrears pending for allotment

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	0.41	0.07
Add: Calls in arrears received during the year	0.26	0.34
Closing Balance	**0.67**	**0.41**

(viii) Retained Earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	71,808.48	57,540.03
Add: Profit for the year	14,847.83	17,896.37
Less:		
Other comprehensive income for the year, net of income tax	(31.72)	(68.48)
Dividends (including tax)	(6,185.04)	(3,559.44)
Closing Balance	**80,439.55**	**71,808.48**

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.

22. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences (refer note 41.3)	862.65	881.46
Total	**862.65**	**881.46**

23. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	4,624.56	4,126.72
Less: Deferred tax assets	1,671.12	(1,735.94)
Total	**2,953.44**	**2,390.78**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

23.1 Movement of Deferred Tax

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2019

₹ in lakhs

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Closing balance
Deferred tax liabilities in relation to:			
Property, plant and equipment and intangible assets	3,813.51	181.72	3,995.23
Financial assets measured at FVTPL	306.40	289.73	596.13
Others	6.81	26.39	33.20
Total deferred tax liabilities (A)	**4,126.72**	**497.84**	**4,624.56**
Deferred tax assets in relation to:			
Indexation benefit on Investment properties	1,315.01	60.59	1,375.60
Fair Valuation of loan to wholly owned subsidiary	216.60	(107.01)	109.59
Provision for Compensated Absences	85.26	(12.93)	72.33
Provision for doubtful debts/ advances	50.56	(3.80)	46.76
Capital losses	68.37	(1.68)	66.69
Others	0.14	0.01	0.15
Total deferred tax assets (B)	**1,735.94**	**(64.82)**	**1,671.12**
Total (A - B)	**2,390.78**	**562.66**	**2,953.44**

(ii) Deferred tax assets/ liabilities in relation to the year ended March 31, 2018

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Closing balance
Deferred tax liabilities in relation to:			
Property, plant and equipment and intangible assets	4,526.42	(712.91)	3,813.51
Financial assets measured at FVTPL	133.51	172.89	306.40
Others	19.09	(12.28)	6.81
Total deferred tax liabilities (A)	**4,679.02**	**(552.30)**	**4,126.72**
Deferred tax assets in relation to:			
Indexation benefit on Investment properties	1,241.46	73.55	1,315.01
Fair Valuation of loan to wholly owned subsidiary	247.91	(31.31)	216.60
Provision for Compensated Absences	314.14	(228.88)	85.26
Provision for doubtful debts/ advances	27.60	22.96	50.56
Tax credits (MAT credit entitlement)	666.20	(666.20)	-
Capital losses	98.31	(29.94)	68.37
Others	8.60	(8.46)	0.14
Total deferred tax assets (B)	**2,604.22**	**(868.28)**	**1,735.94**
Total (A - B)	**2,074.80**	**315.98**	**2,390.78**

24. Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Liability against project contracts (Refer note 48)	1,334.95	1,334.95
Other payables	91.36	329.95
Deferred Government Grant	18.76	20.42
Total	**1,445.07**	**1,685.32**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

25. Trade payables

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Micro enterprises and Small enterprises	684.26	486.21
- Others	6,015.49	8,372.19
- Related parties (Refer note 44.1)	87.22	29.30
Total	**6,786.97**	**8,887.70**

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

Particulars	As at March 31, 2019	As at March 31, 2018
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	636.97	454.81
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	47.29	31.40
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,685.59	1,575.74
d. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.79	-
g. Further interest remaining due and payable for earlier years	31.40	-

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

26. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividends*	402.06	324.16
Unpaid money on buy-back of shares	1.09	1.09
Derivative liability - Forward exchange contract	69.33	9.18
Capital Creditors	910.63	285.40
Security Deposits received	952.99	1,131.20
Total	**2,336.10**	**1,751.03**

* 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.

27. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences (refer note 41.3)	235.65	201.99
Total	**235.65**	**201.99**

28. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	-	339.21
Statutory dues	474.74	828.74
Deferred Government Grant	1.67	1.67
Gratuity Payable (refer note 41.2)	71.65	78.94
Other Payables		
- to a related party (refer note 44.1)	17.89	553.25
- Others	1,753.79	1,837.81
Total	**2,319.74**	**3,639.62**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

29. Revenue from operations

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	94,229.03	85,871.27
Sale of services	459.07	2,184.11
Other operating revenues		
- Scrap Sales	216.66	147.14
- Export Incentives	608.32	403.25
Total	**95,513.08**	**88,605.77**

30. Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- on banks deposits	42.69	34.59
- on income tax refund	-	1,062.67
- on loans and advances	372.91	474.99
Dividend income		
- on investments in subsidiaries	34.22	-
- on investments in others	34.49	77.54
Lease rental income on investment properties (refer note 6)	946.55	1,204.12
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	1,354.58	3,341.78
- Excess provision/ liabilities written back (net)	17.90	2.89
- Net gain arising on sale of Investments	367.07	2,528.60
- Net gain on foreign currency transactions	-	57.58
- Profit on Sale of Undertaking (refer note 49)	-	53.94
- Miscellaneous Income	306.61	223.60
Total	**3,477.02**	**9,062.30**

31. Cost of Material consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw material consumed	41,149.86	33,624.89
Packing Material consumed	2,992.51	2,459.14
Total	**44,142.37**	**36,084.03**

32. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year		
Finished goods	2,308.27	2,132.29
Work-in-process	1,881.77	2,049.43
Stock-in-trade	-	118.32
	4,190.04	4,300.04
Inventories at the beginning of the year		
Finished goods	2,132.29	3,298.94
Work-in-process	2,049.43	2,005.07
Stock-in-trade	118.32	89.85
	4,300.04	5,393.86
	(110.00)	(1,093.82)
Add: Sale of inventories consequent to slump sale (refer note 49)	-	450.15
Net decrease	**(110.00)**	**(643.67)**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

33. Employee benefits expenses

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages and bonus	8,521.09	7,781.21
Contribution to provident and other funds (refer note 41.1 and 41.3)	534.92	630.07
Employee share-based payment expense (refer note 43)	83.66	64.02
Staff Welfare Expenses	382.38	451.11
Gratuity expenses (refer note 41.2)	172.90	153.82
Total	**9,694.95**	**9,080.23**

34. Finance Costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Others	47.28	66.03
Total	**47.28**	**66.03**

35. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (refer note 5A)	2,470.34	3,709.09
Depreciation of investment property (refer note 6)	85.27	85.27
Amortisation of intangible assets (refer note 7)	32.04	22.95
Total	**2,587.65**	**3,817.31**

36. Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	5,665.72	5,240.33
Rent expense (refer note 40.1)	438.56	461.42
Repairs and Maintenance		
- Plant and Machinery	777.95	863.87
- Buildings	93.83	156.78
Consumption of stores and spares	2,816.43	3,092.96
Excise duty	-	(231.71)
Transport and freight charges (net)	1,889.23	1,920.11
Labor contract charges	1,317.63	1,468.72
Legal and Professional Charges (refer note 36.1)	1,190.96	1,396.55
Rates & Taxes	415.33	403.79
Insurance	150.14	108.35
Directors Sitting Fees	36.75	38.15
Loss on Sale/ retirement of property, plant & equipment	57.97	553.45
Provision for doubtful debts / advances (net)	-	64.07
Provision for diminution in value of investment	146.56	130.09
Expenditure on Corporate Social Responsibility (refer note 36.2)	529.19	296.52
Net loss on foreign currency transactions and translation	199.28	-
Miscellaneous expenses	2,745.82	2,749.50
Total	**18,471.35**	**18,712.95**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

36.1 Payments to auditors

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) For audit	25.50	25.50
b) For other services	17.50	25.50
c) For reimbursement of expenses	0.58	0.13
Total	**43.58**	**51.13**

36.2 Corporate social responsibility

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Gross amount required to be spent by the company during the year	315.45	223.98
b) Amount spent during the year on:	529.19	296.52
	In cash	**Yet to be paid in cash**
For the year March 31, 2019		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	526.99	2.20
For the year March 31, 2018		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	261.15	35.37

37 Income taxes

37.1 Income tax expenses recognised

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	7,242.33	8,036.11
- Deferred tax recognised in Statement of Profit and Loss	562.66	315.98
	7,804.99	**8,352.09**
In respect of the current year		
- Current tax recognised in other comprehensive income	(17.03)	(36.78)
	(17.03)	**(36.78)**
Total income tax expense recognised in the current year	**7,787.96**	**8,315.31**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**22,652.82**	**26,248.46**
Income tax expense calculated at 34.944% (2017-2018: 34.608%)	7,915.80	9,084.07
Effect of:		
Income exempt from tax	(12.75)	(1,945.60)
Expenses that are not deductible in determining taxable profit	547.61	182.70
Tax concessions (availed) / reversed	(483.10)	174.58
Income taxable at different tax rate	(163.47)	136.17
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	(60.59)	(73.55)
Income tax on sale of undertaking	-	466.31
Finance lease income chargeable to tax	-	288.98
Others	61.49	38.43
Income tax expense recognised in Statement of Profit and Loss	**7,804.99**	**8,352.09**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

38. 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, 2019			As at and for the year ended March 31, 2018		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	51,345.05	44,168.03	95,513.08	44,066.91	44,538.86	88,605.77
Carrying cost of non current assets@	43,495.20	9,128.88	52,624.09	39,639.51	8,349.41	47,988.91
Cost incurred on acquisition of property, plant and equipment	4,985.93	-	4,985.93	4,326.28	-	4,326.28

@ 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.

39. 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, 2019	For the year ended March 31, 2018
Profit for the year attributable to equity shareholders - (₹ in lakhs) - **A**	**14,847.83**	**17,896.37**
Weighted average number of equity shares outstanding during the year - **B**	4,94,15,916	4,92,51,111
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	29,944	1,18,420
Weighted average number of Equity shares adjusted for the effect of dilution - **C**	4,94,45,860	4,93,69,531
Basic earnings per share - **₹ (A/B)**	30.05	36.34
Diluted earnings per share - **₹ (A/C)**	30.03	36.25
Nominal value per share - **₹**	2.00	2.00

39.1 At the 19th Annual General Meeting of the Company held on June 29, 2017, Members of the Company have 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.

40. Leasing arrangement

40.1 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 ₹438.56 lakhs (as at March 31, 2018 ₹461.42 lakhs).

40.2 The Company has taken office premises and vehicles under non-cancellable lease rental agreement. Details of minimum lease payments for the same are as under:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
not later than one year	92.17	-
later than one year and not later than five years	107.10	-
Total	**199.27**	**-**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

41. Employee benefit plans

41.1 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, 2019	As at March 31, 2018
Contribution to Provident Fund	67.34	62.79
Contribution to Family Pension Fund	91.41	93.10
Contribution to Superannuation Fund	210.16	314.89
Contribution to Employees' State Insurance Scheme	3.26	9.14
Contribution to Employees' Deposits Linked Insurance Scheme	5.89	5.89
Total	**378.06**	**485.81**

41.2 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, 2019. 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, 2019	As at March 31, 2018
1. Discount rate	7.48%	7.68%
2. Salary escalation	11%	11%
3. Mortality rate	Indian Assured Lives Mortality (2006 - 08) Ultimate	
4. Attrition rate	11%	11%

41.2 Defined Benefit Plans *(contd.)*

(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, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(2,237.72)	(2,046.82)
Fair value of plan assets	2,166.07	1,967.88
Net (liability)/asset arising from gratuity	(71.65)	(78.94)

(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, 2019	For the year ended March 31, 2018
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	166.84	154.18
Past service cost and (gain)/loss from settlements	-	-
Net interest expenses	6.06	(0.36)
Total (A) (refer note 33)	**172.90**	**153.82**
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)	16.70	15.94
-Actuarial gains and losses arising from changes in financial assumptions	21.49	38.48
-Actuarial gains and losses arising from experience adjustments	10.56	50.84
Total (B)	**48.75**	**105.26**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,046.81	1,794.01
Current service cost	166.84	154.18
Interest cost	157.20	127.20
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising from changes in demographic assumptions		
-Actuarial gains and losses arising from changes in financial assumptions	21.49	38.48
-Actuarial gains and losses arising from experience adjustments	10.56	50.84
Liabilities assumed for employee transferred from other entity	-	-
Benefits paid	(165.19)	(117.90)
Closing defined benefit obligation (C)	**2,237.71**	**2,046.81**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	1,967.87	1,799.15
Interest income	151.13	127.56
Remeasurement gain/(loss):		
-Return on plan assets (excluding interest income)	(16.70)	(15.94)
Contributions by employer	228.95	175.00
Asset transferred in for employee transferred from other entity	-	-
Benefits paid	(165.19)	(117.90)
Closing fair value of plan assets (D)	**2,166.06**	**1,967.87**

(d) The expected contribution to the plan for the next financial year is ₹223.00 lakhs (Previous Year: ₹198.04 lakhs)

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

41.2 Defined Benefit Plans *(contd.)*

(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, 2019	As at March 31, 2018
Central Government of India	11.68%	11.81%
State Government Securities	20.70%	20.16%
Special Deposits Scheme	10.10%	9.80%
Debt Instruments/Corp Bonds	57.52%	58.23%

(f) The weighted average duration of the defined benefit obligation is 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, 2019	443.03	960.60	2,176.10
As at March 31, 2018	325.32	933.59	2,092.88

(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, 2019	As at March 31, 2018
Impact of discount rate for 50 basis points increase	(52.86)	(49.86)
Impact of discount rate for 50 basis points decrease	55.85	52.61
Impact of salary escalation rate for 50 basis points increase	53.78	50.76
Impact of salary escalation rate for 50 basis points decrease	(51.46)	(48.62)
Impact of attrition rate for 50 basis points increase	(12.08)	(10.64)
Impact of attrition rate for 50 basis points decrease	12.64	11.13

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, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(2,883.85)	(2,373.85)
Fair value of plan assets	3,042.87	2,523.55
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised.

