Annual Report
2019-20

value from partnerships

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 realized, 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 materialize, 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

Company Secretary

Mr. N. B. Mankad

Bankers

State Bank of India, AXIS Bank Limited and
HDFC Bank Limited

Auditors

M/s. 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

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

Investor Relations Centre

KFin Technologies Private Limited
24-B,Ground Floor, Rajabahadur Mansion,
Ambalal Doshi Marg, Behind BSE, Fort,
Mumbai 400 023.
Tel: 022-66235454, Fax: 022-66331135.

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

22nd Annual General Meeting

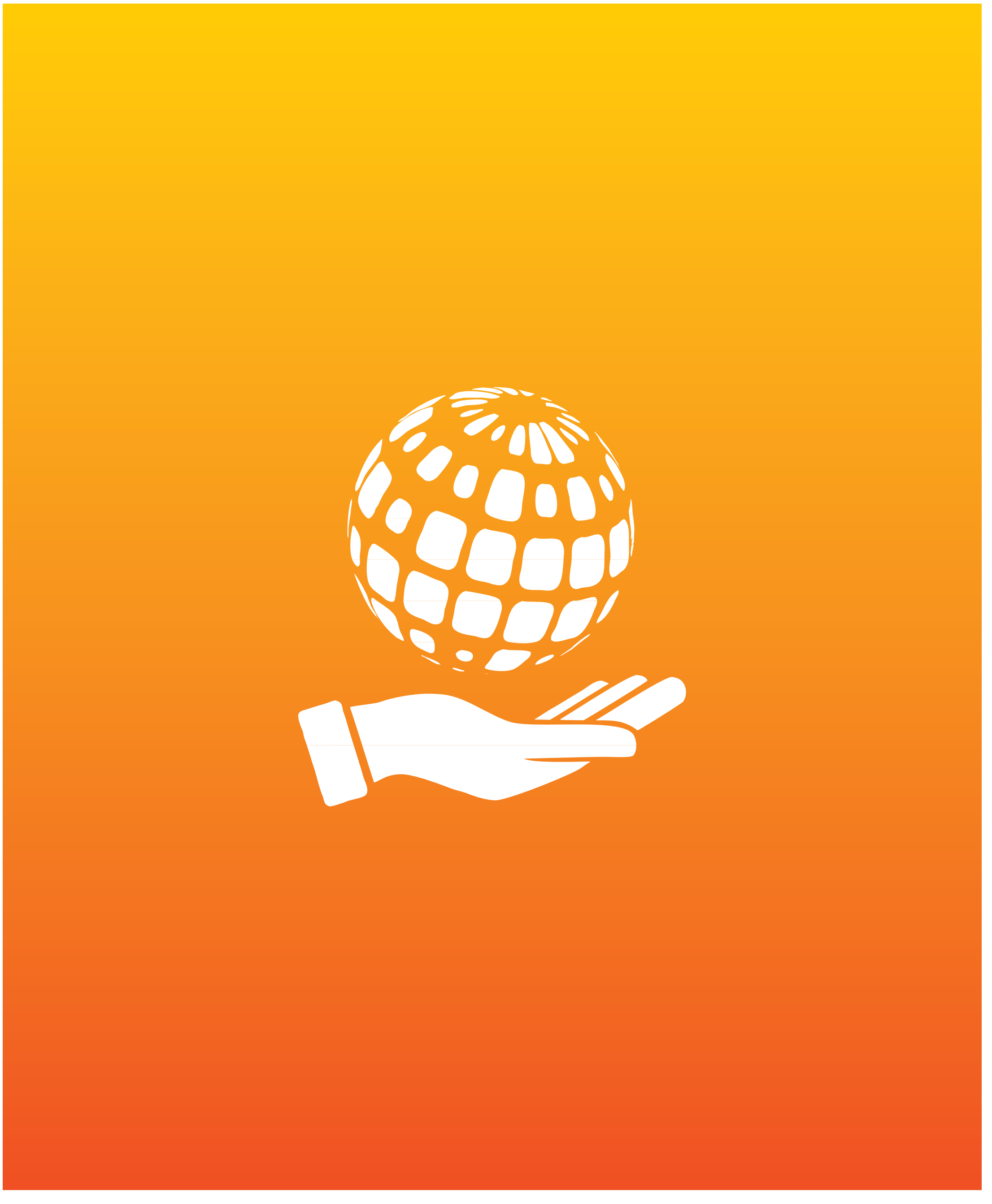
On Friday, August 21, 2020 3.00 pm (IST), via Video Conferencing /Other Audio Visual Means

At Navin Fluorine, our business sustainability has been reinforced by a number of investments.

Investments in people, plants, products, platforms and processes.

One of the most important investments made by the Company has been in our **partnerships.**

Enhancing value in a decisive, attractive and sustainable way.



Life saving drugs. Rice crop.
Electric vehicles. Foldable phones.
Semiconductors.

The one element present in each of these products is **fluorine.**

Used to protect critical crops.
Used as a building block for medicines.
Used to enhance the power of battery chemicals.

Navin Fluorine is a premier fluorochemical manufacturer partnering a number of downstream users to grow their businesses and build a better world.

Positioning

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

Pedigree

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

Presence

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

Products

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

Strengths

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

Customer-partners

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

Brand

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

Certifications

- The Company's manufacturing units are certified for ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007
- The Company is a registered user of the Responsible Care logo

How we performed in 2019-20

Revenues
₹/crore
1022

EBITDA
₹/crore
292

PAT
₹/crore
400

Return on capital employed
%
21%

Market capitalisation
₹/crore (as on March 31, 2020)
6060

Revenue by geography

%

2018-19	2019-20
Domestic **54%**	Domestic **55%**
Exports **46%**	Exports **45%**

Revenue by business segments

%

2018-19	2019-20
Refrigerants and inorganic fluoride **50%**	Refrigerants and inorganic fluoride **46%**
Specialty chemicals **31%**	Specialty chemicals **37%**
CRAMS **19%**	CRAMS **17%**

Our **business** performance

Specialty chemicals	Revenue ₹/crore	Share of total revenues	Growth over 2018-19
	381	37%	27%

Overview

Navin Fluorine's specialty chemicals business manufactures niche fluorine-based molecules, which find downstream application in life science, crop science and other industrial applications. Navin Fluorine forayed into the specialty chemicals business nearly two decades ago and has emerged as a prominent player.

Highlights, 2019-20

The year 2019-20 was marked by an increase in the Company's topline and market share following engagements with new clients, superior pricing and new molecule production. The Company ventured into commercialisation of a number of molecules under evaluation and reported superior growth in existing products. The Company's customer-centricity through quality products helped it emerge as a dependable supplier.

Outlook

Going ahead, Navin Fluorine intends to leverage its R&D capabilities and deep fluorination expertise to partner with global companies to help them grow.

Contract Research and Manufacturing Services (CRAMS)	Revenue ₹/crore	Share of total revenues	Growth over 2018-19
	173	17%	-3%

Overview

The CRAMS business is the youngest business segment within the Company with operations running for nine years. The Company offers developing compounds on the back of critical fluorination processes, supplied to major global life science innovators .

Highlights, 2019-20

The Company leveraged its quality proposition and worked deeply with existing customers on the one hand while developing new customers on the other. The Company also reinforced its Employee, Health and Safety capabilities; it emerged as the only GMP intermediate manufacturer in the country.

During the year under review, the Company started operations of cGMP3 at its Dewas site, expected to provide traction to the CRAMS business going forward. The Company increased its presence in Europe during the year under review, helping create a robust customer pipeline, utilize additional capacities and de-risk the Company's dependence on select customers.

Besides, the Company diversified its product portfolio away from 2-3 compounds to an array of compounds and complex chemistries. With India emerging as a fluorination hub, Navin Fluorine's pipeline is expected to grow, the global headwinds notwithstanding.

Outlook

Going ahead, the Company is optimistic of its CRAMS prospects, with the business poised for significant growth on the back of a strong pipeline from innovator global pharma majors and partnership with them.

Refrigerants

Revenue ₹/crore	Share of total revenues	Growth over 2018-19
261	26%	-7%

Overview

Navin Fluorine embarked on its refrigerant business in 1967. Leveraging its experience of more than five decades, the Company has emerged a preferred global player in this vertical.

Highlights, 2019-20

The year 2019-20 was marked by increased demand of refrigerants from the agro and pharmaceutical segments and a declining demand from OEMs in the refrigeration sector. The last 15 days of the year under review saw a country-wide lockdown in India owing to the global outbreak of the Covid-19 virus, which disrupted the Company's supply chain.

The Company's non-emissive business reported volume growth owing to stronger demand and new customers. The Company's exports to Middle East continued to report growth on the back of R22 demand. Pricing remained firm during the year under review.

Outlook

Going ahead, the Company expects to leverage its quality superiority and delivery predictability to strengthen customer retention and new customer engagement. The Company intends to strengthen its non-emissive category.

Inorganic fluorides

Revenue ₹/crore	Share of total revenues	Growth over 2018-19
207	20%	5%

Overview

Navin Fluorine's inorganic portfolio caters to a number of large and critical downstream sectors like steel, glass, oil & gas, abrasives, electronic products, life and crop science, among others.

The Company is attractively placed; India is a prominent fluorination hub after China and an increasingly important market as global OEMs shift their strategic attention from China to alternative markets.

Highlights, 2019-20

The Company's business reported volume growth in domestic and export markets, during the year under review, a significant improvement. The last 15 days of the year were marked by a country-wide lockdown to counter the pandemic, disrupting operations.

The Company is engaged with one of the largest stainless steel brands in India, strengthening offtake visibility.

Outlook

Owing to a relocation of major downstream players from China to India, the fluorination sector headroom in India is expected to grow. The Company intends to capitalize in addition to seeking new opportunities.

Our **key strategy,** performance and road ahead

Key strategy	Our performance in 2019-20	How we are aligning our growth path for the future
STRENGTHEN THE SHARE OF HIGH VALUE SPECIALTY CHEMICALS BUSINESS	• Strong performance in Indian and International markets • Product portfolio expansion and deeper penetration into existing users • Addition of new customers • Share of revenue at 37% against 31% in FY19	• Strengthening pipeline of new products • Expanding manufacturing capacity in a new location at Dahej
DRIVE SUPERIOR RESEARCH AND DEVELOPMENT ACTIVITIES AND TECHNOLOGY PLATFORMS	• Identified the key technology and process gap; developed solutions • Identified key technology platforms • Developed new capabilities by venturing into High Performance Products (HPP)	• Launching a strong product pipeline over the next 2-3 years • Assisting the engineering team to scale approved molecules from the pilot and lab stage • Building the Dahej unit – setting up HPP and other fluoro projects

Key strategy	Our performance in 2019-20	How we are aligning our growth path for future
EXPAND OUR MARKET PRESENCE IN CRAMS TO NEW GEOGRAPHIES AND SEGMENTS	• Achieved growth in the European business • Built a robust pipeline for the coming years	• With cGMP3 operational, ability to handle large projects and complex chemistries will significantly improve • Developing multiple customers including new customers from Europe
STRENGTHEN THE SHARE OF NON-AIR-CONDITIONING PRODUCTS IN THE REFRIGERANTS BUSINESS	• Increased share of the non-air-conditioning business to 20% against 14% in FY19 • Added new customers in the life science and crop science spaces	• Focusing more on the non-emissive sector • Addressing more clients shifting from Chinese manufacturers • Entering new markets like Japan

Of all the pillars that reinforce business sustainability, the most under-stated is **partnership.**

Dear Shareowners,

When we went into business, our founder Mr. Arvind Mafatlal was convinced that success would be increasingly influenced by our ability to work effectively with long-term partners.

At Navin Fluorine, we have consistently professed this aspect of business continuity. At the heart of this partnership ethic resides the acknowledgement that the partner is good at something that we are not; this complementary combination completes our proposition while generating sustainable benefits for all concerned.

At one level, this arrangement inspires humility and acknowledgement of the partner's capability; at the other, it indicates a viable accommodation of mutual interests. It also leaves adequate value for others in the eco-system that empowers partners to reinvest and grow.

At Navin Fluorine, our partnership effectiveness has been derived from extensiveness across the decades: to employees, resource providers, shareholders, customers and the communities we work with. This inter-connectedness provides us with a platform of consistently focused growth, engagement stability and mutually beneficial relationships.

In most businesses, success is measured across diverse parameters; at Navin Fluorine, we measure success by the strength of our Partnership Capital. This strength has been effectively validated across market cycles but most conclusively during a downtrend like the unprecedented outbreak of the Covid-19 pandemic across the world. During this downtrend our partners collaborated tirelessly under challenging circumstances to deliver value for our Company.

We are indebted and grateful to the commitment shown by our partners.

The legendary entrepreneur Henry Ford insightfully said, "Coming together is a beginning, staying together is progress and working together is success."

I take this opportunity to extend a word of gratitude to all our stakeholders. I wish for the well-being and safety of you and your families.