41.2 Defined Benefit Plans *(contd.)*

(b) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in 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, 2019	For the year ended March 31, 2018
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	156.86	144.26
Expected Return on plan assets	(207.55)	(180.47)
Net interest expenses	207.55	180.47
Total (A)	**156.86**	**144.26**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,373.85	1,806.73
Opening balance adjustment	13.04	-
Current service cost	156.86	144.26
Interest cost	207.55	180.47
Employee Contribution	258.75	217.82
Liabilities assumed for employee transferred from other entity	41.03	183.24
Benefits paid	(167.23)	(158.67)
Closing defined benefit obligation (B)	**2,883.85**	**2,373.85**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	2,523.55	1,931.68
Remeasurement gain/(loss):	22.35	24.75
Expected Return on plan assets	207.55	180.47
Contributions	415.61	362.08
Asset transferred in for employee transferred from other entity	41.04	183.24
Benefits paid	(167.23)	(158.67)
Closing fair value of plan assets (C)	**3,042.87**	**2,523.55**

(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, 2019	As at March 31, 2018
Central Government of India	9.97%	11.17%
State Government Securities	24.92%	20.73%
Special Deposits Scheme	26.99%	30.15%
Public Sector Units	33.39%	34.01%
Private Sector Bonds	-	2.04%
Others	4.73%	1.90%

41.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹1,098.30 lakhs (March 31, 2018: ₹1,083.45 lakhs).

42. Financial Instruments and Risk Review

42.1 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, 2019 and March 31, 2018.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

42.2 Fair value measurements

(i) Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	2,239.50	2,189.20
– Investments	506.47	296.29
– Trade receivables	16,746.47	14,713.80
– Loans	2,318.89	2,808.04
– Other financial assets	115.73	226.57
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	1,189.43	5,524.87
– Investments in mutual funds / Other funds	37,631.82	33,810.38
– Derivative assets	94.32	17.97
(b) designated at FVTPL	-	-
Measured at fair value through other comprehensive income (FVTOCI)	-	-
Financial liabilities		
Measured at Amortised Cost		
– Borrowing	-	-
– Trade payable	6,786.97	8,887.70
– Other financial liabilities	2,266.77	1,741.85
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	69.33	9.18
(b) designated at FVTPL	-	-

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2019	1,013.89	175.54	-	1,189.43
As at March 31, 2018	5,370.28	154.59	-	5,524.87
Investments in mutual funds / Other funds				
As at March 31, 2019	37,187.90	-	443.92	37,631.82
As at March 31, 2018	33,610.38	-	200.00	33,810.38
Derivative liability				
As at March 31, 2019	-	69.33	-	69.33
As at March 31, 2018	-	9.18	-	9.18

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 in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market 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.

42.2 Fair value measurements *(contd.)*

(iii) Valuation technique used to determine fair value

1. The fair value of the quoted investments is determined using quoted bid prices in an active market.
2. The fair value of the unquoted investments is determined using the inputs other than quoted prices included in level 1 that are observable for assets and liabilities.
3. 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.

42.3 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.

42.4 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.

42.5 Foreign exchange risk

(i) Exposure to foreign exchange risk:

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency of the entity in the Company. The risk also includes highly probable foreign currency cash flows. The Company has exposure arising out of export, import and other transactions other than functional risks. The Company hedges its foreign exchange risk using foreign exchange forward contracts. The same is within the guidelines laid down by Risk Management Policy of the Company.

(ii) Foreign exchange risk management:

To manage the foreign exchange risk arising from recognized assets and liabilities, Company use spot transactions, foreign exchange forward contracts, according to the Company's foreign exchange risk policy. Company's treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions. The Company's foreign exchange risk management policy is to selectively hedge net transaction exposures in major foreign currencies.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

42.5 Foreign exchange risk *(contd.)*

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, 2019		As at March 31, 2018	
	(₹ in lakhs)	(Foreign Currency In lakhs)	(₹ in lakhs)	(Foreign Currency In lakhs)
Amount receivable				
USD	149.82	2.17	54.71	0.84
GBP	4.75	0.05	7.24	0.08
EURO	9.55	0.12	13.07	0.16
Amount payable				
USD	-	-	1,138.86	17.47
GBP	0.34	-	0.75	0.01
EURO	41.01	0.53	-	-

* 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:

Particulars	For year ended March 31, 2019		For year ended March 31, 2018	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	4.49	(4.49)	(32.52)	32.52
GBP	0.13	(0.13)	0.19	(0.19)
EURO	(0.94)	0.94	0.39	(0.39)

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, 2019	sell	6,449.66	91.77
March 31, 2018	sell	5,656.83	86.48
GBP			
March 31, 2019	sell	-	-
March 31, 2018	sell	-	-
EURO			
March 31, 2019	sell	127.35	1.58
March 31, 2018	sell	246.42	3.03
US Dollars			
March 31, 2019	Buy	2,125.38	29.69
March 31, 2018	Buy	2,737.37	41.82

42.6 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 ₹101.39 lakhs gain in Statement of Profit and Loss (March 31, 2018: ₹537.03 lakhs). A 10% decrease in equity prices would have led to an equal but opposite effect.

42.7 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 ₹16,745.46 lakhs (March 31, 2018 - ₹14,721.48 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.

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, 2019 was ₹133.83 lakhs (March 31, 2018 - ₹142.83 lakhs).

Movement in the credit loss allowance

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning	142.83	77.31
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	(9.00)	65.52
Balance at the end	133.83	142.83

b) Cash and Cash Equivalent

Credit risk on cash and cash equivalents is limited as Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Investment in Mutual Funds

Credit risk on investments in mutual fund is limited as Company invested in mutual funds issued by the financial institutions with high credit ratings assigned by credit rating agencies.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

42.8 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, 2019 and March 31, 2018. 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, 2019				
– Trade payable	6,786.97	6,786.97	-	6,786.97
– Other financial liabilities (other than derivative)	2,266.77	2,266.77	-	2,266.77
– Derivative liabilities (on net basis)	69.33	69.33	-	69.33
As at March 31, 2018				
– Trade payable	8,887.70	8,887.70	-	8,887.70
– Other financial liabilities	1,741.85	1,741.85	-	1,741.85
– Derivative liabilities (on net basis)	9.18	9.18	-	9.18

43. 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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

43. Share based payments *(contd.)*

(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 (refer note 39.1)

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of year				
ESOS 2007	1,93,760	295.60	5,90,010	154.02
ESOS 2017	58,700	780	-	-
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	15,040	701.92	58,830	780.00
Exercised during the year				
ESOS 2007	1,06,355	194.80	3,94,325	78.98
ESOS 2017	-	-	-	-
Expired during the year				
ESOS 2007	(11,405)	483.30	(1,925)	554.40
ESOS 2017	(9,650)	780.00	(130)	780.00
Balance at the end year				
ESOS 2007	76,000	406.30	1,93,760	295.60
ESOS 2017	64,090	761.68	58,700	780.00

(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, 2019	Share options March 31, 2018
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	31,300	1,39,910
October 24, 2016	October 23, 2026	554.40	44,700	53,850
March 19, 2018	March 18, 2028	780.00	49,050	58,700
May 9, 2018	May 8, 2028	770.35	725	-
January 7, 2019	January 6, 2029	698.45	14,315	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

43. Share based payments *(contd.)*

(iv) Stock Options granted during the period were fair valued using a Black Scholes option pricing model. The expected volatility is based on the historical share price volatility over the past 1 year:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inputs into the model		
Expected volatility (%)	39.50%	38.63%
Option life (Years)	6	4
Dividend yield (%)	2.79%	1.11%
Risk-free interest rate	7.45%	7.65%

(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, 2019 is ₹83.66 lakhs (March 31, 2018 ₹64.02 lakhs). Also refer note 33.

44. 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

Arvind Mafatlal Foundation Trust
Sri Sadguru Seva Sangh Trust
Seth Navinchandra Mafatlal Foundation Trust

b. Entity over which Company has joint control (i.e. joint venture)

Swarnim Gujarat Fluorspar Private Limited, India
Convergence Chemicals Private Limited, India

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

(ii) Step-down Subsidiaries:

NFIL USA, Inc., United States of America

d. Associate:

Urvija Associates, India - a partnership firm where the Company was a partner (upto July 31, 2018)

e. Key Management personnel

Shri Vishad P. Mafatlal
Shri Shekhar S. Khanolkar (Managing Director upto October 12, 2018)
Shri Radhesh Welling (Managing Director w.e.f. December 11, 2018)
Shri T. M. M. Nambiar - Non-Independent Non-Executive Director
Shri P. N. Kapadia - Independent Non-Executive Director
Shri S. S. Lalbhai - Independent Non-Executive Director
Shri S. M. Kulkarni - Independent Non-Executive Director
Shri S. G. Mankad - Independent Non-Executive Director
Shri H. H. Engineer - Independent Non-Executive Director
Shri A. K. Srivastava - Non-Independent Non-Executive Director
Smt R. V. Haribhakti - Independent Non- Executive Director

44.1 Disclosures in respect of significant transactions with related parties during the year:

₹ in lakhs

Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sale of finished goods		
Convergence Chemicals Private Limited	956.24	238.69
Manchester Organics Limited	94.31	66.68
Sale of Business Unit		
Convergence Chemicals Private Limited	-	15,449.98
Other Income		
Convergence Chemicals Private Limited	-	85.19
Dividend Income		
Manchester Organics Limited	34.22	-
Rental income		
Convergence Chemicals Private Limited	1.03	0.29
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	67.88	364.48
Sulakshana Securities Limited	306.05	96.48
Purchase of raw materials		
Manchester Organics Limited	235.23	52.17
Rent paid, including lease rentals		
Sulakshana Securities Limited	108.48	108.48
Reimbursement of expenses paid		
Convergence Chemicals Private Limited	37.98	-
Manchester Organics Limited	359.08	396.56
NFIL USA, Inc.	301.19	-
Advance / Loan given to		
Convergence Chemicals Private Limited	3.39	325.00
Reimbursement of expenses recovered		
Sulakshana Securities Limited	144.65	93.75
Convergence Chemicals Private Limited	513.58	-
Purchase of Investment in equity shares		
Navin Fluorine (Shanghai) Co. Ltd.	146.56	130.09
NFIL (UK) Limited	779.49	1,458.99
Swarnim Gujarat Fluorspar Private Limited	10.00	-
Repayment of advances / Reimbursement of expenses from		
Sulakshana Securities Limited	246.00	329.75
Convergence Chemicals Private Limited	24.87	785.05
NFIL (UK) Limited	37.51	-
Share of loss in a partnership firm		
Urvija Associates	1.43	0.15
Capital contribution in a partnership firm		
Urvija Associates		
- current	1.43	0.15
Donation		
Sri Sadguru Seva Sangh Trust	221.47	110.00
Arvind Mafatlal Foundation Trust	100.00	-
Managerial remuneration		
Shri Vishad P. Mafatlal	588.22	565.17
Shri Shekhar S. Khanolkar	452.70	660.41
Shri Radhesh Welling	168.49	-
Director Sitting fees and Commission		
Shri T. M. M. Nambiar	23.10*	21.60
Shri P. N. Kapadia	22.75*	21.60
Shri S. S. Lalbhai	23.45*	21.95
Shri S. M. Kulkarni	22.75*	21.95

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

44.1 Disclosures in respect of significant transactions with related parties during the year: *(contd.)*

₹ in lakhs

Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Shri S. G. Mankad	21.00*	19.85
Shri H. H. Engineer	21.35*	19.85
Shri A. K. Srivastava	21.00*	19.85
Smt R. V. Haribhakti	21.35*	19.50

* Commission payable to Independent / Non-Independent, Non-executive directors of ₹140.00 lakhs for the year ended March 31, 2019 is subject to approval of shareholders.

Disclosures of closing balances:

Transactions	As at March 31, 2019	As at March 31, 2018
Amounts due to		
Manchester Organics Limited	87.22	29.30
Convergence Chemicals Private Limited	17.89	553.25
Amount due to Directors		
Shri Vishad P. Mafatlal	330.00	329.00
Shri Shekhar S. Khanolkar	55.00	126.43
Shri Radhesh Welling	30.00	-
Shri T. M. M. Nambiar	17.50	16.00
Shri P. N. Kapadia	17.50	16.00
Shri S. S. Lalbhai	17.50	16.00
Shri S. M. Kulkarni	17.50	16.00
Shri S. G. Mankad	17.50	16.00
Shri H. H. Engineer	17.50	16.00
Shri A. K. Srivastava	17.50	16.00
Smt R. V. Haribhakti	17.50	16.00
Amounts due from		
Manchester Organics Limited	7.58	35.51
Urvija Associates	-	1.58
Sulakshana Securities Limited	1,110.39	1,050.16
NFIL (UK) Limited	-	37.51
Convergence Chemicals Private Limited	533.31	976.57
Corporate Guarantee given		
NFIL (UK) Limited	413.83	2,952.88
Convergence Chemicals Private Limited	4,410.00	4,900.00

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, 2019, 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 give interest free loan to Sulakshna Securities Limited (SSL) pursuant to the sanctioned scheme of rehabilitation. Amount lying as at March 31, 2019 is ₹1,423.00 lakhs (March 31, 2018: ₹1,669.00 lakhs). Under Ind AS 109 ' Financial Instruments' the same has been fair valued. Accordingly, ₹815.55 lakhs (March 31, 2018: ₹815.55 lakhs) has been disclosed as Investment in equity of SSL and ₹1,110.39 lakhs (March 31, 2018: ₹1,049.16 lakhs) as loans to SSL as at March 31, 2019.

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, 2019 was ₹325.00 lakhs (March 31, 2018 was ₹325.00 lakhs. These loans are unsecured and carry an interest rate of 10.50% (March 31, 2018: 14%) and repayable on demand.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

44.1 Disclosures in respect of significant transactions with related parties during the year: *(contd.)*

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.

45. Capital and other commitments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,926.40	474.02
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	17.96	324.11

46. Contingent liabilities

(i) Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts		
a. Income tax matters	696.69	935.92
b. Excise duty matters	119.33	102.05
c. Sales-tax matters	128.56	128.56
d. Employee related matters	7.00	7.00
e. Corporate guarantee for debt availed by Subsidiary and Joint Venture Company	4,823.83	7,852.88
f. Other Bank guarantees	14.59	15.11

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). The Company is in the process of evaluating the impact of 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. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

47. Research and development expenditure

The details of research and development expenditure of ₹1,920.82 lakhs (as at March 31, 2018 ₹1,787.68 lakhs) included in the figures reported under notes 5 and 31 to 36 are as under:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Capital Expenditure	232.17	206.98
Revenue Expenditure	1,688.65	1,580.70
Total	**1,920.82**	**1,787.68**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	925.12	814.01
Material / Consumable / Spares	323.83	291.74
Utilities	119.66	131.41
Other expenditure	195.96	186.69
Depreciation	124.08	156.85
Total	**1,688.65**	**1,580.70**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2019

48. Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers had asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Company pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

49. In previous year, the Company's business relating to manufacture and sale of Specialty Fluorochemicals at Dahej was transferred to Convergence Chemicals Private Limited, a joint venture between the Company and Piramal Enterprise Limited, with effect from December 1, 2017, on a going concern basis by way of slump sales together with all the identified assets, liabilities, consents, permissions, services of employees etc. Revenue from operations of this Business till November 30, 2017 was ₹5,568.28 lakhs, which were included in the Statement of Profit and Loss.

50. The Board of Directors has recommended final dividend of ₹4.00 per share on the face value of ₹2.00 each (200%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

51. With effect from 1st April, 2018 company has adopted Ind AS 115 – Revenue from Contracts with Customers which resulted adjustments to the amounts recognized in the financial statements in the form of reclassification. In accordance with the transition provisions in the Ind AS 115, the company has adopted the modified retrospective method. Accordingly, comparative information for prior period has not been restated.

Balance Sheet (Extract)	31st March 2019 without adoption of Ind As 115	Increase/ (Decrease)	31st March 2019 as reported
Current Liabilities			
Contract Liabilities	-	345.76	345.76
Other Current Liabilities	2,665.50	(345.76)	2,319.74
Total Current Liabilities	**2,665.50**	-	**2,665.50**

Presentation of assets and liabilities related to contracts with customers:

The company has also voluntarily changed the presentation of certain amount in the balance sheet to reflect the terminology of Ind AS 115:

Contract liabilities in relation to contracts for sale of good and services which were included in the other current liabilities ₹345.76 lakhs. Contract Liabilities represents advance received against sale of goods or services

52. Earnings in foreign exchange

₹ in lakhs

	As at March 31, 2019	As at March 31, 2018
FOB value of exports	42,663.53	44,184.26
Dividend received	34.22	-

53. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

T. M. M. Nambiar (DIN:00046857)
R. V. Haribhakti (DIN:02409519)
S. S. Lalbhai (DIN:00045590)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
S. G. Mankad (DIN:00086077)
S. M. Kulkarni (DIN:00003640)
H. H. Engineer (DIN:01843009)
Directors

Mumbai, May 6, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Navin Fluorine International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Navin Fluorine International Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries [(the Holding Company, its subsidiaries (including a step down subsidiary) together referred to as "the Group")] and its associate and joint ventures; (refer Note 1B to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, 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 ventures as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and jointly venture entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by 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 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 Goodwill related to acquisition of Manchester Organics Limited, UK (Refer to Note 2 (j)(i) and 7 in the consolidated financial statements) The Group has a goodwill balance in relation to this subsidiary of ₹7,285.42 lakhs as at March 31, 2019 which represents 5.57% approximately to the total assets of the Group. The Group carries this Goodwill at cost less any accumulated impairment losses and tests it for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.	We understood the management process for impairment assessment and also evaluated the design and tested the effectiveness of the Company's internal controls surrounding such assessment. Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting. To assess 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 by using the terminal growth rates and discount rates as provided by the auditors' valuation experts.

Key audit matter	How our audit addressed the key audit matter
For the purpose of impairment testing, the management considers entire subsidiary as Cash Generating Unit (CGU) and estimates its recoverable amount 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 balance is significant to the consolidated balance sheet and significant judgement is involved in calculation of recoverable value for the purpose of impairment testing.	• Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. Based on the above procedures performed, we did not note any significant exceptions in the management assessment of impairment of Goodwill relating to acquisition of the subsidiary.

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 Board of Directors report, but does not include the consolidated financial statements and our auditor's report thereon.

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

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 and 17 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including 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 jointly 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 judgement 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 associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

16. We did not audit the financial statements of one subsidiary (i.e. Sulakshana Securities Limited) whose financial statements reflect total assets of ₹2,731.74 lakhs and net assets of ₹329.15 lakhs as at March 31, 2019, total revenue of ₹409.97 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹58.30 lakhs and net cash flows amounting to ₹0.49 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/(loss) and other comprehensive income) of ₹2.50 lakhs and ₹167.58 lakhs for the year ended March 31, 2019 as considered in the consolidated financial statements, in respect of one associate company (i.e. Urvija Associates upto July 31, 2018) and two joint ventures (i.e. Convergence Chemicals Private Limited and Swarnim Gujarat Fluorspar Private Limited) respectively, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary, associate 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, associate and joint ventures, is based solely on the reports of the other auditors.

17. 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 ₹9,728.73 lakhs and net assets of ₹8504.52 lakhs as at March 31, 2019, total revenue of ₹4534.07 lakhs, total comprehensive income (comprising of loss and other comprehensive loss) of ₹272.97 lakhs and net cash flows amounting to ₹150.88 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.

Report on Other Legal and Regulatory Requirements

18. 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 maintained by the Holding Company, its subsidiary included in the Group and its associate and joint ventures incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books 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 by the Holding Company, its subsidiary included in the Group and its associate and joint ventures incorporated in India including relevant records relating to the 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, 2019 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, 2019 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 Holding Company, its subsidiary company and joint ventures in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint ventures– Refer Note 47 to the consolidated financial statements.

        ii. The Group and its joint ventures have long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Group and its joint ventures did not have any long term derivative contracts as at March 31, 2019.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint ventures incorporated in India.

        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, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N-500016

Jeetendra Mirchandani
Partner
Membership Number: 48125

Mumbai
May 06, 2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 18(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, 2019

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, 2019, 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 its associate and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary company and joint venture companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 over financial reporting 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 over financial reporting, 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 Matter 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 jointly venture companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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 two joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N-500016

Jeetendra Mirchandani
Partner
Membership Number: 48125

Mumbai
May 06, 2019

Consolidated Balance sheet as at March 31, 2019

₹ in lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	28,496.85	28,183.54
b. Capital work-in-progress	5B	3,932.96	2,008.59
c. Investment properties	6	5,615.94	5,729.41
d. Goodwill	7	8,776.41	8,776.41
e. Other intangible assets	7	128.62	74.28
f. Investment accounted for using the equity method	8	3,325.90	3,150.19
g. Financial assets			
i. Investments	9	20,583.54	18,923.15
ii. Loans	10	732.94	734.48
iii. Other financial assets	10A	14.70	20.32
h. Income tax assets (net)	11	1,072.63	1,033.53
j. Other non-current assets	12	1,964.74	418.77
Total non-current assets		**74,645.23**	**69,052.67**
Current assets			
a. Inventories	13	11,190.94	11,383.16
b. Financial assets			
i. Investments	14	18,834.61	20,760.04
ii. Trade receivables	15	17,273.06	15,559.93
iii. Cash and cash equivalents	16A	1,587.43	1,838.79
iv. Bank balances other than (iii) above	16B	2,111.69	1,905.44
v. Loans	17	476.11	1,176.87
vi. Other financial assets	18	290.48	346.31
c. Other current assets	19	4,310.35	3,534.58
Total current assets		**56,074.67**	**56,505.12**
Total assets		**1,30,719.90**	**1,25,557.79**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	989.00	986.87
b. Other equity	21	1,06,255.79	97,361.36
Total equity		**1,07,244.79**	**98,348.23**
Liabilities			
Non-current liabilities			
a. Financial Liabilities			
i. Borrowings	22	-	421.84
b. Provisions	23	862.65	881.46
c. Deferred tax liabilities (Net)	23A	3,481.98	3,079.84
d. Other non-current liabilities	24	1,445.07	1,685.32
Total non-current liabilities		**5,789.70**	**6,068.46**
Current liabilities			
a. Financial liabilities			
i. Borrowings	25	413.83	843.68
ii. Trade payables	26		
a. Total outstanding dues of micro enterprises and small enterprises		684.26	486.21
b. Total outstanding dues other than (ii) (a) above		6,449.80	9,064.99
iii. Other financial liabilities	27	2,500.72	1,915.76
b. Contract liabilities		345.76	-
c. Provisions	28	235.65	201.99
d. Income tax liabilities (net)	11	3,608.09	3,480.29
e. Other current liabilities	29	3,447.30	5,148.18
Total current liabilities		**17,685.41**	**21,141.10**
Total liabilities		**23,475.11**	**27,209.56**
Total equity and liabilities		**1,30,719.90**	**1,25,557.79**
Significant Accounting Policies	2		

The above Consolidated balance sheet should be read in conjunction with the accompanying notes

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

T. M. M. Nambiar (DIN:00046857)
R. V. Haribhakti (DIN:02409519)
S. S. Lalbhai (DIN:00045590)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
S. G. Mankad (DIN:00086077)
S. M. Kulkarni (DIN:00003640)
H. H. Engineer (DIN:01843009)

Directors

Mumbai, May 6, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	30	99,593.73	92,534.34
Other Income	31	3,439.51	9,251.24
Total Income		**1,03,033.24**	**1,01,785.58**
EXPENSES			
Cost of materials consumed	32	46,059.44	38,370.74
Purchases of stock-in-trade		1,283.68	1,750.26
Changes in Inventories of finished goods, work in progress and stock-in-trade	33	312.49	112.15
Excise duty		-	1,265.13
Employee benefits expense	34	11,548.99	11,053.32
Finance costs	35	82.69	119.31
Depreciation and amortisation expense	36	2,751.17	3,978.10
Other Expenses	37	18,553.51	18,487.32
Total Expenses		**80,591.97**	**75,136.33**
Profit before tax		**22,441.27**	**26,649.25**
Tax expenses			
(1) Current tax	38	7,292.56	8,049.03
(2) Deferred tax [including Minimum Alternate Tax (credit) / utilized]	38	403.99	354.43
Total Tax expenses		**7,696.55**	**8,403.46**
Profit for the year		**14,744.72**	**18,245.79**
Share of profits/(losses) from joint ventures and associate (net)		165.08	(267.99)
Total profit for the year		**14,909.80**	**17,977.80**
Other comprehensive income / (loss)			
(A) Items that will not be reclassified to profit and loss			
(i) Remeasurement loss of the defined benefit obligations		(48.75)	(105.26)
(ii) Current tax relating to the above		17.03	36.78
Total (A)		**(31.72)**	**(68.48)**
(B) Items that may be reclassified to profit and loss			
(i) Exchange differences on translation of foreign operations		(87.59)	101.98
Total (B)		**(87.59)**	**101.98**
Total other comprehensive income / (loss) (A+B)		**(119.31)**	**33.50**
Total comprehensive income for the year		**14,790.49**	**18,011.30**
Profit is attributable to:			
Owners of the Company		14,909.80	17,977.80
Other Comprehensive Income/(Losses) attributable to:			
Owners of the Company		(119.31)	33.50
Total Comprehensive Income attributable to:			
Owners of the Company		14,790.49	18,011.30
Earnings per equity share (of face value of ₹2 each)	40		
(1) Basic (in ₹)		30.17	36.50
(2) Diluted (in ₹)		30.15	36.41
Significant Accounting Policies	2		

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
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S. M. Kulkarni (DIN:00003640)
H. H. Engineer (DIN:01843009)
Directors

Mumbai, May 6, 2019

Consolidated Statement of Cash flows for the year ended March 31, 2019

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**22,441.27**	**26,649.25**
Adjustments for:		
Depreciation and amortisation	2,751.17	3,978.10
Loss on sale / write off of property, plant and equipment (Net)	60.14	553.45
Profit on sale of undertaking	-	(53.94)
Gain on sale of investments (Net)	(367.07)	(2,528.60)
Changes in fair value of financial assets at fair value through profit or loss	(1,362.74)	(3,342.94)
Employee Share-based payment expense	83.66	64.02
Unwinding of Rent	2.00	10.27
Finance Costs	82.69	119.31
Interest income	(119.17)	(422.24)
Lease rental income on investment properties	(1,230.97)	(1,479.23)
Net (gain)/loss on foreign currency translations	62.30	(52.33)
Dividend Income	(34.49)	(77.54)
Excess provision/ liabilities written back	(17.90)	(2.89)
Provision for doubtful debts / advances	-	64.07
Operating profit before changes in operating assets and liabilities	**22,350.89**	**23,478.76**
Adjustments for:		
Increase in trade receivables	(1,825.40)	(1,809.73)
(Increase)/decrease in inventories	192.22	(1,220.62)
Increase in other assets	(261.49)	(2,701.84)
Increase/ (Decrease) in trade and other payables	(4,254.25)	4,165.47
Cash generated from operations	**16,201.97**	**21,912.04**
Income taxes paid (net of refunds)	(7,186.83)	(4,974.99)
Net cash generated from operating activities	**9,015.14**	**16,937.05**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(6,157.80)	(4,873.59)
Repayment of Loans and Advances from Joint Ventures	514.93	-
Increase in deposits with banks	(185.86)	(150.22)
Payments for purchase of investments	(27,167.50)	(52,920.76)
Proceeds from sale of property, plant and equipment	39.76	37.92
Proceeds from sale of investments	29,154.18	39,582.04
Advance received/Proceeds from Sale of undertaking	-	2,729.48
Lease rental income on investment properties	1,230.97	1,479.23
Dividend received	34.49	77.54
Interest received	104.40	410.75
Net cash used in investing activities	**(2,432.43)**	**(13,627.61)**

Consolidated Statement of Cash flows for the year ended March 31, 2019 *(contd.)*

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Calls in arrears received (including securities premium)	0.26	0.34
Proceeds from allotment of Employee Stock Option Plan (ESOP)	207.18	311.37
Repayments of long term borrowings	(421.84)	(687.68)
Proceed/(Repayments) of other borrowings (net)	(429.85)	101.44
Dividend (ncluding tax)	(6,107.13)	(3,503.37)
Interest paid	(82.69)	(119.31)
Net cash used in financing activities	**(6,834.06)**	**(3,897.21)**
Net decrease in cash and cash equivalents	(251.36)	(587.77)
Cash and cash equivalents at the beginning of the year	1,838.79	2,426.56
Cash and cash equivalents at the end of the year	**1,587.43**	**1,838.79**
Reconciliation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - note 16A	1,587.43	1,838.79
As per Cash flow statement	**1,587.43**	**1,838.79**