Vishad P. Mafatlal,
Chairman

Mumbai
Date : June 16, 2020

How we have **transformed** over the years

Moderating dependence on refrigerants and inorganic fluoride segments

More than 70% revenues were derived from refrigerants and inorganic fluorides until 2011

The Company entered the specialty chemical business in 2000

The Company leveraged fluorination capabilities to enter the CRAMS segment in 2011

The non-refrigerant gas and inorganic fluorides businesses generated 54% revenues in FY20

From volume-driven to margins-focused

The Company's business model was built around volumes (average EBITDA margin of 17% till FY15)

The Company began to focus on value-added products from FY16

The Company focused on the critical and high-value CRAMS segments

The Company has been reporting EBITDA margin of 25%-plus for four years and ended FY20 with EBITDA margin of 28%

The Company was based in a single location till 1977

The Company's manufacturing unit was located in Surat

The Company commissioned its Dewas unit in 1978

The Company acquired UK-based Manchester Organics Limited in 2011

The Company embarked on a greenfield expansion in Dahej in 2020

Dear Shareholders

Navin Fluorine achieved three important milestones in FY '20,

- **The Company crossed revenues of ₹1,000 crores**
- **The Company clocked record operating margins from core operations**
- **The Company signed a US$410 MM material supply agreement**

Each of these milestones is as much a validation of our rich past as it is a vote of confidence in the prospects of our Company.

Governance: People over profit

At Navin Fluorine, governance not only means complying with the laws of the land but also honest stakeholder communication. Even as the Dewas plant was not required to stop manufacturing following the pandemic outbreak, the Company selected to temporarily shut operations to maximise employee safety. It empowered the EHS team to review and validate plant re-opening with no room for compromise. The Company apprised local authorities on the comprehensive safety protocols taken. The proactive shut down and programmed resumption underlined the Company's commitment to governance – putting people above profit.

In 2019-20, the Company's revenues reported 7% growth from ₹955 crore in 2018-19 to ₹1,022 crore, while EBITDA grew 15% from ₹253 crore in 2018-19 to ₹292 crore in 2019-20. PBT strengthened 13% from ₹227 crore in 2018-19 to ₹257 crore in 2019-20. Prudent cost and product management helped improve our EBITDA margin by 217 bps to 28% in 2019-20. Navin Fluorine stands strong to face any unforeseen and unexpected realities on the one hand while being equipped to capture new upside opportunities on the other.

Partnerships, our true test

At Navin Fluorine, true partnerships mean a lot more than a mere source of revenue streams. These partnerships with like-minded companies generate direct and indirect benefits. Prior to the formation of formal relationships, these companies typically conduct exhaustive due diligence of our ESG (Environment, Social and Governance) capabilities. A similar detailed study is conducted of our technical, operational and financial strengths. When these partnerships materialise, they are a true testament of our capabilities and values.

While providing visibility into future earnings and growth, these partnerships also help us gain access to advanced technologies, which, in turn, help us develop innovative products and platforms. These products and platforms drive more partnerships, creating a strong snowball effect.

One example of such a partnership was our signing of a $410MM multi-year contract with one of our global partners to manufacture and supply a new High Performance Product (HPP). Our Board of Directors approved the investment of approximately ₹500 crores to set up a new greenfield plant in Dahej, Gujarat, India. The strength of our Balance Sheet and strong cash flows provides us the confidence to manage this investment primarily out of our internal accruals.

Strengthening organizational capabilities

To be able to deliver on these partnership opportunities, it is critical that we continue to strengthen our organizational capabilities. During the past year, we significantly strengthened certain critical functions like Technology & Design, R&D and Projects. A good team, driven by strong sense of purpose, is the hallmark of a great organization. We believe we are now getting ready to build a robust foundation, which will help us realize new opportunities and propel us into the next orbit of profitable growth.

Facing the challenges; preparing for Covid-19

We started 2019-20 with a few business challenges. We had limited headroom for capacity expansion at our existing site in Surat, Gujarat. One of our most profitable products R22 was facing a significant demand downturn due to an upcoming regulatory phase-out schedule. Despite these challenges, we focused on product rationalization, cost management initiatives and new product development. We developed new products to utilize our assets more profitably and build a strong new product pipeline, which could form basis of our expansion at a new site in Dahej, Gujarat.

As we moved into Q4FY'20, we faced a major Black Swan event – the Covid-19 pandemic. This event had the potential to create significant disruptions in our operations and supply chain. However, we worked diligently to quickly develop a risk mitigation plan to address a potential supply chain disruption. We prepared the delivery of some critical raw materials, proactively increased our inventory levels and developed alternative local vendors.

As the nation went into a protracted lockdown, we decided to shut our plants in March 2020. With an assumption that this was going to be a new normal for the foreseeable future, we developed detailed protocols for the health and safety of our workforce and for safe operations at our plants. Our plants are based in Surat, Gujarat, and Dewas, Madhya Pradesh, two of the most affected cities. Despite the severity of the pandemic in these cities, our team worked hard to ensure that we soon restarted operations, while putting a priority on safety of our work force. I would like to thank all the members of the Navin Fluorine family for their dedication, hard work and team spirit, something that has continued to differentiate our Company for more than 50 years.

We also remain in deep gratitude of all our external partners like customers, suppliers, contractors, transporters, truck drivers etc., who, despite several challenges, continue to support us through these challenging times. This has once again validated the true spirit of partnerships.

Outlook for the future

Despite the current challenging times, we believe our businesses will benefit from strong tailwinds in the coming years. We remain engaged with our partners as we navigate through this new normal and we will continue to develop a strong pipeline of new, exciting opportunities for the Company, especially in our Specialty and CRAMS businesses.

In conclusion, I would like to thank our shareholders for continuing to place their trust in Navin Fluorine. At the Company, we remain excited about our prospects.

Radhesh R. Welling,
Managing Director

Mumbai
Date : June 16, 2020

Navin Fluorine Optimistic in a post-Covid-19 world…

- The post-pandemic world would seek supply chain diversification
- India could emerge as a beneficiary by virtue of offering a competitive manufacturing proposition, competent knowledge professionals and good trade practices (regulation and IP rights)
- Navin Fluorine would continue to partner with global companies to help them strengthen their supply chains
- The Company created robust safety and operational guidelines to enhance worker safety

Navin Fluorine and Value from **Partnerships**

How Navin Fluorine's enduring culture of partnerships across various stakeholders strengthened its industry position

POWER OF PARTNERSHIPS

Inputs
Trust | Transparency | Governance | Track record

Credibility

Output
Long-term relationship

Inputs
Technology platform | Building block | Product competence

Capability

Output
Long-term profitable growth

The value that we create through partnerships with our stakeholders

Key stakeholders	Navin Fluorine's value proposition				
Customers	Superior and consistently high product quality	Timely supply, helping our customers manufacture on schedule	Stable pricing, empowering customers to manufacture affordable products	Ramp-up capabilities to address unforeseen needs	Transparent communication, enhancing trust
Vendors	Honouring procurement contracts through various market cycles	Quick payment of dues, helping vendors manage their cash flows better	Long-term engagements incentivizing re-investment and supply predictability	Engagements based on holistic capability (cost, quality, dependability and safety)	
Employees	Providing a career-strengthening workplace marked by empowerment and delegation	Investing in a diverse workforce drawn from various geographies, races and backgrounds	Providing an inclusive working environment, free of discrimination and harassment	Creating a pipeline of future leaders	

Key stakeholders	Navin Fluorine's value proposition				
Community	Local procurement of goods and services	Engagement with civil society	Investment in social development	Allocation of profits for community welfare	Local livelihood creation wherever feasible
Environment	Investments in initiatives to minimize our carbon footprint	Active recycling of sewage; declining fresh water consumption	Investment in protective equipment for employees handling hazardous chemicals	Investment in infrastructure to minimize human interventions in material handling	
Investors	Transparent statement of our business model	Commitment to governance, resulting in strategic stability	Distribution of dividends to shareholders	Comprehensive engagement every quarter; transparent Annual Report	Sustainable growth over a one-time profitability spike
Government	Complete conformance with compliances and regulations	Timely payment of taxes and duties			

How Navin Fluorine's values have translated into **business strengths….**

Values of Navin Fluorine

Excellence at work creates stakeholder value

We share this value with partners in our journey

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

We are fair with all our stakeholders

We engage in honest communication

The values helping in enhancing the power of our partnership

Efficient planning

Superior customer service

Transparency

Trust

Our business **model**

At Navin Fluorine, we are engaged in business with the objective to enhance value for entire eco-system of our stakeholders.

The business platform that we created

- Rich experience
- Capacity expansion
- Cost leadership
- Manufacturing excellence
- Proactive R&D investments
- Balance Sheet robustness

Growing relevance of our business

FDA approvals: During 2019, the US Food and Drug Administration (FDA) approved 48 new drugs (38 new chemical entities and 10 biologics). This strengthened the case for fluorine; four of every ten small molecules contained at least one of these atoms. More than a quarter (14 out of 48) of the drugs approved by FDA contained fluorine.

Life science industry: Fluorine-containing compounds are at the leading edge of new developments in the global life sciences industry. The global life science products industry was estimated at more than US$ 2,500 million in 2015 and expected to grow to approximately US$ 4,200 million by 2024, driving the demand for fluorine-based products.

Pharmaceutical: Fluorine-containing compounds are at the leading edge of new developments in the global life sciences industry. The anticipated robust growth in global life sciences products industry is driving the demand for fluorine based products.

Increasing R&D expenditure: India's public investment in R&D remained at around 0.6% of GDP; the government plans to increase this to 2% by 2022.

Regulations: Stricter quality compliance in manufacturing was implemented under a revised Schedule M, harmonizing cGMP protocols with WHO and US-FDA protocols, strengthening the case for contract manufacturing in India.

Global fluorochemicals market: The global fluorochemicals market was estimated at $21.4 billion in 2018 and expected to reach $29.8 billion by 2026.

Increasing incomes: India's nominal per capita net national income in 2019-20 was estimated at ₹1,35,050, a rise of 6.8%, strengthening consumption and the indirect consumption of fluorochemicals.

Refrigerators penetration: The penetration of refrigerators in India is estimated to increase to 47.5% by 2026 (27.3% in 2016), strengthening the offtake of fluorochemicals used to manufacture refrigerants like CFCs, HFCs, and HCFCs.

Air conditioners penetration: The household ownership of ACs in India today is a mere 7% compared to a global average of 30%. However the demand for comfort cooling is expected to drive the demand of ACs to over 1 billion units by 2050, a 40-fold growth from 2016.

Growing applications in the automobiles: Global aluminium consumption is expected to increase from 63 million tonnes in 2019 to 78.6 million tonnes by 2028. Hydrogen fluoride is extensively used in manufacturing aluminium through electrolysis, which, in turn, is being increasingly used in automobiles to reduce weight and enhance fuel efficiency.

(Source: MDPI, marsh.com, persistencemarketresearch.com, Economic Times, Business Today, PR Newswire, Fitch, weforum)

The financial value we generated

Total Revenues grew at a five-year CAGR of 13% to ₹1,053 crore in 2019-20	EBITDA grew at a five-year CAGR of 27% to ₹292 crore in 2019-20	PBT grew at a five-year CAGR of 30% to ₹257 crore in 2019-20	Exports grew by 3% to ₹455 crore in 2019-20	Earnings per share stood at ₹80.83 in 2019-20	RoCE was 21% in FY 2019-20, a decrease of 78 bps over FY 2018-19*

*New investment in CRAMS capitalised end of Q-III of FY 2019-20

Competitive advantage of Navin Fluorine

Deep domain knowledge: The Company's deep knowledge in chemistry and engineering expertise in fluorination across five decades has enabled it to emerge as one of the largest manufacturers of fluorochemicals in India.

Brand recall: The Company enjoys a strong brand recall around trust, quality and competitive manufacture.

Expansion: The Company invested proactively in capacity expansion. During the year under review, the Company announced plans to set a subsidiary plant in Dahej as part of a large expansion.

Financial leverage: The Company has a strong Balance Sheet with a cash balance (including investments) of over ₹400 crores.

Knowledge capital: The Company provides a fair and engaging workplace, helping retain knowledge-driven professionals. A large per cent of employees had been with the Company for ten years or more as on March 31, 2020.

Technology edge: The Company proactively invested in cutting-edge technologies, which resulted in a competitive cost of manufacture and a quality product, the basis of its long-term profitability leading to the Company emerging as a preferred supplier to multi-national customers.

Governance commitment: The Company is an ethical player, responding with a sense of governance. Over the years, this governance framework has reflected in a complete alignment with the certification and compliance needs of its business, workplace safety, eco-friendly operations, commitment to customer interests and statutory obligations.

Process-driven: The Company believes that growth can be best derived when the promoter and the professional management team chart out a strategic direction marked by day-to-day management delegation to department heads, information technology tools and support.

Locational advantage: The Company's manufacturing units (Surat, Gujarat and Dewas, Madhya Pradesh) are proximate to ports, strengthening logistics.

Quality: The Company's manufacturing units are ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and Responsible Care Logo-certified, ensuring superior product quality. It was also awarded with 'Certificate of Merit for the Best Compliant Company in Distribution Code under Responsible Care' by Indian Chemical Council in 2018-19.

Solution provider: The Company provides a superior customer solution comprising premium products, balanced product and low cost products based on customer needs. CRAMS contributed 17% to revenues in 2019-20.

Guidelines: The Company followed cGMP guidelines for product manufacture to cater to the needs of global pharma innovators.

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

Our Integrated **Values**

Navin Fluorine's multi-decade growth has been derived through the interplay of various competencies underlined by partnerships.