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

T. M. M. Nambiar (DIN:00046857)
R. V. Haribhakti (DIN:02409519)
S. S. Lalbhai (DIN:00045590)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
S. G. Mankad (DIN:00086077)
S. M. Kulkarni (DIN:00003640)
H. H. Engineer (DIN:01843009)
Directors

Mumbai, May 6, 2019

Consolidated Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

₹ in lakhs

Balance as at April 01, 2017	**979.00**
Shares issued on exercise of employee stock options during the year	7.89
Less: Calls in arrears	(0.02)
Balance as at March 31, 2018	**986.87**
Shares issued on exercise of employee stock options during the year	2.13
Less: Calls in arrears	-
Balance as at March 31, 2019	**989.00**

B. Other Equity

₹in lakhs

Particulars	Reserves & Surplus								Other comprehensive income	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 pending for allotment	Retained Earnings	Foreign currency translation reserve			
Balance as at April 01, 2017	**8,035.17**	**7,035.19**	**33.88**	**1,164.72**	**7,333.34**	**230.69**	**0.07**	**58,675.70**	**30.17**	**82,538.93**	**-**	**82,538.93**
Profit for the year	-	-	-	-	-	-	-	17,977.80	-	17,977.80	-	17,977.80
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(68.48)	101.98	33.50	-	33.50
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17,909.32**	**101.98**	**18,011.30**	**-**	**18,011.30**
Shares issued on exercise of employee stock options during the year	-	-	-	393.83	-	-	-	-	-	393.83	-	393.83
Recognition of shared based payments (net)	-	-	-	-	-	(23.60)	-	-	-	(23.60)	-	(23.60)
Calls in arrears received during the year	-	-	-	-	-	-	0.34	-	-	0.34	-	0.34
Payment of dividends (including tax)	-	-	-	-	-	-	-	(3,559.44)	-	(3,559.44)	-	(3,559.44)
Balance as at March 31, 2018	**8,035.17**	**7,035.19**	**33.88**	**1,558.55**	**7,333.34**	**207.09**	**0.41**	**73,025.58**	**132.15**	**97,361.36**	**-**	**97,361.36**
Profit for the year	-	-	-	-	-	-	-	14,909.80	-	14,909.80	-	14,909.80
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(31.72)	(87.59)	(119.31)	-	(119.31)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,878.08**	**(87.59)**	**14,790.49**	**-**	**14,790.49**
Shares issued on exercise of employee stock options during the year	-	-	-	276.06	-	-	-	-	-	276.06	-	276.06
Recognition of shared based payments (net)	-	-	-	-	-	12.65	-	-	-	12.65	-	12.65
Calls in arrears received during the year	-	-	-	-	-	-	0.26	-	-	0.26	-	0.26
Payment of dividends (including tax)	-	-	-	-	-	-	-	(6,185.04)	-	(6,185.04)	-	(6,185.04)
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**

The above Statement of changes in equity should be read in conjunction with the accompanying notes

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

R. R. Welling
Managing Director
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S. M. Kulkarni
(DIN:00003640)

H. H. Engineer
(DIN:01843009)

Directors

Mumbai, May 6, 2019

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

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, 2019	As at March 31, 2018
Subsidiaries			
Sulakshana Securites Limited	India	100%	100%
NFIL (UK) Limited	UK	100%	100%
Navin Fluorine (Shanghai) Co. Limited	China	100%	100%
Manchester Organics Limited	UK	100%	100%
Step-down Subsidiary			
NFIL USA, Inc.	USA	100%	100%
Associate and Joint Ventures (JV)			
Urvija Associates (Associate) (Upto July 31, 2018)	India	-	80%
Convergence Chemcials Private Limited (JV)	India	49%	49%
Swarnim Gujarat Fluorspar Private Limited (JV)	India	49.48%	49.43%

2. Significant Accounting Policies

This note provide a list of the significant accounting policies adopted by the Group in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements are for the group consisting of the Company and its subsidiary companies.

a) Basis of Preparation

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

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

(ii) Historical Cost Convention

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

(iii) New and amended standards adopted by the Group

The Group has adopted Ind AS 115, Revenue from Contracts with Customers, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustments are made to the amounts recognised in the financial statements. The adoption has resulted in changes to accounting policies and mandated certain disclosures. Refer note no (c) below for accounting policies and note no. 52 for related disclosures.

(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) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted using the equity method of accounting [see (iv) below], after initially being recognised at cost.

(iii) 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 (iv) below], after initially being recognised at cost in the Consolidated Financial Statements.

(iv) 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.

(v) Change in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture Company or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Consolidated Statement of Profit and Loss where appropriate.

c) Revenue recognition

(i) Sale of Goods

Revenue is generated primarily from sale of chemicals. Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer in accordance with the terms of customer contracts. In case of domestic customers, generally revenue recognition take place when goods are dispatched and in case of export customers when goods are shipped onboard based on bill of lading as per the terms of contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to transfer goods to the customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Sale of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

A contract liability is the obligation to render services to the customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the rendering of promised services to the customer and payment by the customer exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(iii) Export Incentives

Export incentives are recognised for based on the eligibility and when there is no uncertainty in receiving the same.

d) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Consolidated Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

e) Leases

(i) As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(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.

f) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Consolidated Statement of Profit and Loss. 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

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.

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 Statement of Changes in Equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement of Profit and Loss as past service cost.

Provident fund liability

Provident Fund for certain employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognized by the Income Tax authorities where other entities are also the participant. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss and when services are rendered by the employees. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

(b) Defined contribution plans

The Group contributes towards family pension fund, superannuation fund and provident fund for certain employees which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

h) Employee share-based payment arrangements

Eligible employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to eligible employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

i) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less deprecation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment which are not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. However, for below assets, the useful lives are higher or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Assets	Useful Life
Plant and Machinery	
Laboratory Equipments	4 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

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 de-recognised.

Investment properties are depreciated using straight line method over their useful lives specified in Schedule II to the Companies Act, 2013.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost of the investment properties.

l) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset/cash generating unit exceeds its recoverable amount. The recoverable amount of the assets/ cash generating unit is fair value less costs of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

m) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on weighted average basis. Cost includes all charges in bringing the goods to their present location and condition. The cost of process stock and finished goods comprises of materials, direct labour, other direct costs and related production overheads and taxes as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

n) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees ('₹'), which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other gains | (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet.

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction)

c) all resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gains / (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

o) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

p) Trade receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other income/expense.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant & equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

u) Provisions and contingencies

Provisions are recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

v) Investment in associate and joint ventures

Investments in associate and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

w) Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Statement of Profit and Loss.

a. Investment and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Consolidated Statement of Profit and Loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Consolidated Statement of Profit and Loss or other comprehensive income.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group business model for managing the assets and cash flows characteristic. There are three measurement categories into which the group classifies its debt instruments.

i. **Amortised Cost:** Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. **Fair value through other comprehensive Income (FVOCI):** Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to the Consolidated Statement of Profit and Loss.

iii. **Fair Value through profit 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

b. Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires. An instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(x) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3. Critical estimates and judgements

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. Application of new and revised Ind AS's

(a) Ind AS 116 – Leases

March 30, 2019 the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments ('lease liability') and an asset representing right to use the underlying asset during the lease term ('right-of-use asset'). An optional exemption exists for short-term and low-value leases.

Where a contract meets Ind AS 116's definition of a lease, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a lease liability for future lease payables.

In the Statement of Profit and Loss, lessees will have to separately present interest expense on the lease liability and depreciation on the right-of-use asset. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

The Group is in the process of evaluating the impact of adoption of Ind AS 116 on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

(b) Other amendments

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These other amendments come into force on 1 April 2019.

(i) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes' - The appendix explains how to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

(ii) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, 'Employee Benefits' - The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. The Company must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
- separately recognise any changes in the asset ceiling through other comprehensive income.

(iii) Ind AS 12, 'Income Taxes' - The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

(iv) Ind AS 23, 'Borrowing Costs' - The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

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, 2017	10.56	5,510.26	883.47	157.89	34,995.72	2,489.50	288.89	44,336.29
Additions	-	964.13	66.02	80.98	2,600.83	-	484.73	4,196.69
Disposals/Adjustments (refer note 2 below)	-	(897.45)	(40.87)	(12.90)	(14,357.56)	-	(94.71)	(15,403.49)
Effect of Foreign currency exchange difference	-	-	7.77	-	71.13	-	0.37	79.27
Balance as at March 31, 2018	**10.56**	**5,576.94**	**916.39**	**225.97**	**23,310.12**	**2,489.50**	**679.28**	**33,208.76**
II. Accumulated depreciation								
Balance as at April 1, 2017	-	238.63	140.36	15.84	2,371.40	26.21	46.42	2,838.86
Depreciation expense for the year	-	272.76	126.00	29.91	3,307.39	26.21	79.42	3,841.68
Disposals/Adjustments (refer note 2 below)	-	(65.31)	(21.87)	(6.94)	(1,568.69)	-	(17.88)	(1,680.69)
Effect of Foreign currency exchange difference	-	-	1.87	-	23.33	-	0.17	25.37
Balance as at March 31, 2018	**-**	**446.08**	**246.37**	**38.81**	**4,133.42**	**52.42**	**108.13**	**5,025.22**
Net block (I-II)								
Balance as at March 31, 2018	**10.56**	**5,130.86**	**670.03**	**187.16**	**19,176.70**	**2,437.08**	**571.15**	**28,183.54**
I. Gross Block								
Balance as at April 1, 2018	10.56	5,576.94	916.39	225.97	23,310.12	2,489.50	679.28	33,208.76
Additions	26.57	284.21	67.24	19.38	2,437.40	75.00	119.74	3,029.54
Disposals/Adjustments	-	(21.62)	(104.38)	(8.89)	(132.77)	-	-	(267.66)
Effect of Foreign currency exchange difference	-	-	(1.03)	-	(15.82)	-	(0.07)	(16.92)
Balance as at March 31, 2019	**37.13**	**5,839.53**	**878.22**	**236.46**	**25,598.93**	**2,564.50**	**798.95**	**35,953.72**
II. Accumulated depreciation								
Balance as at April 1, 2018	-	446.08	246.36	38.81	4,133.42	52.42	108.13	5,025.22
Depreciation expense for the year	-	257.54	109.89	29.50	2,090.09	26.97	91.67	2,605.66
Disposals/Adjustments	-	-	(43.57)	(8.45)	(115.75)	-	-	(167.77)
Effect of Foreign currency exchange difference	-	-	(0.25)	-	(5.96)	-	(0.03)	(6.24)
Balance as at March 31, 2019	-	703.62	312.44	59.86	6,101.80	79.39	199.77	7,456.87
Net block (I-II)								
Balance as at March 31, 2019	**37.13**	**5,135.91**	**565.79**	**176.60**	**19,497.13**	**2,485.11**	**599.18**	**28,496.85**

Notes:

1. Standby Letter of Credit facility amounting to ₹413.83 lakhs (March 31,2018: ₹2,952.83 lakhs) availed from HDFC Bank for loan taken by Subsidiary is being secured by Second charge on the property, plant and equipment of the Company.
2. In previous year, assets lying at Dahej unit sold on slump sale basis (refer note 51).
3. For details of Capital commitment relating to Property, Plant and Equipment (refer note 46).

5B. Capital work-in progress

Capital work-in progress as at March 31, 2019 is ₹3,932.96 lakhs (March 31, 2018: ₹2,008.59 lakhs). It is mainly comprises of expansion projects in progress.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

6. Investment Properties

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
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	226.91	113.44
Charge for the year	113.47	113.47
Closing Balance	340.38	226.91
Net carrying amount (I-II)	**5,615.94**	**5,729.41**

(i) Amount recognised in the Consolidated Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2019	As at March 31, 2018
Rental Income (refer note 31)	1,230.97	1,479.23
Direct operating expenses from property that generated rental income	206.96	202.08
Profit from investment properties before depreciation	**1,024.01**	**1,277.15**
Depreciation	113.47	113.47
Profit from investment properties	**910.54**	**1,163.68**

(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, 2019	As at March 31, 2018
not later than one year	691.30	762.48
later than one year and not later than five years	798.91	1,475.96
later than five years	-	-
Total	**1,490.21**	**2,238.44**
Operating lease rentals credited to the Consolidated Statement of Profit and Loss (refer note 31)	**1,230.97**	**1,479.23**

(iii) Fair Value

Particulars	As at March 31, 2019	As at March 31, 2018
Investment properties	18,988.02	18,918.73

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, 2017	84.76	8,776.41
Additions	67.82	-
Deduction/Adjustment	-	-
Balance at March 31, 2018	**152.58**	**8,776.41**
Accumulated amortisation		
Balance at April 1, 2017	55.35	-
Amortisation expense	22.95	-
Deduction/Adjustment	-	-
Balance at March 31, 2018	**78.30**	**-**
Net carrying amount as at March 31, 2018	**74.28**	**8,776.41**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

7. Other intangible assets *(contd.)*

₹ in lakhs

Particulars	Other intangible assets - Software	Goodwill
Balance at April 1, 2018	152.58	8,776.41
Additions	86.38	-
Deduction/Adjustment	-	-
Balance at March 31, 2019	**238.96**	**8,776.41**
Accumulated amortisation		
Balance at April 1, 2018	78.30	-
Amortisation expense	32.04	-
Deduction/Adjustment	-	-
Balance at March 31, 2019	**110.34**	**-**
Net carrying amount as at March 31, 2019	**128.62**	**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 uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 10% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 5% 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, 2019.

8. Investment accounted for using the equity method

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments				
In joint ventures (Unquoted, fully paid up) - (using equity method)				
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹10 each	11,82,500	83.20	10,82,500	108.25
Add: Share of loss (net)	-	(4.34)	-	(35.05)
		78.86	-	73.20
- Equity shares of Convergence Chemicals Private Limited of ₹10 each	3,43,04,900	3,075.12	3,43,04,900	3,430.49
Add: Share of profit/(loss) (net)		171.92	-	(355.37)
	-	3,247.04	-	3,075.12
(b) Investments in Partnership firm - (using equity method)				
Capital contribution in Urvija Associates	-	-	-	0.80
Add: Share of profit (net)	-	-	-	1.07
	-	-	-	1.87
Total	**-**	**3,325.90**	**-**	**3,150.19**

Details of investment in partnership firm - Urvija Associates

Name of the partner	As at March 31, 2019		As at March 31, 2018	
	Total capital	Share of profits	Total capital	Share of profits
Navin Fluorine International Limited	-	-	0.80	80%
Avanija Commercials Private Ltd. (formerly known as Mayflower Textiles Private Limited)	-	-	0.10	10%
Aditri Commercials Private Ltd. (formerly known as Myrtle Textiles Private Limited)	-	-	0.10	10%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

9. Investments

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	175.54	4,81,600	154.59
- 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, 2018: ₹1.50 lakhs)#	150	-	150	-
10% Non-convertible debentures of Wondrous Buildmart Private Limited	290	317.28	290	296.29
10% Non-convertible debentures of Phillip Capital (India) Private Limited - ATS NCD	290	189.19	-	-
(c) Investments in Non-Convertible Market Linked debentures				
- (Unquoted, fully paid up) (at fair value through profit or loss)				
- ECAP Equities Limited - Enhanced FMP XVII-F9F709B	1,000	1,160.70	1,000	1,054.30
- Citicorp Finance (India) Limited - INE915D07G41	983	1,038.44	-	-
- ECAP Equities Limited - Enhanced FMP XVII-F9F709E	500	580.30	500	527.15
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8A	50	574.47	100	1,064.33
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8B	100	1,149.37	50	532.17
(d) Investments in mutual funds - (Unquoted, fully paid up)				
(at fair value through profit or loss)				
- ICICI Prudential FMP - Series 78 1127 days Plan R Cumulative	-	-	42,50,000	508.56
- HDFC FMP 1120D March 2016 (1) - Regular- Growth - Series - 36	-	-	42,50,000	495.59
- Kotak FMP Series 191 - Growth	-	-	42,50,000	497.08
- UTI Fixed Term Income Fund Series XXVI-V(1160 days)-Growth Plan	1,00,00,000	1,154.77	1,00,00,000	1,074.10
- DHFL Pramerica Fixed Duration Fund-Series AE-Regular Plan Growth	30,000	346.70	30,000	322.07
- DHFL Pramerica Fixed Duration Fund - Series BC - Regular Plan - Growth	50,000	519.57	-	-
- UTI Fixed Term Income Fund XXVI - VII (1140) days (Growth Plan)	1,70,00,000	1,951.23	1,70,00,000	1,814.07
- Aditya Birla Sun Life Fixed Term Plan-Series OJ(1136 days) Growth Regular	1,50,00,000	1,677.08	1,50,00,000	1,603.04
- DHFL Pramerica Fixed Duration Fund-Series AF-Regular Plan Growth	50,000	579.11	50,000	539.95
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	1,00,00,000	1,081.71	1,00,00,000	1,018.02
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days),Regular Growth	62,50,000	679.98	62,50,000	634.08
- Sundaram Fixed Term Plan - IE - Regular Growth	1,00,00,000	1,076.99	1,00,00,000	1,013.45
- UTI FIXED Term Income Fund XXVIII – X- 1153 Days - Growth Plan	1,50,00,000	1,574.28	1,50,00,000	1,512.33
- DHFL Pramerica Fixed Duration Fund Series AR-Regular Plan Growth	50,000	500.66	50,000	502.24
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	1,00,00,000	1,066.34	1,00,00,000	1,005.11
- Kotak FMP Series 220 - Growth (Regular Plan)	1,00,00,000	1,076.09	1,00,00,000	1,000.00
- HDFC Equity Savings Fund - Regular Plan -Growth	-	-	14,49,190	500.72
- Kotak Equity Savings Fund - Growth (Regular Plan)	55,74,933	791.42	38,08,598	502.65
- ICICI Prudential Equity Income Fund - Cumulative	57,22,313	787.96	39,00,156	499.61
- Kotak Corporate Bond Fund - Growth	3,661	90.44	2,263	51.65
(e) Investments in Alternate investment fund				
- (at fair value through profit or loss)				
- ASK Real Estate Special Situation Fund - I -RESSF-4071	450	443.92	200	200.00
Total		**20,583.54**		**18,923.15**
Of the above:				
Aggregate amount of quoted investments and market value thereof		**-**		**-**
Aggregate amount of unquoted investments		**20,583.54**		**18,923.15**
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, 2019

10. Non-Current Loans

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
- Security deposits	732.94	732.93
- Loans to related parties (refer note 45.1)	-	1.55
Total	**732.94**	**734.48**

Break up of Security details

Particulars	As at March 31, 2019	As at March 31, 2018
Loans considered good - Secured	-	-
Loans considered good - Unsecured	732.94	734.48
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	732.94	**734.48**
Loss allowance	-	-
Total	**732.94**	**734.48**

10A. Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with bank held as margin money*	14.70	20.32
Total	**14.70**	**20.32**

* The above bank deposit is marked as lien against bank guarantee issued to Custom authorities.

11. Non-current tax assets/ Current tax liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Tax Assets [net of provision ₹19,226.94 lakhs (March 31, 2018: ₹19,145.48 lakhs)]	1,072.63	1,033.53
Current Tax Liability [net of Advance tax ₹24,920.87 lakhs (March 31, 2018: ₹17,819.68 lakhs;)]	3,608.09	3,480.29

12. Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	1,774.81	31.71
Prepaid expenses	15.15	6.64
Advance Fringe benefit tax [net of provision of ₹89 lakhs (March 31, 2018:₹89 lakhs)]	12.08	12.08
Others		
- Advances towards a project (refer note 49)	162.70	162.70
- Other Advances	-	205.64
Total	**1,964.74**	**418.77**

13. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	3,935.48	4,237.94
Work-in-progress	1,881.77	2,049.43
Finished goods	2,308.27	2,132.29
Stock-in-trade	1,904.72	2,264.35
Stores and Spares	1,160.70	699.15
Total	**11,190.94**	**11,383.16**

Write-downs of inventories to net realisable value amounted to ₹23.84 lakhs (March 31, 2018 – ₹33.93 lakhs). These were recognised as an expense during the year and included in 'Changes in Inventories of finished goods, work-in-progress and stock-in-trade' in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

14. Investments

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	4,95,000	728.39	22,79,550	4,361.95
- Equity shares of Mafatlal Industries Limited of ₹10.00 each	2,63,616	285.50	3,86,332	1,008.33
(b) Investments in mutual funds (unquoted, fully paid) - (at fair value through profit or loss)				
- ICICI Prudential Flexible Income Plan - Growth	4,05,303	1,453.94	4,29,052	1,430.10
- ICICI Prudential Banking & PSU Debt Fund - Growth	40,60,533	861.84	40,60,533	811.21
- HDFC Liquid Fund - Regular Plan - Growth	70,847	2,593.21	34,099	1,162.96
- IDFC Cash Fund - Growth - (Regular Plan)	97,582	2,202.86	55,588	1,169.26
- UTI Liquid Cash Plan Institutional Growth	29,689	910.97	16,205	459.80
- Aditya Birla Sun Life Short Term Fund - Growth - Regular Plan	-	-	19,48,412	1,294.66
- HDFC Short Term Opportunities Fund - Regular Plan Growth	-	-	80,96,415	1,552.46
- IDFC Corporate Bond Fund Regular Plan - Growth	-	-	1,16,95,255	1,390.36
- Kotak Corporate Bond Fund - Standard Growth (Regular Plan)	-	-	56,002	1,278.23
- HDFC Medium Term Opportunities Fund – Regular Plan Growth	-	-	26,48,375	511.43
- Sundaram Banking and PSU Debt Fund - Growth (Regular Plan)	-	-	18,73,017	510.31
- Kotak Flexi Debt Regular Plan-Growth	-	-	23,20,746	517.34
- Aditya Birla Sun Life Medium Term Plan - Growth-Regular Plan	-	-	23,80,340	523.14
- Aditya Birla Sun Life Savings Fund - Growth- Regular Plan	2,87,438	1,061.04	3,87,110	1,323.55
- Kotak Savings Fund – Growth (Regular Plan) (Erstwhile Kotak Treasury Advantage Fund)	38,58,059	1,156.32	52,34,831	1,454.95
- HDFC FMP 1120D March (1)	42,50,000	532.24	-	-
- ICICI Prudential FMP Series 78 1127 days Plan R Cumulative	42,50,000	548.48	-	-
- Kotak FMP Series 191 - Growth	42,50,000	534.14	-	-
- Tata Treasury Advantage Fund – Growth Option	74,525	2,117.07	-	-
- Tata Liquid Fund Regular Plan - Growth	49,646	1,454.89	-	-
- Kotak Liquid Regular Plan Growth	26,625	1,004.47	-	-
- Axis Liquid Fund Growth	42,170	870.86	-	-
- Aditya Birla Sun Life Liquid Fund - Growth	1,73,369	518.39	-	-
Total		**18,834.61**		**20,760.04**
Of the above:				
Aggregate amount of quoted investments and market value thereof		1,013.89		5,370.28
Aggregate amount of unquoted investments		17,820.72		15,389.76
Aggregate amount of impairment in value of investments		-		-

15. Trade receivables

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	17,241.88	15,609.42
Receivables from related parties (refer note 45.1)	165.01	93.34
Less:- Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(133.83)	(142.83)
Total receivables	**17,273.06**	**15,559.93**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

Break-up for security details

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - Secured	139.16	135.15
Trade receivables considered good - Unsecured	17,267.73	15,567.61
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total receivables	**17,406.89**	**15,702.76**
Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(133.83)	(142.83)
Total trade receivables	**17,273.06**	**15,559.93**

16A. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	7.82	8.39
Balances with banks in current account *	1,579.61	1,830.40
Total	**1,587.43**	**1,838.79**

*One current account with bank balance ₹2.40 lakhs (March 31, 2018: ₹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, 2019	As at March 31, 2018
Unpaid dividend	402.06	324.16
Buyback account	1.09	1.09
Deposits with maturity of more than 3 month and less than 12 months	748.25	673.27
Deposits received under protest (refer note 50)	925.37	872.00
Balances in earmarked accounts (Unpaid matured debentures)	34.92	34.92
Total	**2,111.69**	**1,905.44**

17. Loans

Particulars	As at March 31, 2019	As at March 31, 2018
- Security deposits	107.67	67.60
- Loans to related parties (refer note 45.1)	368.30	1,108.52
- Loans to employees	0.14	0.75
Total	**476.11**	**1,176.87**

Break-up of Security details

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Loans considered good - Secured	-	-
Loans considered good - Unsecured	476.11	1,176.87
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**476.11**	**1,176.87**
Loss allowance	-	-
Total	**476.11**	**1,176.87**

18. Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Rent Receivable	196.16	328.34
Derivative assets - Foreign exchange contracts	94.32	17.97
Total	**290.48**	**346.31**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

19. Other current assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers	722.60	179.64
Prepaid expenses	239.81	202.55
Balances with government authorities	2,706.57	2,885.10
Other deposits	101.46	52.61
Others advances		
- Unsecured, considered good	539.91	214.68
- Unsecured, considered doubtful	-	1.85
	539.91	216.53
Less: provision for doubtful advances	-	(1.85)
	539.91	214.68
Total	**4,310.35**	**3,534.58**

20. Equity share capital

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Shares		
17,50,00,000 equity shares of ₹2 each	3,500.00	3,500.00
Issued, subscribed and fully Paid shares		
4,94,57,165 (as at March 31, 2018 - 4,93,50,810) equity shares of ₹2 each	989.15	987.02
Less: Calls in arrears [refer note 20 (e)]	0.15	0.15
Total	**989.00**	**986.87**

(a) Reconciliation of the number of shares and amount outstanding:

Particulars	Number of shares	Amount
Balance as at April 1, 2017	4,89,56,485	979.13
Add: Shares issued on exercise of employee stock options during the year	3,94,325	7.89
Balance as at March 31, 2018	**4,93,50,810**	**987.02**
Add: Shares issued on exercise of employee stock options during the year	1,06,355	2.13
Balance as at March 31, 2019	**4,94,57,165**	**989.15**

(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 (refer note 40.1). 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:

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2019		
Mafatlal Impex Private Limited	1,16,57,420	23.57%
Smallcap World Fund, Inc	32,02,000	6.47%
As at March 31, 2018		
Mafatlal Impex Private Limited	1,16,56,420	23.62%
Smallcap World Fund, Inc	32,02,000	6.49%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

20. Equity share capital *(contd.)*

(e) Calls unpaid (by other than officers and directors)

Particulars	Number of shares	Amount
as at March 31, 2019		
Equity shares of ₹2 each, ₹1 called up but unpaid	14,555	0.15
as at March 31, 2018		
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.

21. Other Equity

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
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	1,834.61	1,558.55
General Reserve	7,333.34	7,333.34
Share Options Outstanding Account	219.74	207.09
Call in arrears pending for allotment	0.67	0.41
Foreign currency translation reserve	44.57	132.15
Retained Earnings	81,718.62	73,025.58
Total	**1,06,255.79**	**97,361.36**

(i) Capital Reserve No.1

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Opening Balance	33.88	33.88
Closing Balance	**33.88**	**33.88**

(iv) Securities Premium

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	1,558.55	1,164.72
Add: Received during the year on shares issued on exercise of employee stock options during the year	276.06	393.83
Closing Balance	**1,834.61**	**1,558.55**

v) General Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019

21. Other Equity *(contd.)*

(vi) Share Options Outstanding Account

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	207.09	230.69
Add: Recognition of share-based payments (Net)	12.65	(23.60)
Closing Balance	**219.74**	**207.09**

(vii) Call in arrears pending for allotment

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	0.41	0.07
Add: Calls in arrears received during the year	0.26	0.34
Closing Balance	**0.67**	**0.41**

(viii) Retained Earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	132.15	30.17
Add: Changes in foreign currency translation reserve	(87.59)	101.98
Closing Balance	**44.57**	**132.15**

(ix) Retained Earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	73,025.58	58,675.70
Add: Profit for the year	14,909.80	17,977.80
Less:		
Other comprehensive income for the year, net of income tax	(31.72)	(68.48)
Dividends (including tax)	(6,185.04)	(3,559.44)
Closing Balance	**81,718.62**	**73,025.58**

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, 2019

22. Borrowings

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Term loan from a bank *	-	421.84
Total	**-**	**421.84**

Terms of repayment and security

* Repayable in 7 half-yearly installments from September 2016. Interest is payable at 3 months LIBOR +2.60%. Being secured by second charge on property, plant and equipment of the holding company.

23. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences (refer note 42.3)	862.65	881.46
Total	**862.65**	**881.46**

23A. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	5,045.66	4,601.33
Less: deferred tax assets	1,563.68	1,521.49
Total	**3,481.98**	**3,079.84**

23.1 Movement of Deferred Tax

Deferred tax assets/ liabilities in relation to the year ended March 31, 2019

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Closing balance
Deferred tax liabilities in relation to:			
Property, plant and equipment and intangible assets	3,918.89	166.72	4,085.61
Financial asset measured at FVTPL	306.40	289.73	596.13
On undistributed profit	311.09	(30.44)	278.80
Foreign Currency translation reserve	12.58	-	12.58
Others	52.37	20.17	72.54
Total deferred tax liabilities	**4,601.33**	**446.18**	**5,045.66**
Deferred tax assets in relation to:			
Indexation benefit on Investment properties	1,315.01	60.59	1,375.60
Provision for Compensated Absences	85.26	(12.93)	72.33
Provision for doubtful debts/ advances	50.56	(3.80)	46.76
Capital losses	68.37	(1.68)	66.69
Others	2.29	0.01	2.30
Total deferred tax assets	**1,521.49**	**42.19**	**1,563.68**
Total	**3,079.84**	**403.99**	**3,481.98**

23.1 Movement of Deferred Tax *(contd.)*

Deferred tax assets/ liabilities in relation to the year ended March 31, 2018

₹ in lakhs

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Closing balance
Deferred tax liabilities in relation to:			
Property, plant and equipment and intangible assets	4,613.17	(694.28)	3,918.89
Financial asset measured at FVTPL	133.51	172.89	306.40
On undistributed profit	247.86	63.23	311.09
Foreign Currency translation reserve	-	-	12.58
Others	74.61	(22.24)	52.37
Total deferred tax liabilities	**5,069.15**	**(480.40)**	**4,601.33**
Deferred tax assets in relation to:			
Indexation benefit on Investment properties	1,241.46	73.55	1,315.01
Provision for Compensated Absences	314.14	(228.88)	85.26
Provision for doubtful debts/ advances	27.60	22.96	50.56
Tax credits (MAT credit entitlement)	666.20	(666.20)	-
Capital losses	98.31	(29.94)	68.37
Others	8.60	(6.32)	2.29
Total deferred tax assets	**2,356.31**	**(834.83)**	**1,521.49**
Total	**2,712.84**	**354.43**	**3,079.84**

24. Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Liability against project contracts (Refer note 49)	1,334.95	1,334.95
Other payables	91.36	329.95
Deferred Government Grant	18.76	20.42
Total	**1,445.07**	**1,685.32**

25. Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
- Term loan from a bank*	413.83	843.68
Total	**413.83**	**843.68**

Terms of repayment and security

* Repayable in 7 half-yearly installments from September 2016. Interest is payable at 3 months LIBOR +2.60%. Being secured by second charge on property, plant and equipment of the holding company.

26. Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	684.26	486.21
Total outstanding dues other than above	6,362.58	9,035.69
Trade payables - Related parties (refer note 45.1)	87.22	29.30
Total	**7,134.06**	**9,551.20**

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

26. Trade payables *(contd.)*

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	636.97	454.81
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	47.29	31.40
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,685.59	1,575.74
d. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.79	-
g. Further interest remaining due and payable for earlier years	31.40	-

27. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividends*	402.06	324.16
Unpaid money on buy-back of shares	1.09	1.09
Unclaimed matured debentures and interest accrued thereon	35.31	35.30
Derivative liability - Foreign exchange contract	69.33	9.18
Capital Creditors	910.63	285.41
Security Deposits received	1,077.67	1,255.87
Others	4.63	4.75
Total	**2,500.72**	**1,915.76**

* 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, 2019	As at March 31, 2018
Provision for compensated absences (refer note 42.3)	235.65	201.99
Total	**235.65**	**201.99**

29. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers (refer note 50)	1,001.72	1,279.37
Statutory dues	523.50	876.69
Deferred Government Grant	1.67	1.67
Gratuity Payable (refer note 42.2)	71.65	78.94
Other Payables		
- to a related party (refer note 45.1)	16.89	557.01
- Others	1,831.87	2,354.50
Total	**3,447.30**	**5,148.18**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

30. Revenue from operations

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	98,309.68	89,799.84
Sale of services	459.07	2,184.11
Other operating revenues		
- Scrap Sales	216.66	147.14
- Export Incentives	608.32	403.25
Total	**99,593.73**	**92,534.34**

31. Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- on banks deposits	52.11	43.52
- on income tax refund	-	1,062.67
- on loans and advances	66.86	378.51
- others	0.20	0.21
Dividend income on investments in others	34.49	77.54
Lease rental income on investment properties (refer note 6)	1,230.97	1,479.23
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	1,362.74	3,342.94
- Excess provision/ liabilities written back (net)	17.90	2.89
- Net gain arising on sale of Investments	367.07	2,528.60
- Net gain on foreign currency transactions and translation	0.56	57.58
- Profit on Sale of Undertaking (refer note 51)	-	53.94
- Miscellaneous Income	306.61	223.61
Total	**3,439.51**	**9,251.24**

32. Cost of Material consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw material consumed	43,066.93	35,911.60
Packing Material consumed	2,992.51	2,459.14
Total	**46,059.44**	**38,370.74**

33. Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year		
Finished goods	2,308.27	2,132.29
Work-in-process	1,881.77	2,049.43
Stock-in-trade	1,923.16	2,264.35
	6,113.20	6,446.07
Inventories at the beginning of the year		
Finished goods	2,132.29	3,298.94
Work-in-process	2,049.43	2,005.07
Stock-in-trade	2,264.35	1,474.72
	6,446.07	6,778.73
	(332.87)	(332.66)
Add: Sale of inventories consequent to slump sale (refer note 51)	-	450.15
Add/(Less): Foreign currency translation adjustments	20.38	(229.64)
Net Decrease	**(312.49)**	**(112.15)**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

34. Employee benefits expenses

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages and bonus	10,363.49	9,740.48
Contribution to provident and other funds (refer note 42.1 and 42.3)	534.92	630.07
Employee share-based payment expense (refer note 44)	83.66	64.02
Staff Welfare Expenses	394.02	464.93
Gratuity expenses (refer note 42.2)	172.90	153.82
Total	**11,548.99**	**11,053.32**

35. Finance Costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
-Interest on borrowings	35.24	52.90
-Others	47.45	66.41
Total	**82.69**	**119.31**

36. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (refer note 5A)	2,605.66	3,841.68
Depreciation of investment property (refer note 6)	113.47	113.47
Amortisation of intangible assets (refer note 7)	32.04	22.95
Total	**2,751.17**	**3,978.10**

37. Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	5,665.72	5,240.33
Rent expense (refer note 41.1)	711.87	684.96
Repairs and Maintenance		
- Plant and Machinery	848.38	888.09
- Buildings	93.83	156.78
Consumption of stores and spares	2,816.43	3,092.96
Excise duty	-	(231.71)
Transport and freight charges (net)	1,889.23	1,920.11
Labor contract charges	1,317.63	1,468.72
Property maintenance expenses	10.66	11.50
Legal and Professional Charges (refer note 37.1)	606.04	1,062.16
Rates & Taxes	428.14	416.64
Insurance	203.90	162.87
Directors Sitting Fees	41.32	39.02
Loss on Sale/ retirement of property, plant & equipment	60.14	553.45
Net loss on foreign currency transactions and translation	194.70	7.05
Provision for doubtful debts / advances (net)	-	64.07
Expenditure on Corporate Social Responsibility (refer note 37.2)	529.19	296.52
Miscellaneous expenses	3,136.33	2,653.80
Total	**18,553.51**	**18,487.32**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

37.1 Payments to auditors

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) For audit	27.66	25.64
b) For other services	17.53	25.53
c) For reimbursement of expenses	0.58	0.13
Total	**45.77**	**51.30**

37.2 Corporate social responsibility

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Gross amount required to be spent by the company during the year	315.45	223.98
b) Amount spent during the year on:	529.19	296.52
	In cash	**Yet to be paid in cash**
For the year March 31, 2019		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	526.99	2.20
For the year March 31, 2018		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	261.15	35.37

38 Income taxes relating to continuing operations

38.1 Income tax expenses recognised

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
In respect of the current year		
- Current tax recognised in Consolidated Statement of Profit and Loss	7,292.56	8,049.03
- Deferred tax recognised in Consolidated Statement of Profit and Loss	403.99	354.43
	7,696.55	**8,403.46**
In respect of the current year		
- Current tax recognised in other comprehensive income	(17.03)	(36.78)
	(17.03)	**(36.78)**
Total income tax expense recognised in the current year	**7,679.52**	**8,366.68**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**22,441.27**	**26,649.25**
Income tax expense calculated at 34.944% (2017-2018: 34.608%)	7,841.88	9,222.77
Effect of:		
Income exempt from tax	(12.75)	(1,945.60)
Expenses that are not deductible in determining taxable profit	595.57	247.00
Tax concessions (availed) / reversed	(531.94)	65.03
Income taxable at different tax rate	(204.67)	103.60
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	(60.59)	(73.55)
Income tax on sale of undertaking	-	466.31
Finance lease income chargeable to tax	-	288.98
Others	69.05	28.92
Income tax expense recognised in Consolidated Statement of Profit and loss	**7,696.55**	**8,403.46**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

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, 2019			As at and for the year ended March 31, 2018		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	51,345.05	48,248.68	99,593.73	44,066.91	48,467.43	92,534.34
Carrying cost of non current assets@	52,614.71	699.33	53,314.04	48,601.92	793.11	49,395.03
Cost incurred on acquisition of property, plant and equipment	4,985.93	54.37	5,040.30	4,326.28	263.67	4,589.95

@ 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, 2019	For the year ended March 31, 2018
Profit for the year attributable to equity shareholders - (₹ in lakhs) - **A**	14,909.80	17,977.80
Weighted average number of equity shares outstanding during the year - **B**	4,94,15,916	4,92,51,111
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	29,944	1,18,420
Weighted average number of Equity shares adjusted for the effect of dilution - **C**	4,94,45,860	4,93,69,531
Basic earnings per share - ₹ (A/B)	30.17	36.50
Diluted earnings per share - ₹ (A/C)	30.15	36.41
Nominal value per share - ₹	2.00	2.00

40.1 At the 19th Annual General Meeting of the Company held on June 29, 2017, Members of the holding Company have 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.

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 cancellable at the option of the Company or the lessor. The lease payment recognised in the Consolidated Statement of Profit and Loss is ₹711.87 lakhs (as at March 31, 2018: ₹684.96 lakhs).

41.2 The Group has taken office premise under non-cancellable lease rental agreement. Details of minimum lease payments for the same are as under:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
not later than one year	411.12	302.16
later than one year and not later than five years	1,236.73	1,372.33
later than five years	-	-
Total	**1,647.85**	**1,674.49**

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, 2019	As at March 31, 2018
Contribution to Provident Fund	67.34	62.79
Contribution to Family Pension Fund	91.41	93.10
Contribution to Superannuation Fund	210.16	314.89
Contribution to Employees' State Insurance Scheme	3.26	9.14
Contribution to Employees' Deposits Linked Insurance Scheme	5.89	5.89
Total	**378.06**	**485.81**

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, 2019. 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. 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, 2019	As at March 31, 2018
Discount rate	7.48%	7.68%
Salary escalation	11%	11%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	
Attrition rate	11%	11%

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

42.2 Defined 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, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(2,237.72)	(2,046.82)
Fair value of plan assets	2166.07	1967.88
Net (liability)/asset arising from gratuity	(71.65)	(78.94)

(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, 2019	For the year ended March 31, 2018
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	166.84	154.18
Net interest expenses	6.06	(0.36)
Total (A)	**172.90**	**153.82**
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)	16.70	15.94
-Actuarial gains and losses arising from changes in financial assumptions	21.49	38.48
-Actuarial gains and losses arising from experience adjustments	10.56	50.84
Total (B)	**48.75**	**105.26**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,046.81	1,794.01
Current service cost	166.84	154.18
Interest cost	157.20	127.20
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising from changes in financial assumptions	21.49	38.48
-Actuarial gains and losses arising from experience adjustments	10.56	50.84
Benefits paid	(165.19)	(117.90)
Closing defined benefit obligation (C)	**2,237.71**	**2,046.81**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	1,967.87	1,799.15
Interest income	151.13	127.56
Remeasurement gain(loss):		
-Return on plan assets (excluding interest income)	(16.70)	(15.94)
Contributions by employer	228.95	175.00
Benefits paid	(165.19)	(117.90)
Closing fair value of plan assets (D)	**2,166.06**	**1,967.87**

(d) The expected contribution to the plan for the next financial year is ₹223.00 lakhs (Previous Year: ₹198.04 lakhs)

42.2 Defined Benefit Plans *(contd.)*

(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, 2019	As at March 31, 2018
Central Government of India	11.68%	11.81%
State Government Securities	20.70%	20.16%
Special Deposits Scheme	10.10%	9.80%
Debt Instruments/Corp Bonds	57.52%	58.23%

(f) The weighted average duration of the defined benefit obligation is 7 years (March 31, 2018: 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, 2019	443.03	960.60	2,176.10
As at March 31, 2018	325.32	933.59	2,092.88

(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, 2019	As at March 31, 2018
Impact of discount rate for 50 basis points increase	(52.86)	(49.86)
Impact of discount rate for 50 basis points decrease	55.85	52.61
Impact of salary escalation rate for 50 basis points increase	53.78	50.76
Impact of salary escalation rate for 50 basis points decrease	(51.46)	(48.62)
Impact of attrition rate for 50 basis points increase	12.08	(10.64)
Impact of attrition rate for 50 basis points decrease	12.64	11.13

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.