Overview

The enunciation of these Capitals has enhanced business clarity

Sustained investments in each Capital has strengthened competencies

Each Capital is mutually exclusive and generates attractive returns

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

Our **six Capitals**

Manufacturing Capital

- Invested towards capital replacement and technology upgradation
- Initiated projects that facilitated backward integration
- Embarking on a greenfield unit in Dahej

Intellectual Capital

- Enhanced focus on R&D activities
- Created a strong product pipeline
- Initiated process optimisation initiatives

Financial Capital

- Debt-free Balance Sheet
- Initiated stringent cost management measures
- Total dividend of ₹11 per share

Human Capital

- Engaged in strong organisation-wide retention
- Conducted 602-person hours of training programs during the year under review

Natural Capital

- Reduced fresh water withdrawal
- Recycling process water
- Recycling process waste

Social and Relationship Capital

- About 71,400 people benefitted due to CSR activities in FY20
- 3 new CSR projects supported in FY 20
- ₹3.78 crore invested in CSR initiatives in FY 20

Partnerships: The backbone of our competitiveness

Partnership Capital has been the key pillar of our sustainable growth across five decades.

A culture of strong partnerships across stakeholders has provided the Company with business continuity, revenue visibility and cyclicality cushion.

In turn, this has attracted stable and patient capital, long-term customers and societal respect.

Key inputs

- Deep knowledge of fluorination space
- Capacity to think long-term
- Investments in systems, security and safety

Desired outcomes

- Predictable business growth
- Investments in new products and platforms
- Profitable growth

The **3P's** at Navin Fluorine: Products. Platforms. Partnerships.

The long-term strategy of the Company

Overall outcomes

- Generate sustained profitable growth
- Designed for exponential profit growth
- Validates the Company's ESG credentials
- Reinforces the Balance Sheet
- Designed around demonstration of capabilities
- Ability to extend from existing to emerging segments
- Strengthens positioning as a respected thought leader

1 Products

- Focus on fluorine-based products
- Focus on 'owning' the value chain
- Deep control of challenging chemical processes
- Ability to customise products for diverse customers

Outcomes

Sustainable and long-term profitability solutions provider

2

Platforms

Brand-enhancing positioning in developed markets

Focus on growth-oriented platforms

Platforms marked by a high entry barrier

Supported by robust sub-platforms (engineering and chemistry)

Complement of scale, skills and economies

Outcomes

Success could lead to future partnerships

3

Partnerships

Graduates the Company in overcoming technology barriers

Empowered to advise, consult, plan and manufacture

Partnerships across the value-chain

Long-term engagement prospects

Basis for larger collaborative projects or wider products spectrum.

Empowers customers to launch superior products quicker

Help customers launch new products

Outcomes

Create business sustainablity for both partners

Notice

NOTICE is hereby given that the 22nd Annual General Meeting ('AGM') of the Members of the Company will be held on Friday, August 21, 2020 at 3.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Annual Audited Financial Statements of the Company for the financial year ended March 31, 2020 along with the notes forming part thereof and the Report of the Directors and the Auditors thereon

2. To confirm the payment of Interim Dividends on the equity shares of the Company for the financial year 2019-2020 and to declare final dividend on equity shares for the financial year 2019-2020

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

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

SPECIAL BUSINESS:

4. To ratify remuneration of Mr. B. C. Desai, Cost Auditor (Membership Number M-1077) of the Company for the financial year 2020-2021, and in this regard, to consider, and if thought fit, pass the following Resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the payment of Remuneration of ₹5,00,000/- (INR Five lakhs only) (excluding the 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 financial year April 01, 2020 to March 31, 2021, be and is hereby approved and ratified."

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

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

Place: Mumbai
Date: June 16, 2020

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

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company.

2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. However, since the AGM is being held in accordance with the MCA Circulars through VC / OAVM, the facility for appointment of proxies by the members will not be available.

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

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

5. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of Item Nos. 3 and 4 mentioned in the above Notice is annexed hereto.

6. The details of the Director seeking re-appointment as required by Regulation 26(4) and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and duly notified by the Central Government are annexed hereto. The Board of Directors recommend the re-appointment as proposed.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, August 11, 2020 to Friday, August 14, 2020 (both days inclusive) for the purpose of determining the eligibility of Members entitled for payment of final dividend, if any.

8. The final dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on or after August 26, 2020. In case of non-availability or non-updation of bank account details of the Members, the Company shall ensure payment of dividend to such member post normalization of postal services in the Country by dispatching dividend warrant/ demand draft, as the case may be.

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

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

   b) Members holding shares in physical form are requested to submit a covering letter, duly signed by the first Member, along with a cancelled cheque leaf with name and bank account details and a copy of their PAN card, duly self-attested, to KFin Technologies Private Limited, Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032. In case the cancelled cheque leaf does not bear the Member's name, please attach a copy of the bank pass-book statement, duly self-attested.

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

10. Members are requested to note that pursuant to the provisions of Section 125(1)(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 during the financial year 2012-2013 to the said fund. Members who have so far not claimed the dividends paid thereafter are requested to make claim with the Company/R&T Agents of the Company immediately.

11. 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 IEPF. 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 IEPF Authority by making an online application in Web Form-IEPF-5, the details of which are available on IEPF Authority's website www.iepf.gov.in.

12. 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.

13. All Members, including Institutional Investors, are encouraged to attend and vote at the AGM. Institutional / Corporate Members are required to send a scanned copy of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to info@dmzaveri.com or upload on the VC portal / e-voting portal.

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

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

16. As per Section 72 of the Companies Act, 2013, members are entitled to make nomination in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to KFin Technologies Private Limited. Members holding shares in electronic form may submit the same to their respective depository participant.

17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.nfil.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on https://evoting.karvy.com/

18. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

19. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. Details regarding the same will be made available on the Company's website www.nfil.in.

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

A) For e-voting:

In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, e-voting facility is being provided to the Members. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The Company has appointed Mr. Dharmesh Zaveri, of D. M. Zaveri & Co, Practising Company Secretary as the scrutinizer for conducting the e-voting process in a fair and transparent manner for the businesses to be transacted at the AGM. Details of e-voting process are as under:

i. The remote e-voting facility will be provided by KFin Technologies Private Limited (KFinTech).

ii. The remote e-voting period commences on August 18, 2020 (9:00 a.m.) and ends on August 20, 2020 (5:00 p.m.). During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, (as on the cut-off date of August 14, 2020) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by KFinTech for voting thereafter.

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

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

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

(a) Launch internet browser by typing the URL: https://evoting.karvy.com

(b) Enter the login credentials (i.e. User ID and Password) which will be sent separately. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and Password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll free number 1800-3454-001 for your existing password.

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

(d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you have forgotten your password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

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

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

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

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

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

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

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

(l) Corporate/Institutional Members (i.e. other than Individuals, HUFs, NRIs, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: info@dmzaveri.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the format "Corporate Name_EVENT NO."

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

vi. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of August 14, 2020.

Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., August 14, 2020, may obtain the User ID and Password in the manner as mentioned below:

a) If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS : MYEPWD <space> E-Voting Event Number + Folio No. or DP ID and Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890

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

c) Members who need technical assistance may contact Mr. Ananda Moolya, Deputy Manager, KFinTech - Email ID: evoting@karvy.com/ananda.moolya@kfintech.com; Tel. No.: +91 040 67162222/67161627; Toll Free No.: +1800 3454 001.

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

vii. Members are requested to register their email IDs with KFinTech if shares are held by them in physical form or with their respective DPs if shares are held by them in demat form. Those Members who have not registered their email IDs may send an email request to einward.ris@kfintech.com along with the following documents for obtaining the Annual Report, Notice of AGM with e-voting instructions and login credentials: (a) In case shares are held in physical mode, please provide folio no., name, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of any address proof; (b) In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit client ID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of any address proof; (c) After due verification, KFinTech will forward login credentials to Member's registered email ID; (d) After this, Member may follow the remote e-voting instructions given in this Notice.

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

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

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

iii. Upto 1000 members will be able to join on a first-come-first-served-basis to the e-AGM. Such restrictions on entry into e-AGM will not apply in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

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

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

vi. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. it is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

vii. Technical helpline number of KFin Technologies Private Limited is 1800-3454-001

viii. Members who would like to express their views/ask questions may log into https://emeetings.kfintech.com and click on "Post your Questions". Thereafter, Members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email ID, mobile number. Members who would like to express their views or ask questions during the AGM may register themselves as speakers by logging on to https://emeetings.kfintech.com and clicking on "Speaker Registration". Members will need to mention the demat account number/folio number, city, email ID, mobile number and then click on submit. "Post your Questions" and "Speaker Registration" links shall remain active from August 18, 2020 (9:00 a.m.) to August 20, 2020 (5:00 p.m.).

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

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

Annexure to Notice

Explanatory Statement as required by Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 and 4 of the accompanying Notice of AGM.

Item No. 3:

Mr. T. M. M. Nambiar is a Non-Executive Non-Independent Director on the Board of the Company and is liable to retire by rotation at the ensuing 22nd Annual General Meeting of the Company. Being eligible, he has offered himself for re-appointment.

As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a Special Resolution is passed to that effect. Therefore, continuance of Mr. T. M. M. Nambiar as Non-Executive Non-Independent Director requires consent of the members by way of a Special Resolution. Mr. T. M. M. Nambiar is active and is keeping good health. His brief profile is given in the annexure and forms part of this Notice.

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

None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. T.M.M. Nambiar is concerned or interested in the Resolution.

Item No. 4:

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

Based on the receipt of consent letter and eligibility certificate and upon recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of Mr. B. C. Desai, Cost Accountant (Membership Number M-1077) as the Cost Auditor of the Company for conducting the Cost Audit of chemical products manufactured in the financial year April 01, 2020 to March 31, 2021 on a remuneration of ₹5,00,000/- (INR Five lakhs Only) excluding the reimbursement of out-of-pocket expenses incurred for the purpose of Cost Audit subject to approval of remuneration by the Members of the Company.

In accordance with Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor shall be ratified by the Shareholders of the Company. Accordingly, the Board of Directors recommend passing of the Resolution at Item No. 4 of the Notice.

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. 4 of the Notice.

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

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

Place: Mumbai
Date: June 16, 2020

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

Particulars of Director seeking re-appointment pursuant to Regulation 26(4) and Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2

Name	Mr. T. M. M. Nambiar
Age	83 years
Director's Identification Number	00046857
Date of Appointment/ Re-appointment	March 3, 2003
Brief Resume – Qualification	B.Com., A.C.A.
Expertise in Specific Functional Areas	He has a vast experience of over 57 years and was associated as President/Chairman/ Member of prestigious institutions like Cement Manufacturers Association, National Council for Cement Industry, The Associated Chamber of Commerce and Industry of India, Bombay Chamber of Commerce, etc. He was also associated for more than 26 years with Associated Cement Company Limited including 6 years as Managing Director.
Terms and Conditions of Appointment/Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	Mr. T. M. M. Nambiar 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 and commission which may be approved by the Board of Directors. The remuneration paid to him during the financial year ended March 31, 2020 is shown under the Corporate Governance Report.
Other Directorships	1. ION Exchange (India) Limited 2. ION Exchange Projects and Engineering Limited 3. Hospital and Nursing Home Benefits Association
Membership/Chairmanship of Committees	1. Navin Fluorine International Limited Audit Committee - Member Nomination and Remuneration Committee - Member 2. Hospital and Nursing Home Benefits Association Managing Committee - Member 3. ION Exchange (India) Limited Audit Committee - Chairman
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel	He is not related to any of the Director or Key Managerial Personnel of the Company.
Shareholding in the Company held by him	5,000 Equity Shares of ₹2/- each (as on March 31, 2020)
Number of Board Meetings Attended in the financial year 2019-2020	Attended all 7 meetings held

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

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

Place: Mumbai
Date: June 16, 2020

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

Summarised Financial Data

(₹ in lakhs)

	Particulars	IGAAP						Ind AS			
		2010 - 11	2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015-16	2016-17	2017-18	2018-19	2019-20
	STATEMENT OF PROFIT & LOSS										
1	Total income	44113	79486	53855	47850	57276	66093	79247	97668	98990	105360
2	Profit before depreciation, interest, exceptional items and tax	12313	34071	9428	9007	8996	14084	20561	30132	25288	29206
3	Finance costs	(360)	(354)	(610)	(540)	(324)	(320)	(50)	(66)	(47)	(160)
4	Depreciation, amortisation and impairment	(1354)	(1773)	(1961)	(2055)	(1864)	(2092)	(2835)	(3817)	(2588)	(3374)
5	Profit before tax	10599	31944	6857	6413	6808	11672	17676	26248	22653	25671
6	Profit after tax	7164	23124	4316	5066	4938	8647	13265	17896	14848	39982
7	Dividend (₹ per share) #	3.00	15.00 *	3.00	3.20	3.20	4.20	6.30**	10.00***	7.80	11.00
8	Earning per share (EPS) ₹ #	14.22	47.38	8.84	10.38	10.11	17.69	27.10	36.34	30.05	80.83
	BALANCE SHEET										
9	Equity share capital	975.68	975.69	975.72	975.72	976.83	978.58	979.00	986.87	989.00	989.54
10	Net fixed assets	20491	24168	23918	23127	27029	28169	47257	34043	36344	45167
11	Investments	4776	20494	24664	26294	23447	26598	31571	52188	52673	29633
12	Current assets (net)	14734	15873	13945	13779	14315	15131	5599	13158	19858	62153
13	Capital employed	40002	60536	62527	63201	64791	69898	84427	99390	108875	136953
14	Borrowings	4907	9334	8324	5700	4489	2990	-	-	-	-
15	Net worth	33180	48337	50946	54186	57113	63354	82352	96999	105921	138894
16	Book value of share of ₹2.00 each (₹) # (15 / no. of shares)	67.98	99.04	104.39	111.02	116.92	129.46	168.21	196.55	214.17	280.68
17	Debt / equity ratio (14 / 15)	0.15	0.19	0.16	0.11	0.08	0.05	-	-	-	-
18	EBITDA (%) (2 / 1)	28%	43%	18%	19%	16%	21%	26%	31%	26%	28%
19	Profit after tax (%) (6 / 1)	16%	29%	8%	11%	9%	13%	17%	18%	15%	38%
20	Return on net worth (%) (PAT / Avg of opening & closing net worth)	23%	57%	9%	10%	9%	14%	18%	20%	15%	33%
21	Return on Capital Employed (%) ((PBT + finance costs) / Avg opening & closing capital employed)	30%	64%	12%	11%	11%	18%	22%	29%	22%	21%
	OPERATING RATIOS										
22	Operating EBITDA (%) (EBITDA - Other Income) / Revenue from Operations	26%	35%	15%	14%	12%	18%	20%	24%	23%	26%
23	Operating PBT (%) (PBT - Other Income) / Revenue from Operations	22%	32%	10%	8%	8%	14%	16%	19%	20%	22%
24	Return on Capital Employed (%) - Operating ((EBIT - Other Income) / Operating Capital Employed) @	31%	77%	17%	12%	10%	23%	22%	34%	32%	30%