(iii) Provident fund (funded)

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund for all employees, are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Group. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

(a) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plan (trust managed provident fund) is as follows:

Balances of defined benefit plan

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(2,883.85)	(2,373.85)
Fair value of plan assets	3,042.87	2,523.55
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

42.2 Defined Benefit Plans *(contd.)*

(b) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in Consolidated Statement of Profit and Loss, movement in defined benefit liability (i.e. provident fund) and movement in plan assets:

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	156.86	144.26
Expected Return on plan assets	(207.55)	(180.47)
Net interest expenses	207.55	180.47
Total (A)	**156.86**	**144.26**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,373.85	1,806.73
Opening balance adjustment	13.04	-
Current service cost	156.86	144.26
Interest cost	207.55	180.47
Employee Contribution	258.75	217.82
Liabilities assumed for employee transferred from other entity	41.03	183.24
Benefits paid	(167.23)	(158.67)
Closing defined benefit obligation (B)	**2,883.85**	**2,373.85**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	2,523.55	1,931.68
Remeasurement gain (loss):	22.35	24.75
Expected Return on plan assets	207.55	180.47
Contributions	415.61	362.08
Asset transferred in for employee transferred from other entity	41.04	183.24
Benefits paid	(167.23)	(158.67)
Closing fair value of plan assets (C)	**3,042.87**	**2,523.55**

(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, 2019	As at March 31, 2018
Central Government of India	9.97%	11.17%
State Government Securities	24.92%	20.73%
Special Deposits Scheme	26.99%	30.15%
Public Sector Units	33.39%	34.01%
Private Sector Bonds	0.00%	2.04%
Others	4.73%	1.90%

42.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹1,098.30 lakhs (March 31, 2018: ₹1,083.45 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, 2019 and March 31, 2018.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

43.2 Fair value measurements

(i) Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	3,699.12	3,744.23
– Investments	317.28	296.29
– Trade receivables	17,273.06	15,559.93
– Loans	1,209.05	1,911.35
– Other financial assets	210.86	348.66
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	1,189.43	5,524.87
– Investments in mutual funds / Other funds	30,141.71	33,862.03
– Derivative assets	94.32	17.97
(b) designated at FVTPL	-	-
Measured at fair value through other comprehensive income (FVTOCI)	-	-
Financial liabilities		
Measured at Amortised Cost		
– Borrowing	413.83	1,265.52
– Trade payable	7,134.06	9,551.20
– Other financial liabilities	2,431.39	1,906.58
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	69.33	9.18
(b) designated at FVTPL	-	-

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2019	1,013.89	175.54	-	1,189.43
As at March 31, 2018	5,370.28	154.59	-	5,524.87
Investments in mutual funds/other funds				
As at March 31, 2019	29,697.79	-	443.92	30,141.71
As at March 31, 2018	33,662.03	-	200.00	33,862.03
Derivative liability				
As at March 31, 2019	-	69.33	-	69.33
As at March 31, 2018	-	9.18	-	9.18

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

43.2 Fair value measurements *(contd.)*

(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. 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 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

43.5 Foreign exchange risk *(contd.)*

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, 2019		As at March 31, 2018	
	(₹ in lakhs)	(Foreign Currency In lakhs)	(₹ in lakhs)	(Foreign Currency In lakhs)
Amount receivable				
USD	149.82	2.17	54.71	0.84
GBP	4.75	0.05	7.24	0.08
EURO	9.55	0.12	13.07	0.16
Amount payable				
USD	-	-	1,138.86	17.47
GBP	0.34	*	0.75	0.01
EURO	41.01	0.53	-	-

*Amount is below the rounding off norms adopted by the Group

(iii) Foreign exchange risk sensitivity:

3% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analyze of change in profit where the Indian Rupee strengthens and weakens by 3% against the relevant currency:

Particulars	For year ended March 31, 2019		For year ended March 31, 2018	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	4.49	(4.49)	(32.52)	35.52
GBP	0.13	(0.13)	0.19	(0.19)
EURO	(0.94)	0.94	0.39	(0.39)

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, 2019	sell	6,449.66	91.77
March 31, 2018	sell	5,656.83	86.48
EURO			
March 31, 2019	sell	127.35	1.58
March 31, 2018	sell	246.43	3.03
US Dollars			
March 31, 2019	Buy	2,125.38	29.69
March 31, 2018	Buy	2,737.37	41.82

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

43.6 Other price risks *(contd.)*

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 ₹101.39 lakhs gain in statement if profit and loss (March 31, 2018: ₹537.03 lakhs). A 10% decrease in equity prices would have led to an equal but opposite effect.

43.7 Interest rate risk:

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed in floating interest rate. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group has exposure to interest rate risk, arising principally on changes in GBP LIBOR rate.

If interest rate had been 50 basis points higher and all other variables were held constant profit for the year ended 31 March 2019 would have been lower by ₹2.07 lakhs. (March 31, 2018: ₹6.33 lakhs). An opposite impact would have been on profit had the interest rate had been 50 basis points lower.

43.8 Credit risk

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.

Credit risk management

1) Trade receivable

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹17,267.73 lakhs (March 31, 2018 - ₹15,567.61 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, 2019 was ₹133.83 lakhs (March 31, 2018 - ₹142.83 lakhs).

Movement in the credit loss allowance

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning	142.83	77.31
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	(9.00)	65.52
Balance at the end	**133.83**	**142.83**

2) Cash and Cash Equivalent

Credit risk on cash and cash equivalents is limited as group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

3) Investment in Mutual Funds

Credit risk on investments in mutual fund is limited as group invested in mutual funds issued by the financial institutions with high credit ratings assigned by credit rating agencies.

43.9 Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

i) Liquidity risk tables

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2019 and March 31, 2018. 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

Particulars	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2019				-
– Borrowing	413.83	413.83	-	413.83
– Trade payable	7,134.06	7,134.06	-	7,134.06
– Other financial liabilities	2,431.39	2,431.39	-	2,431.39
– Derivative liabilities (on net basis)	69.33	69.33	-	69.33
As at March 31, 2018				
– Borrowing	1,265.52	843.68	421.84	1,265.52
– Trade payable	9,551.20	9,551.20	-	9,551.20
– Other financial liabilities	1,906.58	1,906.58	-	1,906.58
– Derivative liabilities (on net basis)	9.18	9.18	-	9.18

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 holding Company to the extent maximum of 5% of issued and paid up share capital of the holding Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹2 each of the holding 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 holding Company and its subsidiary companies to the extent maximum of 5% of issued and paid up share capital of the holding Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹2 each of the holding 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, 2019

44. Share based payments *(contd.)*

(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 (refer note 40.1)

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of year				
ESOS 2007	1,93,760	295.60	5,90,010	154.02
ESOS 2017	58,700	780	-	-
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	15.040	701.92	58,830	780.00
Exercised during the year				
ESOS 2007	1,06,355	194.80	3,94,325	78.00
ESOS 2017	-	-	-	-
Expired during the year				
ESOS 2007	(11,405)	483.30	(1,925)	554.40
ESOS 2017	(9,650)	780.00	(130)	780.00
Balance at the end year				
ESOS 2007	76,000	403.30	1,93,760	295.60
ESOS 2017	64,090	761.68	58,700	780.00

(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, 2019	Share options March 31, 2018
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	31,300	1,39,910
October 24, 2016	October 23, 2026	554.40	44,700	53,850
March 19, 2018	March 18, 2028	780.00	49,050	58,700
May 9, 2018	May 9, 2028	770.35	725	-
January 7, 2019	January 6, 2029	698.45	14,315	-

(iv) Stock Options granted during the period were fair valued using a Black Scholes option pricing model. The expected volatility is based on the historical share price volatility over the past 1 year:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inputs into the model		
Expected volatility (%)	39.50%	38.63%
Option life (Years)	6	4
Dividend yield (%)	2.79%	1.11%
Risk-free interest rate	7.45%	7.65%

44. Share based payments *(contd.)*

(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, 2019 is ₹83.66 lakhs (March 31, 2018: ₹64.02 lakhs). Also refer note 34.

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:

Arvind Mafatlal Foundation Trust
Sri Sadguru Seva Sangh Trust
Seth Navinchandra Mafatlal Foundation Trust

b. Joint Ventures:

Swarnim Gujarat Fluorspar Private Limited
Convergence Chemicals Private Limited

c. Associate:

Urvija Associates, India - a partnership firm where the Company is a partner (upto July 31, 2018)

d. Key Management personnel

Shri Vishad P. Mafatlal
Shri Shekhar S. Khanolkar (Managing Director upto October 12, 2018)
Shri Radhesh Welling (Managing Director w.e.f. December 11, 2018)
Shri T. M. M. Nambiar - Non-Independent Non-Executive Director
Shri P. N. Kapadia - Independent Non-Executive Director
Shri S. S. Lalbhai - Independent Non-Executive Director
Shri S. M. Kulkarni - Independent Non-Executive Director
Shri S. G. Mankad - Independent Non-Executive Director
Shri H. H. Engineer - Independent Non-Executive Director
Shri A. K. Srivastava - Non-Independent Non-Executive Director
Smt R. V. Haribhakti - Independent Non- Executive Director

45.1 Disclosures in respect of significant transactions with related parties during the year:

₹ in lakhs

Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sale of finished goods		
Convergence Chemicals Private Limited	956.24	238.69
Sale of Business Unit		
Convergence Chemicals Private Limited	-	15,449.98
Other Income		
Convergence Chemicals Private Limited	-	85.19
Rental income		
Convergence Chemicals Private Limited	1.03	0.29
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	67.88	364.48
Reimbursement of expenses paid		
Convergence Chemicals Private Limited	37.98	-
Advance / Loan given to		
Convergence Chemicals Private Limited	3.39	325.00
Reimbursement of expenses recovered		
Convergence Chemicals Private Limited	513.58	-
Repayment of advances / Reimbursement of expenses		
Convergence Chemicals Private Limited	24.87	785.05
Purchase of Investments in Equity Shares		
Swarnim Gujarat Fluorspar Private Limited	10.00	-
Share of loss in a partnership firm		
Urvija Associates	1.43	0.15

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

45.1 Disclosures in respect of significant transactions with related parties during the year: *(contd.)*

₹ in lakhs

Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Capital contribution in a partnership firm		
Urvija Associates		
- current	1.43	0.15
Donation		
Sri Sadguru Seva Sangh Trust	221.47	110.00
Arvind Mafatlal Foundation Trust	100.00	-
Managerial remuneration		
Shri Vishad P. Mafatlal	588.22	565.17
Shri Shekhar S. Khanolkar	452.70	660.41
Shri Radhesh Welling	168.49	-
Director Sitting fees and Commission		
Shri T.M.M. Nambiar	23.10*	21.60
Shri P.N. Kapadia	22.75*	21.60
Shri S.S. Lalbhai	23.45*	21.95
Shri S.M. Kulkarni	22.75*	21.95
Shri S.G. Mankad	21.00*	19.85
Shri H.H. Engineer	21.35*	19.85
Shri A.K. Srivastava	21.00*	19.85
Smt R.V. Haribhakti	21.35*	19.50

* Commission payable to Independent/Non-Independent, Non-executive directors of ₹140.00 lakhs for the year ended March 31, 2019 is subject to approval of shareholders.

45.2 Disclosures of significant closing balances:

Transactions	As at March 31, 2019	As at March 31, 2018
Amounts due to		
Convergence Chemicals Private Limited	17.89	553.25
Commission due to Directors		
Shri Vishad P.Mafatlal	330.00	329.00
Shri Shekhar S. Khanolkar	55.00	126.43
Shri Radhesh Welling	30.00	-
Shri T.M.M. Nambiar	17.50	16.00
Shri P. N. Kapadia	17.50	16.00
Shri S. S. Lalbhai	17.50	16.00
Shri S. M. Kulkarni	17.50	16.00
Shri S. G. Mankad	17.50	16.00
Shri H.H.Engineer	17.50	16.00
Shri A.K.Srivastava	17.50	16.00
Smt R.V.Haribhakti	17.50	16.00
Amounts due from		
Convergence Chemicals Private Limited	533.31	976.57
Urvija Associates	-	1.58
Corporate Guarantee given		
Convergence Chemicals Private Limited	4,410.00	4,900.00

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, 2019, the Group has not recorded any loss allowances for trade receivables from related parties.

2. **Loan to Joint Venture Company**
   The holding Company has given loan to Convergence Chemicals Private Limited (CCPL) for working capital requirement. The loan balances as at March 31, 2019 was ₹325.00 lakhs. These loans are unsecured and carry an interest rate of 10.50% (March 31, 2018: 14%) and repayable on demand.

3. **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, 2019

46. Capital and other commitments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,926.40	474.02
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	17.96	324.11

47. Contingent liabilities

(i) Particulars	As at March 31, 2019	As at March 31, 2018
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.	726.14	965.37
b. Excise duty matters	119.33	102.50
c. Sales-tax matters	128.56	128.56
d. Employee related matters	7.00	7.00
e. Corporate guarantee for debt availed by the Joint Venture Company	4,823.83	4,900.00
f. Other Bank guarantees	14.59	15.11

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) The The Group is in the process of evaluating the impact of 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. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

48. Research and development expenditure

The details of research and development expenditure of ₹1,920.82 lakhs (as at 31st March, 2018: ₹1,787.68 lakhs) included in the figures reported under notes 5 and 32 to 37 are as under:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Capital Expenditure	232.17	206.98
Revenue Expenditure	1,688.65	1,580.70
	1,920.82	**1,787.68**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	925.12	814.01
Material / Consumable / Spares	323.83	291.74
Utilities	119.66	131.41
Other expenditure	195.96	186.69
Depreciation	124.08	156.85
	1,688.65	**1,580.70**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

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 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. 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 fi led 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, as at March 31, 2016, Nil, (aggregate to date, ₹66.43 lakhs, as at March 31, 2016, ₹66.43 lakhs) and recovery of expenses, of Nil, as at March 31, 2016, Nil (aggregate to date, ₹42.40 lakhs, as at 31st March, 2016, ₹42.40 lakhs), have not been accounted, on legal advice. The ex-tenants have filed Civil Revision Application and secured a stay from the Honorable Bombay High Court in April 2013 against the Order of the appeal bench of Honorable Small Causes Court awarding an increased amount to SSL. During the year 2014-15, pursuant to the directions of the Honorable Bombay High Court and the Undertakings provided by SSL, it 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. In previous year, the Group's business relating to manufacture and sale of Specialty Fluorochemicals at Dahej was transferred to Convergence Chemicals Private Limited, a joint venture between the Holding Company and Piramal Enterprise Limited, with effect from December 1, 2017, on a going concern basis by way of slump sales together with all the identified assets, liabilities, consents, permissions, services of employees etc. Revenue from operations of this Business till November 30, 2017 was ₹5,568.28 lakhs, which were included in the Consolidated Statement of Profit and Loss.