Figures from 2016-17 to 2019-20 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable

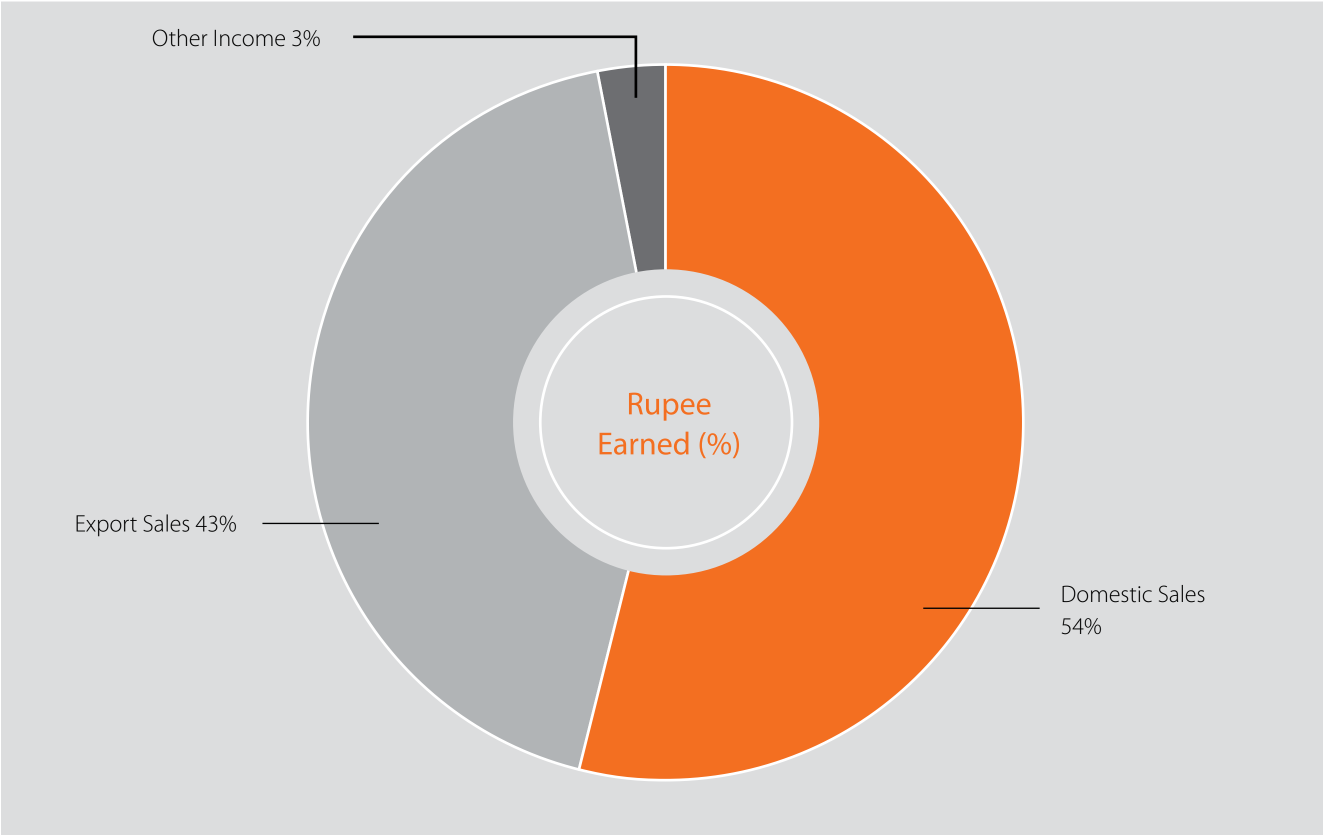
At the 19th Annual General Meeting of the Company held on 29th June, 2017, Members had passed Resolution approving sub-division of shares in the ratio of 5 Equity Shares of ₹2.00 each for every 1 Equity Share of ₹10.00 each. The record date for the aforesaid sub-division was 20th July 2017.The figures for the period 2010-11 to 2015-16 have been calculated based on the face value of ₹2.00 per equity share, to make the numbers comparable.

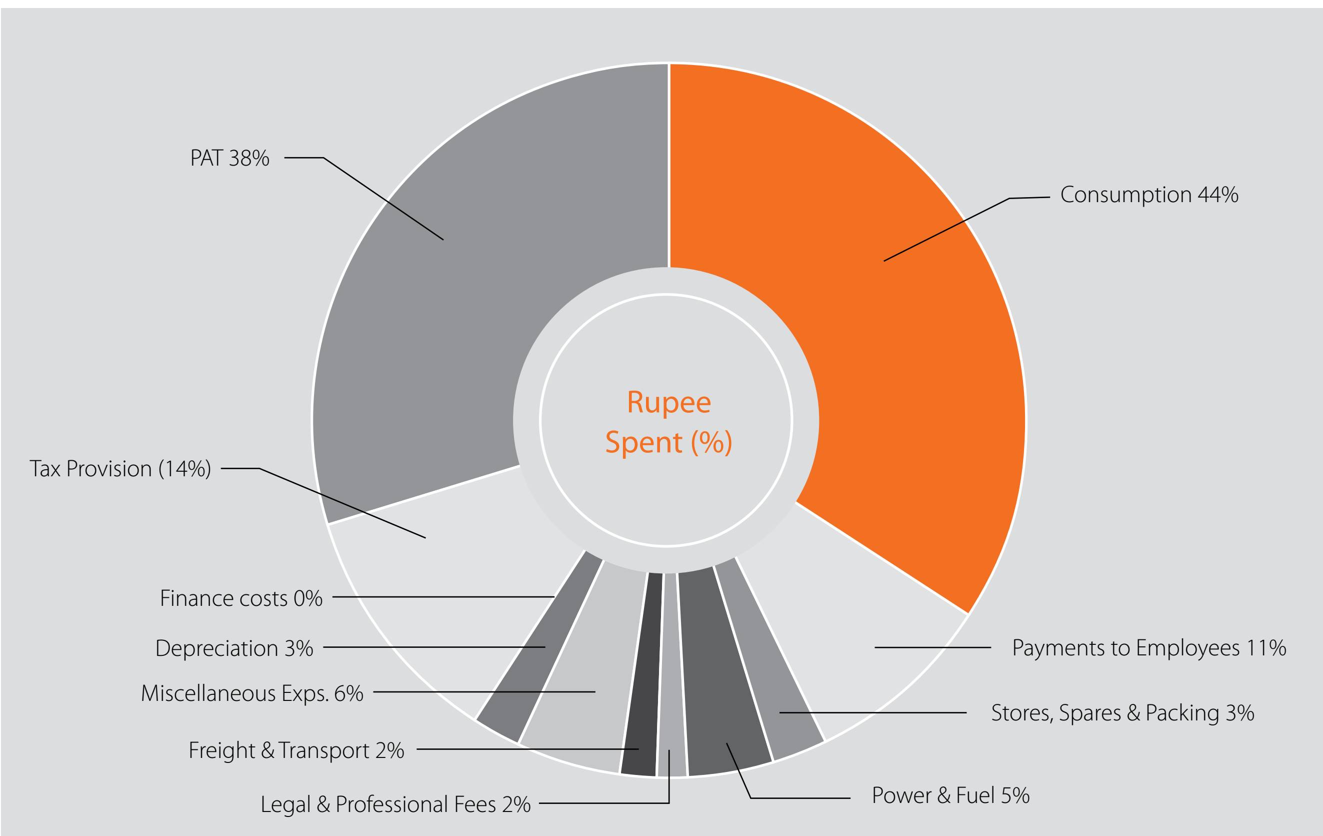
* including special dividend of ₹12.00

** 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


Other Income 3%
Rupee
Earned (%)
Export Sales 43%
Domestic Sales
54%


PAT 38%
Consumption 44%
Rupee
Spent (%)
Tax Provision (14%)
Finance costs 0%
Depreciation 3%
Miscellaneous Exps. 6%
Freight & Transport 2%
Legal & Professional Fees 2%
Payments to Employees 11%
Stores, Spares & Packing 3%
Power & Fuel 5%

Directors' Report

Dear members

Your Directors are pleased to present the 22nd Annual Report and the Annual Audited Financial Statements for the financial year ended March 31, 2020 along with the notes forming part thereof.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ in lakhs)

	2019-2020	2018-2019
Revenue from Operations	1,02,227	95,513
Other income	3,134	3,477
Profit before Depreciation, Finance Costs and Taxation	**29,206**	**25,288**
Less: Depreciation and amortization expenses	3,374	2,588
Finance Costs	161	47
Profit before Taxation	**25,671**	**22,653**
Less: Tax Expense	(14,310)	7,805
Profit after Taxation	**39,981**	**14,848**
Add: Surplus brought forward from the previous year	80,440	71,808
Amount available for appropriation	**1,20,421**	**86,656**
Appropriation:		
Other Comprehensive Income/(Loss)*	(71)	(31)
Payment of dividends (including tax)	(7,156)	(6,185)
Surplus carried to Balance Sheet	**1,13,194**	**80,440**

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

Note:

Figures are regrouped wherever necessary to make the information comparable.

2. DIVIDEND

The Company has declared and paid two interim dividends during the financial year 2019-2020. The first interim dividend of ₹4.00 per equity share (i.e. 200% of the face value) was paid on November 13, 2019 and the second interim dividend of ₹4.00 per equity share (i.e. 200% of face value) was paid on March 13, 2020. The Board of Directors is pleased to recommend a final dividend for the year of ₹3.00 per share (i.e. 150% of the face value). The interim dividends paid and the final dividend proposed is in accordance with the Dividend Distribution Policy of the Company which forms part of the Annual Report. The same is also available on the Company's website at the weblink https://nfil.in/policy/index.html.

3. YEAR IN RETROSPECT

Key financial highlights during the year were as under:

- Total Revenue from operations increased by 7% - from ₹95,513 lakhs to ₹1,02,227 lakhs
- Earnings before interest tax depreciation and amortization (EBITDA) increased by 15% - from ₹25,288 lakhs to ₹29,206 lakhs
- Profit Before Tax (PBT) increased by 13% - from ₹22,653 lakhs to ₹25,671 lakhs

The key growth drivers for profits during the year have been new customer acquisition, new product launch and market growth. The

Operating Profit for the year, before Other Income, increased by 18% over that of the previous year. Operating EBITDA, before Other Income, touched ₹26,072 lakhs, up from ₹21,811 lakhs in FY 19, a growth of 20%. Operating EBITDA Margin for the year was at 26% against 23% in FY 19, an expansion of 267 basis points.

Turnover during the year crossed the ₹1,000 cr mark, with a growth of 7% over FY 19. The growth was primarily driven by Specialty Chemicals. The other business segments were flat vis-à-vis FY 19. The domestic business grew by 10%, clocking ₹56,725 lakhs as compared to ₹51,345 lakhs in FY 19 while exports at ₹45,502 lakhs, grew by 3% as compared to ₹44,168 lakhs in FY 19.

Specialty Chemicals business continued to grow in the current year by 27%, reaching a turnover of ₹38,104 lakhs vis-à-vis ₹30,005 lakhs in FY 19. It contributed around 37% of the overall turnover. The division witnessed strong performance in both domestic and export markets. This business growth was driven by new product launch and higher volumes in some of the existing products. The Company continues to see strong new project flow from life science and crop science segments.

CRAMS business during the current year was marginally lower by 3%, with turnover touching ₹17,286 lakhs against ₹17,787 lakhs in FY 19. It contributed 17% of overall turnover for the year. Inspite of a weak opening order pipeline, the Company was able to successfully add new customers and projects during the year, especially in Europe. The emphasis during the year was on new customer development as well as deepening existing customer relationships. With cGMP3 plant becoming operational in December, 2019, our capability to handle larger projects and complex chemistries significantly improved. Also, during the year, the Company signed a long term contract with one large US key account. The Company is seeing a strong pipeline from innovator global pharma majors and plan to widen customer reach and relationships with these pharma companies. Overall, the outlook for the CRAMS business is very positive and this division is poised for a major growth. Customer audits by several pharma majors have been successfully completed during the year.

Inorganic Fluorides business registered a growth of 5% from ₹19,709 lakhs in FY 19 to ₹20,738 lakhs during the current year. It contributed around 20% of overall turnover. The growth has come from volumes both in the domestic as well as the export sectors across key product portfolios. Demand from the end user industries continued to remain soft during the year. Right product mix and steady pricing helped maintain the margins in this division. The sustained efforts over the last few years, led to addition of new overseas customers.

Refrigerant Gases business was lower by 7%, achieving a turnover of ₹26,099 lakhs during the year against ₹28,026 lakhs in FY 19. It contributed around 26% of the overall turnover. The export market witnessed a weak demand during the year. Domestic segment performed well both in volume as well as realisations on strong demand from non-emissive sector. Drop in major raw material prices helped in improving margins. Under the Montreal protocol, phase down of HCFC 22 (R22) for emissive purposes had begun from 1st January, 2015 in developing countries including India. Effective 1st January 2020, the second production cut has been initiated, to reach an overall 35% reduction of average baseline production of 2009-10.

The Company had contested receipts on account of Certified Emission Reduction (CER) as capital receipts not chargeable to tax from financial year 2007-08 to financial year 2012-13. During the year, it received favourable appellate orders for some of the aforesaid years. This has resulted in the Company becoming liable to tax on its book profits for these years under Section 115JB of the Income Tax Act, 1961 ('the Act') [i.e. Minimum Alternate Tax (MAT)] and correspondingly eligible for MAT Credit in terms of Section 115JAA of the Act, to be utilised against the tax liability of the succeeding years. Though the matter is contested by the tax authorities, considering the favourable pronouncements from various Tribunals/High Courts on similar matters, including jurisdictional High Court and as legally advised, no outflow for the same is expected. Accordingly, the Company has now recognized MAT Credit entitlement of ₹7,355.19 lakhs under Section 115JAA of the Act, for which claims have been made. The Company has recomputed the tax liabilities for these years and written back excess tax provisions amounting to ₹14,125.37 lakhs for earlier years.

The Board of Directors approved a capital expenditure of ₹9,000 lakhs towards site development and related infrastructure on approximately 74 acres of land for greenfield projects at Dahej (Gujarat) through its wholly owned subsidiary, Navin Fluorine Advanced Sciences Ltd. ('NFASL'). The Company also entered into a $410 million multi-year contract with a global company for manufacture and supply of a High Performance Product (HPP) in the fluorochemicals space. The project will entail an investment of about ₹36,550 lakhs in the manufacturing facility and ₹7,100 lakhs in captive power plant. This project will also be executed through NFASL and will be located at Dahej (Gujarat). This Agreement will help further expand our product portfolio by venturing into the new HPP segment and reinforce the trust global customers have in our capabilities, fluorine experience and strength in successfully scaling up of complex chemistries.

Costs of key raw materials, during the year, exhibited a mixed trend. Fluorspar prices increased by almost 20% year on year while prices of Sulphur, chloroform and other critical raw materials softened. Sulphur prices were lower by 30% while chloroform and boric acid were lower by 18% vis-à-vis FY 19. The Company continues to import fluorspar from diverse regions as part of supply chain security to de-risk dependence on a single source / geography. On the energy cost front, restart of power trading during the year ensured that the overall power cost was lower by about 10% vis-à-vis FY 19. Price of natural gas for the Company was also lower by 10% in the current fiscal compared to that of the previous year.

The Indian Rupee weakened sharply by the end of the year. It depreciated by almost 7% since January on the back of fiscal problems, sluggish growth, risk sentiment and concerns over the growing Covid-19 pandemic. Against USD the Rupee was at its strongest in July at ₹68.44 and the weakest in March at ₹76.30, depreciating by almost 12%. GBP, which was around ₹91.08 towards the beginning of the fiscal appreciated almost 3% to touch ₹94.16 level against the Indian Rupee in mid-March. At the end of the current fiscal it was at ₹90.41. The exchange gain of ₹40 lakhs as seen in the financials is on account of timing difference of foreign exchange transactions and their realisation and / or restatement.

The Company has continued its focus on improving operational efficiencies and product rationalisation, which led to improved margins. Technology team strived persistently through the year on successful scale-up, improving productivity, quality and costs of various products to enable businesses gain competitive advantage on one hand and supply chain gain flexibility of sourcing on the other. Research & Development continued its work on development of new molecules, adding a number of high margin products as well as working on complex chemistries for our customers. The growth of 20% in operating EBITDA over FY 19 and the overall improvement in EBITDA margins from 23% in FY 19 to 26% in the current year, is a testament to this.

The Company follows a conservative stocking strategy 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 focus on improving free cash flow efficiency and was able to grow its treasury portfolio. Expecting the growing magnitude of possible Covid implications, the Company proactively came out of all possible debt instruments and moved its investments to fixed deposits in the month of March, 2020, thereby escaping the turmoil faced in subsequent months. The Company has maintained its credit rating at 'CARE AA', indicating high degree of safety with respect to timely servicing of financial obligations and very low credit risk, for borrowings with a tenure of more than one year. The rating for short-term facilities of tenure less than one year, has been maintained at 'CARE A1+', indicating very strong degree of safety with respect to timely servicing of its short term financial obligations and lowest credit risk. During the year, the Company maintained 'CARE A1+' rating for issuance of Standalone Commercial Papers, to the extent of ₹3,000 lakhs.

Health, safety and environment (HSE) has always been considered as one of the key decision enablers for any process implementation and the Company has continued to make substantial investments in HSE systems during the year, across all its locations. The Company is amongst very few Corporates in the Country who have 'Responsible Care' accreditation from the Indian Chemical Council. 'Responsible Care' is the chemical industry's unique global initiative that drives continuous improvement in HSE performance together with open and transparent communications with stakeholders. The logo is awarded in recognition of a company's commitment towards sustainability and the accreditation was reaffirmed for another period of three years starting from January 2018, highlighting our commitment towards exceptional HSE systems. Compliances are reported and reviewed on a continuous basis and the intent is to ensure that they are effectively tracked and followed so that they support the Company's business objectives and corporate policy requirements.

During the year, the Company was awarded by ET NOW as "Emerging Company of the Year". It also received an award from the Indian Chemical Council (ICC) for "The Best Compliant Company for Emergency Response Code under Responsible Care" for the year 2018.

The year 2019-20 ended on a rather serious note with the outbreak of the Covid-19 pandemic. It is one of the most significant public health, social and economic phenomena and its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. In many countries, including India, there has been severe disruption to regular business operations due to lock down restriction and other emergency measures imposed by the Government. In this backdrop, the Company has been taking various precautionary measures to protect employees and workmen, and the eco system in which they interact. In view of the various directives of Central Government/concerned State Governments relating to lockdown and the need for social distancing, it was decided to temporarily suspend manufacturing operations at the Company's facilities at Bhestan, Gujarat and Dewas, Madhya Pradesh from March 25, 2020, after following requisite safety protocols. The Company has since re-commenced its operations from 14th April 2020, in a phased manner, after obtaining requisite permissions, as applicable, from concerned Government authorities. Currently, all the plants manufacturing products for life science and crop science segments are running to optimum capacities, whereas those for industrial segments continue to operate at sub-optimum levels. The Company has made a detailed assessment of the impact of Covid-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets including Property, Plant and Equipment, Trade receivables, Inventory and Investments as at the Balance Sheet date, and has concluded that there are no significant impact on its financial results as at March 31, 2020. The Company believes that, in the preparation of the financial statement, it has taken into account all known events arising from Covid-19 pandemic. However, the assessment of the impact of Covid-19 is an ongoing process and accordingly the impact may be different from that estimated as on the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

With a view to assist the Central/State Governments in their mammoth task of fighting with the Covid-19 pandemic, in the month of April 2020, the Company made an aggregate contribution of ₹500 lakhs to PM CARES FUND and the Chief Minister's Relief

Funds of Maharashtra, Gujarat and Madhya Pradesh and continues to support various measures being taken by agencies in mitigating the impact of Covid-19.

4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has six subsidiaries and two joint ventures:

(i) Sulakshana Securities Limited (SSL), an entity created to settle dues of the term lenders of Mafatlal Industries Limited remained a wholly-owned subsidiary of the Company. After settling all the third-party dues, SSL was left with 1,455 Sq. Meters of commercial floor space in Mafatlal Centre, Nariman Point, Mumbai, India 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, ₹296 lakhs has been repaid by SSL and its current outstanding to the Company is ₹921.72 lakhs.

(ii) The Company owns 100% stake in Manchester Organics Limited (MOL), a specialized chemicals research company in Runcorn, U.K., holding 51% of the ordinary voting shares of MOL directly and the balance 49% through NFIL (UK) Limited, a 100% subsidiary created for the purpose. During the year, MOL reported turnover of £ 4347K and net loss of £ 11K.

(iii) NFIL (UK) Limited is the wholly owned subsidiary of the Company which was incorporated in the UK to acquire the balance shareholding of 49% of Manchester Organics Limited.

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

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

(vi) The Company incorporated a wholly owned subsidiary, Navin Fluorine Advanced Sciences Limited (NFASL) on February 6, 2020. Through NFASL, the Company has planned a capex program at Dahej (Gujarat) with an estimated aggregate capital outlay of ₹45000 lakhs over the next 3-4 years. The Board of Directors of the Company has initially approved capital expenditure of ₹9000 lakhs for site development and related infrastructure on approximately 74 acres of land for greenfield projects at Dahej (Gujarat). The development of the infrastructure will enable the Company to set up various greenfield projects in fluorochemcials.

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

(viii) 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) had 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.

Pursuant to Section 129(3) of the Companies Act, 2013, a separate statement containing salient features of the financial statement of each subsidiary and joint venture of the Company is annexed in the format of AOC-1 to the Financial Statements of the Company. The 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 weblink: http://www.nfil.in/policy/index.html.

The Annual Audited Financial Statements of each of the subsidiary companies are placed on the Company's website. The same will also be made open for inspection. Interested members may write to the Company Secretary.

5. CAPITAL STRUCTURE OF THE COMPANY

During the year, the Company has allotted an aggregate of 27,155 fully paid equity shares under Employees' Stock Option Scheme, 2007 ("ESOS - 2007").

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

The paid up share capital of the Company has been increased from ₹9,88,99,775/- (4,94,42,610 equity shares of face value of ₹2/- each fully paid and 14,555 equity shares of ₹2/- each, ₹1/- each paid up) to ₹9,89,54,085/- (4,94,69,765 equity shares of face value of ₹2/- each fully paid and 14,555 equity shares of ₹2/- each, ₹1/- each paid up) as on March 31, 2020.

6. REPORTS ON MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

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

7. BUSINESS RESPONSIBILITY REPORT

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

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Navin Fluorine International Ltd. (a part of Padmanabh Mafatlal Group), fulfilling CSR is a way of life. 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.

The constitution of the CSR Committee is as follows: Mr. S. G. Mankad - Chairman, Mr. H. H. Engineer – Member and Mr. V. P. Mafatlal - Member.

The CSR policy of the Company is reflective of its CSR philosophy and highlights the snapshot of activities undertaken by the Company. The scope of the policy include the areas covered under the policy and activities eligible for CSR contribution. The other aspects covered by the policy include resources, identification and approval processes, modalities of execution and implementation, monitoring process and other general facets. The CSR policy of the Company is available on the website of the Company at the weblink http://www.nfil.in/policy/index.html.

In accordance with the provisions of Section 135 of the Companies Act, 2013, the amount required to be spent on CSR activities during the year is ₹374.89 lakhs and the Company has spent ₹378.29 lakhs during the current financial year (as against ₹329.19 lakhs during the previous financial 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 Companies Act, 2013 and as required pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **'Annexure 4'** to this Report.

9. INDUSTRIAL RELATIONS

The engagement with the workmen and staff remained cordial and harmonious during the year and the management received full co-operation from employees. The Company continues to focus on extensive training and developmental activities directed towards safety, quality and efficiency. There were no disruptions to the business because of any Union issues. The total number of employees as on March 31, 2020 was 790.

10. INSURANCE

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

11. EMPLOYEE STOCK OPTION SCHEMES

The Company has two Employees' Stock Option Schemes viz Employees' Stock Option Scheme, 2007 ("ESOS - 2007") and Employees' Stock Option Scheme, 2017 ("ESOS - 2017"). During the year, there were no material changes in the 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, no Stock Options were granted. Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, the details of stock options as on March 31, 2020 are specified in **'Annexure 5'** to this Report.

12. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The below mentioned Directors were appointed/re-appointed in terms of applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the 21st Annual General Meeting which was held on June 21, 2019:

- Mr. V P. Mafatlal, Executive Chairman, was re-appointed pursuant to the provisions of the Companies Act, 2013 as he retired by rotation at the 21st AGM.
- Mr. H. H. Engineer, Mr. P. N. Kapadia, Mr. S. S. Lalbhai, Mr. S. M. Kulkarni, Mr. S. G. Mankad and Mrs. R. V. Haribhakti were re-appointed as Independent Directors for a term of five years upon expiration of their first term. Further, approval for continuance of Mr. S. M. Kulkarni, Mr. S. G. Mankad and Mr. H. H. Engineer as Independent Directors was obtained, notwithstanding that they have or shall cross the age of 75 years during such tenure.
- Mr. A.K. Srivastava, who was already on the Board of the Company as a Non-Executive Director, was appointed as an Independent Director upon fulfillment of conditions of independence.
- Mr. R.R. Welling, who was an Additional Director, was appointed as a Director and his appointment as Managing Director for a period of 5 years was approved.