52. With effect from 1st April, 2018 group has adopted Ind AS 115 – Revenue from Contracts with Customers which resulted adjustments to the amounts recognized in the financial statements in the form of reclassification. In accordance with the transition provisions in the Ind AS 115, the group has adopted the modified retrospective method. Accordingly, comparative information for prior period has not been restated.

₹ in lakhs

Balance Sheet (Extract)	31st March 2019 without adoption of Ind As 115	Increase/ (Decrease)	31st March 2019 as reported
Current Liabilities			
Contract Liabilities	-	345.76	345.76
Other Current Liabilities	3,793.06	(345.76)	3,447.30
Total Current Liabilities	**3,793.06**	**-**	**3,793.06**

Presentation of assets and liabilities related to contracts with customers:

The group has also voluntarily changed the presentation of certain amount in the balance sheet to reflect the terminology of Ind AS 115:

Contract liabilities in relation to contracts for sale of good and services which were included in the other current liabilities ₹345.76 lakhs. Contract Liabilities represents advance received against sale of goods or services

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

53A. 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 31st March 2019	As at 31st March 2018
Sulakshana Securities Limited - SSL	Lease rental of investment property	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) Ltd	Chemical Business	U.K	100%	100%
NFIL (USA) Inc - Step down subsidiary	Chemical Business	USA	100%	100%

53B. Investment in Associate

Aggregate information of associate that is not material

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
The Group's share of loss from continuing operations	-	-
The Group's share of post-tax profit/(loss) from discontinued operations	-	-
The Group's share of other comprehensive income	-	-
The Group's share of loss in total comprehensive income	-	-

53C. Investments in Joint Ventures

Aggregate information of Joint Ventures that are not individually material

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
The Group's share of profit /(loss) from continuing operations	167.58	(267.99)
The Group's share of post-tax profit/(loss) from discontinued operations	-	-
The Group's share of other comprehensive income	-	-
The Group's share of profit / (loss) in total comprehensive income/(loss)	167.58	(267.99)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate carrying amount of the Group's interests in the Joint Ventures	3,325.90	3,148.32

There is no change in the group's ownership interest in Joint Ventures during the year except increase in interest by 0.05% in Swarnim Gujarat Fluorspar Private Limited. 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.

54. The Board of Directors has recommended final dividend of ₹4.00 per share on the face value of ₹2.00 each (200%), subject to approval by the Members at the forthcoming Annual General Meeting of the Holding Company.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

55. Additional disclosure required by Schedule III

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of comprehensive income or loss	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated comprehensive income or loss	Amount (₹ in lakhs)
Parent				
Navin Fluorine International Ltd	93.47%	1,00,245.86	97.96%	14,488.26
Subsidiaries				
Indian				
Sulakshana Securities Limited - SSL	1.34%	1,437.54	1.73%	255.87
Foreign				
Manchester Organics Limited - MOL	2.33%	2,501.08	(0.11%)	(15.81)
Navin Fluorine (Shanghai) Co. Ltd	0.11%	113.77	(0.62%)	(92.07)
NFIL (UK) Ltd	(0.39%)	(417.21)	(0.03%)	(4.71)
NFIL (USA) Inc	0.04%	37.86	(0.04%)	(6.13)
Joint Ventures (as per equity method)				
Indian				
Swarnim Gujarat Fluorspar Private Limited – SGFPL	0.07%	78.86	(0.03%)	(4.34)
Convergence Chemicals Private Limited – CCPL	3.03%	3,247.04	1.16%	171.92
Associate (as per equity method)				
Urvija Associates	-	-	(0.02%)	(2.50)

56. Earnings in foreign exchange

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
FOB value of exports	42,663.53	44,184.26
Dividend received	34.22	-

57. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

T. M. M. Nambiar (DIN:00046857)
R. V. Haribhakti (DIN:02409519)
S. S. Lalbhai (DIN:00045590)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
S. G. Mankad (DIN:00086077)
S. M. Kulkarni (DIN:00003640)
H. H. Engineer (DIN:01843009)
Directors

Mumbai, May 6, 2019

FORM AOC-I

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

Statement containing salient features of the financial statement of subsidiaries

Part "A" subsidiaries

₹ in lakhs

Sr. No.	Name of the Subsidiary Company	Reporting period for the subsidiary	% of shareholding	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, 2018 - 31st March, 2019	100%	INR	15.00	314.16	2,731.74	2,402.58	90.44	-	48.34	(9.96)	58.30	-
2	Manchester Organics Limited	1st April, 2018 - 31st March, 2019	*100%	GBP 1 GBP = ₹90.5250	0.09	2,659.40	3,447.45	787.96	-	4,135.26	231.32	(47.49)	(183.83)	67.89
3	NFIL (UK) Limited	1st April, 2018 - 31st March, 2019	**100%	GBP 1 GBP = ₹90.5250	5,404.34	137.11	5,959.91	418.46	5,800.23	-	(4.66)	-	(4.66)	-
4	NFIL (USA) Inc	1st April, 2018 - 31st March, 2019	100%	USD 1 USD = ₹69.1550	69.16	9.70	96.05	17.19	-	-	13.40	(3.70)	9.70	-
5	Navin Fluorine (Shanghai) Co. Ltd	1st April, 2018 - 31st March, 2019	100%	RMB 1 RMB = ₹10.2875	408.30	(294.52)	114.37	0.60	-	-	(91.65)	-	(91.65)	-

* Navin Fluorine International Limited holds 51% and NFIL (UK) Limited holds 49% in Manchester Organics Limited

** NFIL (UK) Limited holds 100% in NFIL (USA) Inc

1 Names of subsidiaries which are yet to commence operations: None

2 Names of subsidiaries which have been liquidated or sold during the year: None

Part "B" Joint Ventures

Statement pursuant to section 129 (3) of the companies Act 2013 related to Joint Ventures

Sr. No.	Name of the Joint Venture/Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures/Associate held by the Company on the year end			Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year	
			No. of Shares	Amount of investment in Joint Venture	Extend of Holding %		Considered in Consolidation	Not Considered in Consolidation
1	Swarnim Gujarat Fluorspar Private Limited – SGFPL	31st March, 2019	11,82,500	118.25	49.48%	78.83	(4.34)	-
2	Convergence Chemicals Private Limited – CCPL	31st March, 2019	3,43,04,900	3,430.49	49.00%	3,250.38	172.32	-

1 . Names of joint ventures which are yet to commence operation : Swarnim Gujarat Fluorspar Private Limited are yet to commence operations

2 . Names of joint ventures which have been liquidated or sold during the year : Urvija Associates

NAVIN FLUORINE INTERNATIONAL LIMITED

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN L24110MH1998PLC115499

Regd. Office: 2nd Floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057
Email: info@nfil.in Website: www.nfil.in Tel. 022-66509999, Fax No.: 022-66509800

Name of the Member(s)	
Registered Address:	
E-mail id:	
Folio No./Client ID:	
DP ID:	

I / We, being the member(s) .... Shares of the above named company, hereby appoint:

(1) Name .... Address ....

Email ID:... Signature .... or failing him/her

(2) Name .... Address ....

Email ID:... Signature .... or failing him/her

(3) Name .... Address ....

Email ID:... Signature .... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Friday, the 21st June 2019 at 3.00 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	FOR	AGAINST
Ordinary Business			
1.	Ordinary Resolution - Adoption of Audited Financial Statements (Standalone and Consolidated both) for the year ended 31st March, 2019 and the Directors' Report and Auditors' Report thereon.		
2.	Ordinary Resolution - Confirmation of Interim Dividend and Declaration of Final Dividend		
3.	Ordinary Resolution - Appointment of Mr. V.P. Mafatlal (DIN 00011350), who retires by rotation and, being eligible, offers himself for re-appointment		
Special Business			
4.	Special Resolution - Re-appointment of Mr. P.N. Kapadia (holding DIN 00078673) as Independent Director		
5.	Special Resolution - Re-appointment of Mr. S.S. Lalbhai (holding DIN 00045590) as Independent Director		
6.	Special Resolution - Re-appointment of Mr. S.M. Kulkarni (holding DIN 00003640) as Independent Director		
7.	Special Resolution - Re-appointment of Mr. S.G. Mankad (holding DIN 00086077) as Independent Director		
8.	Special Resolution - Re-appointment of Mr. H.H. Engineer (holding DIN 01843009) as Independent Director		
9.	Special Resolution - Re-appointment of Mrs. R.V. Haribhakti (holding DIN 02409519) as Independent Director		
10.	Ordinary Resolution - Appointment of Mr. A.K. Srivastava (holding DIN 00046776) as Independent Director		
11.	Ordinary Resolution – Regularising appointment of Mr. R.R. Welling (holding DIN 07279004) as Director		
12.	Special Resolution - Appointment of Mr. R.R. Welling (holding DIN 07279004) as Managing Director		
13.	Special Resolution – Approval for, payment of remuneration to Mr. V.P. Mafatlal (holding DIN 00011350) exceeding limits as per Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015		
14.	Ordinary Resolution - Approval for remuneration of Cost Auditor		

Signed this .... day of ...., 2019.

Affix ₹1 Revenue Stamp

....

Signature of the Shareholder

....

Signature of Proxy holder(s)

Notes: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

NAVIN FLUORINE INTERNATIONAL LIMITED
CIN L24110MH1998PLC115499
Regd. Office: 2nd Floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057
Tel. 022-66509999, Fax No: 022-66509800, Website: www.nfil.in Email: info@nfil.in

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional attendance slips on request. (Folio Nos., DP ID*, Client ID* & Name of the Shareholder/Joint holders/Proxy in BLOCK LETTERS to be furnished below:

Shareholder/Proxy	DP ID*	Client ID*	Folio	No. of Shares held

I hereby record my presence at the Twenty-first Annual General Meeting of the Company to be held on Friday, the 21st June, 2019 at 3.00 P.M. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020.

SIGNATURE OF THE SHAREHOLDER OR PROXY

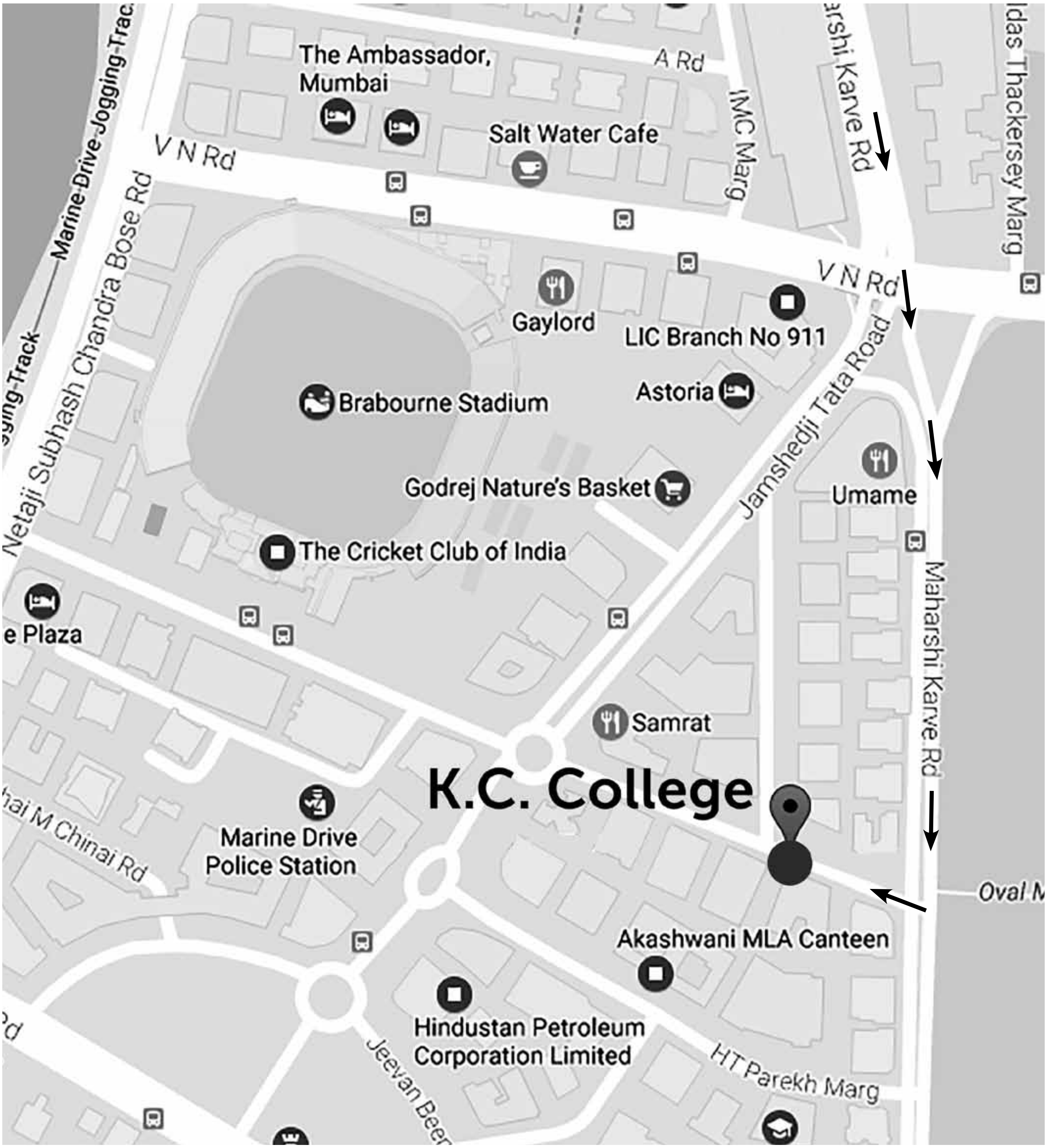
NOTES:

1. Shareholders/Proxy holders are requested to bring the attendance slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
2. Shareholders are requested to advise, indicating their folio Nos., DP ID*, Client ID*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.

   *Applicable for investors holding shares in Electronic (Demat) form.

ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Location: Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C. College),
124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020
Landmark: Oval Maidan



CREATING VALUE.
SHARING VALUE.

Meet our Vendors - NFIL Vendor Meet

NFIL wins at CSR Excellence Awards 2018.

CSR Health check up camp at government primary school.

Help the students - "Pathshala Praveshotsav" 2018.

Care for vision - NFIL, in action - Eye Check up camp.

Navin Fluorine
International Limited

www.nfil.in

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