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. T.M.M. Nambiar retires by rotation and being eligible, seeks re-appointment at the forthcoming 22nd Annual General Meeting. Brief profile of Mr. T.M.M. Nambiar has been given in the Notice convening the 22nd Annual General Meeting of the Company.

There were no changes in the Key Managerial Personnel during the year except for approval for appointment of Mr. R. R. Welling as the Managing Director of the Company as mentioned above.

13. COMMITTEE COMPOSITION

Mrs. R.V. Haribhakti was appointed as a Member of the Audit Committee w.e.f. October 24, 2019. Accordingly, as on March 31, 2020, the Audit Committee comprised of Mr. S.M. Kulkarni (Chairman), Mr. S.S. Lalbhai (Member), Mr. P.N. Kapadia (Member), Mr. T.M.M. Nambiar (Member) and Mrs. R.V. Haribhakti (Member). During the year, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

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

14. EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with the Rule 12(1) of the Companies (Management & Administration) Rules, 2014, the extract of the Annual Return for the Financial Year ended on March 31, 2020 in the form MGT-9 is annexed as **'Annexure 6'** to this Report. The same is available 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 seven times. The details of the Board Meetings are provided in the Corporate Governance Report.

16. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 134 of the Companies Act, 2013, 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, Mrs. R.V. Haribhakti and Mr. A.K. Srivastava are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has received requisite annual declarations/confirmations from all the aforesaid Independent Directors confirming their independence.

The Board of Directors of the Company is of the view that Independent Directors fulfill the criteria of independence and they are independent from the management of the Company. All Independent Directors of the Company have confirmed that they have registered themselves with Independent Directors' Database of IICA and will appear for the online proficiency test of IICA, if applicable.

18. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters is approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

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

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

Particulars of loans given and of the investments made by the Company as at March 31, 2020 are given in the notes forming part of the Financial Statements.

20. RELATED PARTY TRANSACTIONS

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

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

21. STATEMENT OF COMPANY'S AFFAIRS

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

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

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as **'Annexure 7'** to this Report.

23. RISK MANAGEMENT POLICY

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

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted as under:

Name of the Director / Senior Executive	Category
Mr. V.P. Mafatlal	Chairman
Mr. R.R. Welling	Member
Mr. A.K. Srivastava	Member
Mr. Ketan Sablok	Member
Mr. Lalit Soni	Member

The roles and responsibilities of the Committee are as under:

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

24. ANNUAL PERFORMANCE EVALUATION

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation was carried out as under:

Board of Directors

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

Committees of the Board of Directors

The performance of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Risk Management Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes and committee dynamics. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Companies Act, 2013, the Rules 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.

25. PARTICULARS OF EMPLOYEES

The requisite details under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of **'Annexure 8'** to this Report.

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

26. PREVENTION OF WORKPLACE HARASSMENT

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

27. INTERNAL FINANCIAL CONTROLS

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

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

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

28. STATUTORY AUDITORS

At the 19th Annual General Meeting held on June 29, 2017, the Members approved the 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 of the Company. Consequent to amendment to Companies Act, 2013, ratification of Statutory Auditor's appointment is not required at every Annual General Meeting.

29. AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report on the Financial Statements of the Company for the Financial Year ended March 31, 2020.

30. SECRETARIAL AUDIT REPORT

Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report for the Financial Year ended March 31, 2020 given by M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, is annexed as **'Annexure 9'** to this Report. The same does not contain any adverse remarks.

31. COST AUDITORS

As per the requirements of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is applicable to the Company and accordingly, such accounts and records are being maintained. The Board of Directors based on the recommendation of the Audit Committee, appointed Mr. B. C. Desai, Cost Auditor, (Membership No. M-1077) to audit the cost accounts of the Company for the financial year 2020-2021 on agreed remuneration of ₹5,00,000/-.

As required under the Act, necessary resolution seeking Members' ratification for the remuneration payable to Mr. B. C. Desai is included as item number 4 of the Notice convening the 22nd Annual General Meeting. The Cost Audit Report in respect of financial year 2019-20 will be filled on or before the due date.

32. STATUTORY DISCLOSURES

a) The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014;

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

c) The Managing Director/Whole-time Director of the Company have not received any remuneration or commission from any of its subsidiaries;

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

e) The Company has nothing to disclose with respect to buyback of shares;

f) None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013;

g) The Company has complied with the Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India (ICSI).

h) There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report unless otherwise stated in the report.

33. 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, customers, suppliers, Government, bankers, lenders and other stakeholders.

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

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

ANNEXURE-1

Management Discussion and Analysis

Global economic review

The global economy grew 2.9% in 2019 compared to 3.6% in 2018, as the result of an increase in global trade disputes and slowdown of the manufacturing sector, coupled with a global financial crisis and Brexit. Global trade grew at only 0.9% in 2019 due to trade tensions and slower economic growth. The average price of oil was pegged at US$ 61.39 per barrel in 2019.

The 'Great Lockdown' is projected to shrink global growth significantly in the foreseeable future. Emerging markets and low-income nations across Africa, Latin America and most Asian regions face high-risks due to weaker health systems and densely populated cities and slums. Countries belonging to the advanced economy group are projected to de-grow significantly in 2020.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	2.9	(3.0)

(Source: World Economic Outlook, April 2020, E: Estimated; P: Projected)

Indian economic review

There was a decline in consumer spending that affected India's GDP growth. India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19. A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019. India emerged as the fifth-largest world economy in 2019 with a GDP of $2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities, affecting growth and sentiment.

Corporate tax relief: The government slashed the corporate tax rate to 22% from 25%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.0	4.5	4.7	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, EIU)

Global fluorochemicals industry overview

Fluorochemicals are compounds containing fluorine. Fluorine is a highly reactive element and is derived from sources like fluorite (also known as fluorspar), fluorapatite, and cryolite. Fluorine has a number of desirable chemical properties like high electronegativity, and reactivity and tendency to form stable compounds.

The global fluorochemicals market was pegged at $21.4 billion in 2018, and is expected to reach $29.8 billion by 2026, growing at a CAGR of 4.2% from 2019 to 2026. In 2019, 76% of the global fluorochemicals market was occupied by organic products. Rising temperatures coupled with demand for cold storage systems across the globe and climate control systems have stimulated the demand for HVAC and refrigeration systems, which in turn driving the fluorochemicals market. All fluorochemicals are derived initially from the manufacture of hydrofluoric acid (HF), itself produced from acid-grade fluorspar (acidspar).

The fluorocarbons segment accounted for more than one-fourth of the total share of the global fluorochemicals market in 2018, and is expected to retain its position. The refrigeration segment dominated the global fluorochemicals market owing to rise in global temperature and improvements in the living standards of the population in the developing countries.

Asia-Pacific accounted for the highest market share owing to the rise in consumer base in the region. Countries contributing majorly to the market in Asia-Pacific are China, Japan, and India. North America accounted for the second-highest share of the market in 2018. However, Europe is estimated to maintain the highest CAGR of 5.4% from 2019 to 2026 driven by the requirement for lightweight automotive parts among consumers as per the Euro 6 emission standards.

Moreover, Fluorochemicals such as HCFCs and HFCs have been used extensively in the manufacture of polyurethane foam. The demand for polyurethane foam is increasing in the construction sector, directly impacting the demand for Fluorochemicals. Also, increase in demand from several end-use industries and emergence of technical ceramics as a substitute, surge in demand for commercial refrigeration products from various countries and rise in usage in electrical & electronic applications will drive the global fluorochemicals market in the future.

(Source: Allied market research, PR Newswire)

Strengths

- Strong demand for fluorine molecule in Life Science and Crop Science segments
- Increasing demand for HVAC in automotive and construction industry
- Increased application in newer segments like EV etc.

Weakness

- Stringent regulatory regimes
- Production cost issues
- Increasing environmental concerns

The China factor

China was the world's largest miner of fluorspar in 2019, producing four million metric tons. The fluorochemical industry consumes the largest proportion of fluorspar in China (50%), followed by metallurgy (25%), construction (15%), and others. The Chinese fluorspar industry is aiming at a large scale standardised and centralised integration. Chinese fluorspar spot prices for both metspar and acidspar reached multi-year highs in 2019, with lower-grade metspar sometimes costing more than 97% purity acidspar. (Source: Statista, Informed.com)

Global growth drivers

Increasing population: The increase in population has resulted in an increasing demand for air conditioners and refrigerators. This in turn is expected to drive growth of the global market, as fluorochemicals are used in cooling mechanism of refrigerators and air conditioners.

Increasing agricultural application: Increasing application of fluorochemicals in the agricultural sector is a major growth driver for the global fluorochemicals market. It is used in the production of herbicides and pesticides and also used for sterilization of soil.

Growth of the automotive sector: Growth of the automotive sector is expected to drive growth of the global fluorochemicals market over the foreseeable future.

Healthcare: Increasing applications in healthcare industry for medical implants due to superior biocompatibility will drive the demand for the industry.

Indian specialty chemical sector overview

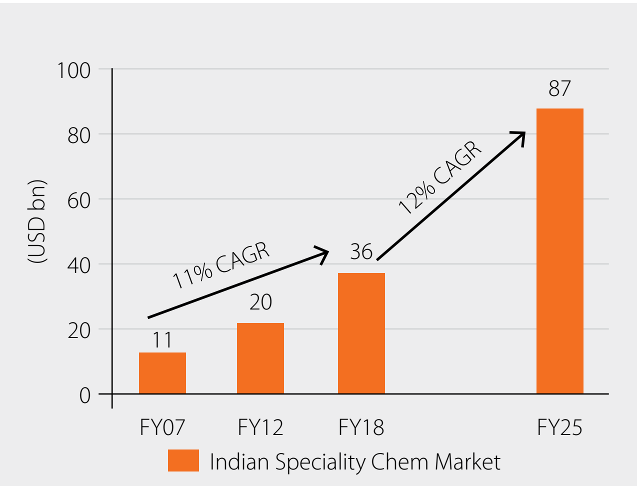
India's chemical industry is a global outperformer. The Indian chemical market size accounts for only 3% of the global chemical industry of USD 5 trillion. India is the sixth largest producer of chemicals in the world, growing at 8-10% annually.

The domestic chemical industry was pegged at US$ 163 billion in 2018, of which the specialty chemical industry valued at USD35.9 billion (~22%). Going forward, the specialty chemical industry is expected to reach US$ 86.5 billion by FY2025 owing to robust 10-15% growth in end-user industries such as home & personal care, packaging, polymer, adhesives, emerging export opportunities led by clamp down in China & outsourcing opportunity from the West fuelling exports & import substitution; increasing R&D investments by the domestic companies entrenching their global leadership in certain products or processes, presence in diversified segments mitigating the risk of single-sector dependency; and forward-integration enhancing players' utilisation of by-products and ensuring stable margins.

Strong entry barriers in the form of stringent product approvals and registration process, vendor acquisition, customer retention, adherence to and consistency in achieving end results, among others, ensure sustainable growth for specialty chemical companies; driven by robust growth visibility and emerging opportunities, companies have accelerated their capex plans. India's chemical sector attracted FDI investment of US$ 2 billion in 2019, ~9% of the total FDI inflow. Further, domestic and overseas companies are investing in either greenfield or brownfield projects across the value chain—upstream, petrochemicals, commodity chemicals, and specialty chemicals and even in downstream chemistries. The aggregate capex of specialty chemical is expected at ₹61.7 billion over FY19- 21E is likely to be 60% higher compared to ₹37.7 billion over FY16-18. The R&D spending is expected to increase from 2-3% in 2019 to 5-8% of revenues.

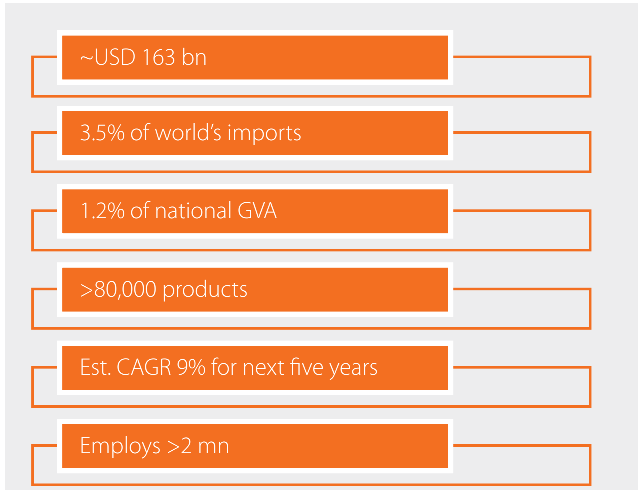
India is expected to become the fourth largest chemical producer in the world by 2029. India not only benefits from rising export opportunities, but also from stability of prices on account of lower dumping from China. Further, faster end-user industry growth and low penetration of speciality chemicals, would boost the growth. *(Source: Edelweiss, Economic Times)*

Indian specialty chemical industry to post 12% CAGR



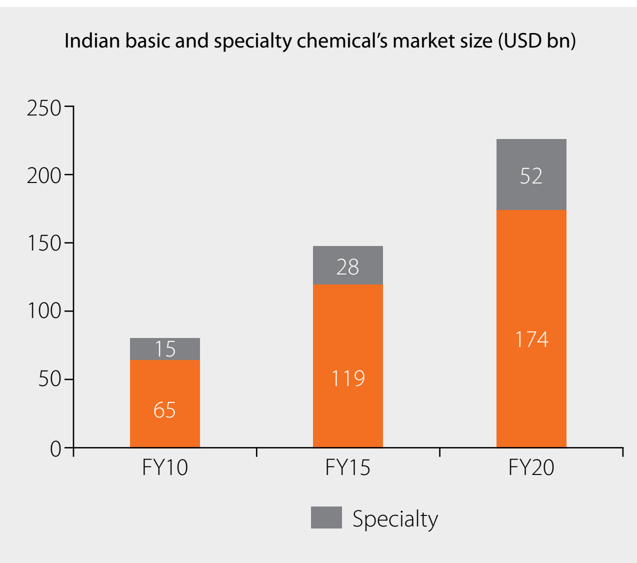
Source: FICCI, Edelweiss research

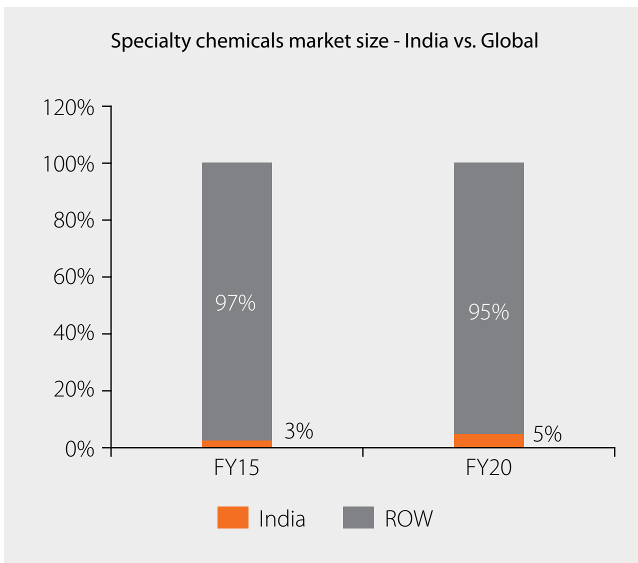
Indian chemical industry overview



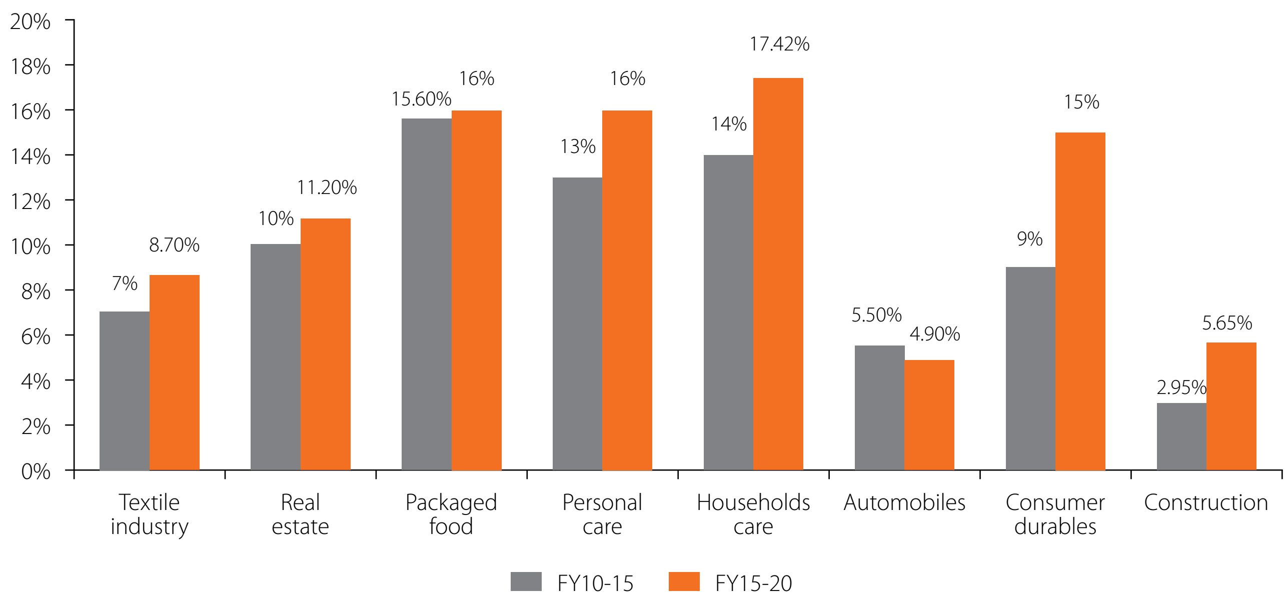
Source: Edelweiss research

Indian specialty chemicals sector overview





Indian specialty chemicals sector overview



Growth drivers of the Indian specialty chemicals sector

Rising domestic demand: Healthy and consistent increase in purchasing power has rendered India the largest self-consuming economy. 10-15% p.a. growth in key end-user industries is expected to drive India's specialty chemical market.

Import substitution: India is still deficit in a majority of the petrochemical intermediates and is highly dependent on imports. Every year, it imports more than USD 13 billion petrochemicals. With better supply chain solutions and technology, there is an opportunity to manufacture petrochemical intermediates in India.

Low per capita consumption across product categories: The current per capita consumption of chemical products in India is about 1/10th the world average, indicating headroom for growth. Moreover, within the chemicals segment, penetration of specialty chemicals is abysmally low. With increasing focus on improving products, usage intensity of specialty chemicals within end markets such as consumer durables, food additives and surfactants would rise over the next decade.

Government initiatives: Adherence to COP21, Make in India, AMRUT, Smart City Mission and Swachh Bharat would require chemicals, and manufacturing them in India will be a significant contributor to the exchequer and save foreign exchange. Under the Make in India mission, with the objective of making business environment conducive to invest and grow, the Government of India has implemented several structural reforms such as GST and amended the land acquisition act and increased transparency. As a result, India saw quantum leap in its relative position in EODB rankings, its global competitiveness ranking and global innovation ranking. Encouraging local production entails the potential to boost huge investments in India.

Burgeoning investments in chemical sector: India's chemical sector attracted FDI investment of USD 2 billion in 2019, ~3% of the total FDI inflow is expected to drive the demand for specialty chemicals.

Indian fluorochemical industry overview

The fluorochemical market in India is driven by the automobiles, air conditioners & refrigerators, construction, cold storage and pharmaceutical sectors. The weather in India is hot for most part of the year, thereby increasing demand for air conditioners and refrigerators. HCFC accounts for nearly 55% of the fluorochemical market in India, with HCFs accounting for 45%. This is seeing a gradual shift with HFCs gaining share due to new product launches and environmental regulations. Chemical manufacturers, especially those catering to the agriculture sector, are likely to withstand the Covid-19 disruption relatively unscathed on the back of higher domestic agriculture demand and low cost raw materials. (Source: insightalpha.com, Economic Times)

Growth drivers for fluorochemicals chemicals industry in India

Automotive sector: The EV market in India received traction after the implementation of FAME India scheme. Further, the Government aims to achieve 30% adoption of electric vehicles by 2030, driven by the electrification of two-wheeler, three-wheeler, and commercial vehicles in India. The Indian electric car sales stood at 1.30 lakhs units in 2019-20. Automotive component export was a major segment of the user industry, using fluorochemicals to meet the production standards of the rest of the world.

Construction sector: India's construction industry is expected to grow at an annual average of 6.6% between 2019 and 2028. Fluorochemicals account for only 0.4% of total construction spends as compared to a possible 1%, which is the norm in developed economies (paints, coating material, reinforcing fibers, admixtures and others), indicating headroom for growth.

Personal care: With growing affluence, Indians are able to spend more on hygiene and personal care products. Increasing demand for wide range of cosmetic chemicals, health care products as well as hygiene products using specialty chemicals (fluorochemicals) polymers and oleo chemicals is expected to boost the industry.

R&D spending: India's investment in R&D has shown a consistent increasing trend over the years. However, it is a fraction of India's GDP; it has remained constant at around 0.6% to 0.7% of India's GDP.

Air conditioner use: India's air-conditioners market stood at over $ 4.3 billion in 2017 and is expected to grow at a CAGR of more than 17%, to surpass $ 11 billion by 2023. Anticipated growth in the market is likely to be led by rising infrastructure development coupled with a growing demand for residential and commercial spaces. Moreover, constantly rising temperatures and increasing purchasing power are fuelling growth in the country's air conditioners market.

Refrigerator penetration: The refrigerator market in India is estimated at around ₹19,500 cr (US$ 3.03 billion) and expected to reach ₹344 trillion (US$ 5.34 billion) by 2022. The penetration rate of refrigerator market across the country is estimated to increase to 47.5% in 2026, up from about 27.3% in 2016.

Pharmaceutical sector: The Government of India's 'Pharma Vision 2020' aims to make India a global leader in end-to-end drug manufacturing. Increasing private sector investments in R&D are driving the sector's growth in India. India's domestic pharmaceutical market turnover reached ₹1,29,015 cr (US$ 18.12 billion) in 2018, growing 9.4% year-on-year (in ₹) from ₹1,16,389 cr (US$ 17.87 billion) in 2017. Moreover, medical devices industry (extensive use of fluorochemicals) in India has been growing 15.2% annually and was valued at US$ 5.2 billion in 2018 and expected to grow US$ 8.16 billion by 2020 and reach US$ 25 billion by 2025.

(Source: Live Mint, Economic Times, Make in India, PIB, Statista, IBEF)

Business Performace

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

Our financial overview

Analysis of the Profit and Loss statement

Revenues: Revenues from operations reported a 7% growth from ₹955 cr in 2018-19 to reach ₹1,022 cr in 2019-20. Other income of the Company was lower by 10% and accounted for 3% share of the Company's Total Income, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company increased by 4% from ₹763 cr in 2018-19 to ₹797 cr. Raw material costs, accounting for a 48% share of the Company's revenues, increased by 10% from ₹441 cr in 2018-19 to ₹488 cr in 2019-20 owing to an increase in the operational scale of the Company. Employees expenses accounting for a 11% share of the Company's revenues, increased by 15% from ₹97 cr in 2018-19 to ₹112 cr in 2019-20.

Analysis of the Balance Sheet

Sources of funds

- The capital employed by the Company increased by 26% from ₹1,089 cr as on March 31, 2019 to ₹1,370 cr as on March 31, 2020 owing to strong profit performance by the Company. Return on capital employed, a measurement of returns derived from every rupee invested in the business was at 21%.
- The net worth of the Company increased by 31% from ₹1059 cr as on March 31, 2019 to ₹1389 cr as on March 31, 2020 owing to increase in reserves and surpluses.

Applications of funds

- Fixed assets (gross) of the Company increased by 32% from ₹325 cr as on March 31, 2019 to ₹430 cr as on March 31, 2020, majorly on account of capitalisation of the cGMP3 facility at Dewas.

Investments

- Total investments (Non-current and current) of the Company reduced from ₹393 cr as on March 31, 2019 to ₹154 cr as on March 31, 2020. Expecting the growing magnitude of possible Covid implications, the Company proactively came out of all possible debt instruments and moved to fixed deposits in the month of March, thereby escaping the turmoil faced in subsequent months.

Working capital management

- Inventories including raw materials, work-in-progress and finished goods among others increased by 47% from ₹93 cr as on March 31, 2019 to ₹136 cr as on March 31, 2020. Certain raw material receipts happened in the month of March which resulted in higher raw material inventory. To add to this, certain planned despatches at year end could not happen because of disruption of regular business operations due to lock down restriction with the outbreak of the Covid-19 pandemic and the Company temporarily suspending manufacturing operations at its facilities.

- Growing business volumes resulted in an increase of 25% in trade receivables from ₹167 cr as on March 31, 2019 to ₹209 cr as on March 31, 2020. The debtor turnover cycle was at 75 days of turnover equivalent in 2019-20 compared to 64 days in 2018-19. Again, for reasons mentioned above on Covid-19 pandemic, collections at year end were disrupted leading to higher receivables.
- With the uncertainties in the financial market due to slow growth coupled with the Covid-19 pandemic, the Company proactively came out of all possible debt instruments and moved to fixed deposits. Thus the cash and bank balances of the Company increased from ₹22 cr as on March 31, 2019 to ₹264 cr as on March 31, 2020
- Loans and advances and other current assets made by the Company increased by 14% from ₹50 cr as on March 31, 2019 to ₹57 cr as on March 31, 2020.

Margins

- Increased revenue on the back of new customer acquisition, product launch and market growth, coupled with dynamic pricing and improved productivity led to higher margins during the year. The EBITDA margin of the Company improved by 217 basis points from 25.5% in 2018-19 to 27.7% while PBT improved by 148 basis points.

Key ratios

	2019-20	2018-19
EBITDA/Turnover (%)	28%	26%
Return on net worth (%)*	33%	15%
Book value per share (₹)	280.68	214.17
Earnings per share (₹)	80.83	30.05
Debtors Turnover (days)	75	64
Inventory Turnover (days)	49	35
Current Ratio	4.46	2.11
Operating Profit Margin (%)	22%	20%
Net Profit Margin (%)*	38%	15%

* The improvement in ratios is on account of recognition of MAT credit entitlement and write back of excess tax provision for earlier years (refer note 38.2 of Notes to Standalone Financial Statements)

How we manage risks in our business

Background

Navin Fluorine recognises that risk management is an integral element of good management practice and governance. The Board advocates rigorous processes for risk management, supported by internal controls, to ensure that the Company meets strategic objectives and the organisation is protected from adverse events.

Guiding principles

At Navin Fluorine, we base our risk management on guiding principles, which we strive to apply consistently across all our risk categories. The Company's Risk Management Committee has responsibility for ensuring that the executive management team has established a risk management framework that includes policy, procedures and assessment methodologies that enable us to effectively manage and monitor organizational risks.

Risk management organization, roles and responsibilities

At Navin Fluorine, the navigation of our corporate policy (and in effect our ability to manage organizational risk) cascades from our Board of Directors, comprising of professionals with rich industry experience.

The Board of Directors is also responsible for our governance principles, including our overall risk tolerance. Our Board is assisted by various committees with specific functions like Risk Management Committee, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee which usually comprise Board member(s) and report their findings to the Board of Directors.

As a governance initiative, we ensure that members within our risk management structure are informed of our risk strategy and processes, ensuring a complete organisational alignment on the one hand and the ability to manage risks at the day-to-day transactional level on the other.

Our risk governance fosters the development and maintenance of an effective risk and control culture.

Strategic implementation and the risk management cycle

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

Risk identification: At Navin Fluorine, we identify risks through appropriate systems and indicators (quantitative component). Besides, our inbuilt reporting protocol makes it possible for our executives to report risks as and when they perceive.

Risk measurement: We continuously strengthen our risk measurement tools pertaining to each business function. The risks are measured across organisation and functions based on the risk perception of the functional teams.

Analysis and assessment: At Navin Fluorine, it is important that our competence in the area of risk management translates into a superior financial performance. In view of this, our financial performance serves to validate the effectiveness of our risk management and operating model in an unambiguous way.

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

Internal control systems and their adequacy

The Company's robust and intricate internal control systems ensure there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. There are well-documented guidelines, procedures and processes, integral to the overall governance, laws and regulations. All the Company's major business processes are well integrated and currently run on SAP ECC 6. The Internal control systems of the Company are effective and adequate, commensurate with the size and complexities of its operations. These are regularly tested for their effectiveness by the statutory as well as the internal auditors.

An independent firm of chartered accountants carries out the internal audit across the organization. A well-established internal audit frame work is in place which extensively covers all aspects of financial and operational controls, covering all units, functions and departments including Manchester Organics Ltd., the UK based subsidiary of the Company. The internal auditors review the adequacy, integrity and reliability of control systems and suggest improvements. The internal audit team conducts extensive reviews and process improvements identified during the reviews, are communicated to the management on an on-going basis. Significant observations made by the internal auditors and the follow up actions thereon are reported periodically to the Audit Committee of the Board of Directors. The Audit Committee monitors the implementation of the audit recommendations.

Human resource management

Human resource management plays a critical role in the Company's growth. The HR teams, through a structured Induction programme, help the new joinees understand and uphold the organisation culture, engage, attract and retain employees, and provide them with invaluable knowledge while offering the astute ability to perform at their best potential. The HR team was instrumental in driving employee engagement and regularly undertook Employee Connect Meetings, chaired by site heads and site HR heads to share the vision of the Company, address employee issues and concerns and take them to logical conclusion. The Company undertook regular training programs - mandatory safety and quality trainings (cGMP compliances), functional and technical skill enhancement trainings and statutory trainings covering POSH (Prevention of Sexual Harassment of Women at Workplace) to create awareness and enhance the skills of the employees. The Company has also tied up with DDI for leadership assessments to prepare its leaders for the future and strengthen succession pipeline for business critical roles. The Company has also participated in the Campus Connect this year and hired 6 post graduates from IIT-Madras and IIT-Bombay as part of Future Leadership program. The Company had 790 employees as of March 31, 2020.

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

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

ANNEXURE-2

Corporate Governance Report

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

The essence of Corporate Governance lies in its transparency, 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 code of conducts, policies and procedures to ensure high ethical standards as well as responsible management.

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

2. COMPOSITION OF THE BOARD OF DIRECTORS:

As on March 31, 2020, 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, as amended from time to time ("Listing Regulations").

Names of Directors	DIN	Category (Executive / Non-Executive)	Number of Board Meetings attended	Whether attended last AGM held on June 21, 2019
Mr. V.P. Mafatlal	00011350	Promoter Executive (Chairman)	7	Yes
Mr. T.M.M. Nambiar	00046857	Non-Executive Non-Independent	7	Yes
Mr. P.N. Kapadia	00078673	Non-Executive Independent	7	Yes
Mr. S.S. Lalbhai	00045590	Non-Executive Independent	7	Yes
Mr. S.M. Kulkarni	00003640	Non-Executive Independent	7	Yes
Mr. S.G. Mankad	00086077	Non-Executive Independent	7	No
Mr. H.H. Engineer	01843009	Non-Executive Independent	3	Yes
Mr. A.K. Srivastava	00046776	Non-Executive Independent	7	Yes
Mrs. R.V. Haribhakti	02409519	Non-Executive Independent	7	Yes
Mr. R.R. Welling	07279004	Professional Executive (Managing Director)	6	Yes

Names of Directors	Directorships held#	Number of Committee Memberships / Chairmanships$		Names of other listed companies where he/she is a Director	
		Member@	Chairman	Name of the Company	Category of Directorship
Mr. V.P. Mafatlal	10	-	-	-	-
Mr. T. M. M. Nambiar	4	2	1	ION Exchange (India) Ltd	Non-Executive Independent
Mr. P. N. Kapadia	12	8	3	Gokak Textiles Ltd.	Non-Executive Independent
				Mafatlal Industries Ltd.	Non-Executive Independent
Mr. S. S. Lalbhai	8	4	1	Amal Ltd.	Non-Executive and Non-Independent
				Atul Ltd.	Executive Chairman
				Pfizer Ltd.	Non-Executive Independent
				The Bombay Dyeing and Manufacturing Company Ltd.	Non-Executive Independent
Mr. S. M. Kulkarni	3	3	3	Camlin Fine Sciences Ltd.	Non-Executive Independent
				Hindustan Construction Co. Ltd.	Non-Executive Independent
Mr. S. G. Mankad	6	3	2	Deepak Nitrite Ltd.	Non-Executive Independent
				Swaraj Engines Ltd.	Chairperson Non-Executive Independent
Mr. H. H. Engineer	6	2	1	-	-
Mr. A. K. Srivastava	2	2	1	Mafatlal Industries Ltd.	Non-Executive Independent
Mrs. R. V. Haribhakti	5	6	1	EIH Associated Hotels Ltd.	Non-Executive Independent
				Rain Industries Ltd.	Non-Executive Independent
				ICRA Ltd.	Non-Executive Independent
				Mahanagar Gas Ltd.	Non-Executive Independent
Mr. R. R. Welling	5	-	-	-	-

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

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

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

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

During the year 2019-2020, seven meetings of the Board of Directors were held on May 06 2019, June 21, 2019, July 29, 2019, October 23, 2019, December 12, 2019, January 27, 2020 and February 25, 2020. The Company has thus observed the provisions of the Companies Act, 2013 and Listing Regulations allowing not more than one hundred and twenty days gap between two such meetings.

Personal shareholding of Non-Executive Directors, in the Company as on March 31, 2020 is as follow:

Names 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

The Company has not issued any convertible instruments to any Directors. None of the Directors are related to each other. None of the existing Independent Directors resigned from their office during the year under review.

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 weblink: http://nfil.in/investor/bod.html.

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 allow them to make effective contribution to the Board and its committees. The below list summarizes the key skills, expertise and competence that the Board thinks necessary for proper functioning in the context of the Company's business and industry as against the Directors possessing the same:

Names of the Directors	Finance	Sales and marketing / Commercial	Science and technology	Domain industry / Industry	General management	Legal, including laws related to corporate governance
Mr. V. P. Mafatlal	√	√	√	√	√	√
Mr. R. R. Welling	√	√	√	√	√	√
Mr. A.K. Srivastava	√	√	-	√	√	√
Mr. P. N. Kapadia	√	√	-	√	√	√
Mr. S.S. Lalbhai	√	√	√	√	√	√
Mr. T.M.M. Nambiar	√	√	-	√	√	√
Mr. S.M. Kulkarni	√	√	√	√	√	√
Mr. S.G. Mankad	√	√	-	√	√	√
Mr. H.H. Engineer	√	√	-	√	√	√
Mrs. R.V. Haribhakti	√	√	-	√	√	√

3. AUDIT COMMITTEE:

As required under Section 177 of the Companies Act, 2013 ("the Act") read with the provisions of Regulation 18 of the Listing Regulations, the Board of Directors has constituted an Audit Committee. Mr. S.M. Kulkarni is the Chairman of the Committee. Mr. T.M.M. Nambiar, Mr. P.N. Kapadia, Mr. S.S. Lalbhai and Mrs. R.V. Haribhakti are the other members of the Audit Committee. Mrs. R.V. Haribhakti was duly appointed as a member of the Committee w.e.f. October 24, 2019. The terms of reference of the Audit Committee are as outlined in the Act and the Listing Regulations.

During 2019-2020, five meetings of the Committee were held on May 6, 2019, July 29, 2019, October 23, 2019, December 12, 2019 and January 27, 2020 with the attendance by all members of the Committee.

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

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

During 2019-2020, two meetings of the Committee were held on May 6, 2019 and June 21, 2019 with the attendance by all the members of the Committee.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

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

In the opinion of the Board, the Independent Directors fulfill the conditions of independence as specified in Regulation 16 of the Listing Regulations along with Section 149(6) of the Companies Act, 2013; and are independent of the management of the Company.

5. REMUNERATION OF DIRECTORS:

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

DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS:

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

(₹ in lakhs)

Sr. No.	Names of Directors	Salary and Perquisites	Commission*	Sitting Fees
1	Mr. V.P. Mafatlal	300.70	383.00	-
2	Mr. T.M.M. Nambiar	-	19.50	4.90
3	Mr. P.N. Kapadia	-	19.50	5.25
4	Mr. S.S. Lalbhai	-	19.50	5.25
5	Mr. S.M. Kulkarni	-	19.50	5.25
6	Mr. S.G. Mankad	-	19.50	3.50
7	Mr. H.H. Engineer	-	19.50	1.75
8	Mr. A.K. Srivastava	-	19.50	4.20
9	Mrs. R.V. Haribhakti	-	19.50	4.20
10	Mr. R. R. Welling	287.45	255.00	-

**Payable in financial year 2020-2021*

Mr. R. R. Welling is having 14,315 stock options.

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

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

The Non-Executive Directors are paid commission in accordance with the prevalent practice in the industry and commensurate with their skills, expertise, experience and time devoted to the Company and also taking into account profits of the Company.

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

The performance criteria for payment of remuneration is stated in the Remuneration Policy available on the weblink http://nfil.in/policy/index.html.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As required under Section 178(5) of the Act and Regulation 20 of the Listing Regulations, the Company has constituted Stakeholders Relationship Committee. Mr. 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. During 2019-2020, two meetings of the Stakeholders' Relationship Committee were held on May 6, 2019 and October 23, 2019 with the attendance 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 of the Committee.

Details of investor complaints received and redressed during the Financial Year 2019-2020 are as follows:

a)	Number of investor complaints pending as on April 1, 2019	1
b)	Number of complaints received from investors from April 1, 2019 to March 31, 2020 (both days inclusive)	34
c)	Number of complaints resolved	35
d)	Number of complaints remaining unresolved as on March 31, 2020	0

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required under Section 135(1) of the Act, the Board has constituted a Corporate Social Responsibility Committee. Mr. 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 from time to time.

The details of meetings held during 2019-2020 and attendance of the members thereat are as follows:

Sr. No.	Date of the Meetings	Attendance of Directors		
		Mr. S.G. Mankad	Mr. V.P. Mafatlal	Mr. H.H. Engineer
1.	May 06, 2019	Attended	Attended	Attended
2.	October 23, 2019	Attended	Attended	Absent

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 April 1, 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 – Independent Director, Mr. Ketan Sablok - Chief Financial Officer and Mr. Lalit Soni– General Manager, Corporate Treasury, are the other Members of the Committee.

During the year, two meetings of the Risk Management Committee were convened on September 20, 2019 and March 17, 2020 with the presence of all the members.

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. Pursuant to the Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Act, during the year, one meeting of Independent Directors was held on March 20, 2020. All the Independent Directors attended the Meeting through voice conference call. 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 Chairman) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

10. GENERAL BODY MEETING:

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

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed
21st	2018-2019	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400020	June 21, 2019	3.00 p.m. (IST)	8
20th	2017-2018		July 24, 2018		2
19th	2016-2017		June 29, 2017		3

During the year 2019-2020, no resolution was passed through Postal Ballot.

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

11. MEANS OF COMMUNICATION:

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

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

12. GENERAL SHAREHOLDERS INFORMATION:

A.	**22nd Annual General Meeting**	
	Date and Time	August 21, 2020 at 3.00 PM (IST)
	Venue	AGM through Video Conferencing / Other Audio Visual Means
B.	**Financial Calendar**	For April 1, 2020 to March 31, 2021 (tentative)
	First quarterly results	End of July, 2020
	Second quarterly results	End of October, 2020
	Third quarterly results	End of January, 2021
	Audited yearly results	End of May, 2021
C.	**Date of Book Closure (both days inclusive)**	August 11, 2020 to August 14, 2020
D.	**Dividend payment date:**	On or after August 26, 2020
E.	**Listing**	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 The Listing Fees for the financial year 2020-21 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 2019-2020:

BSE:

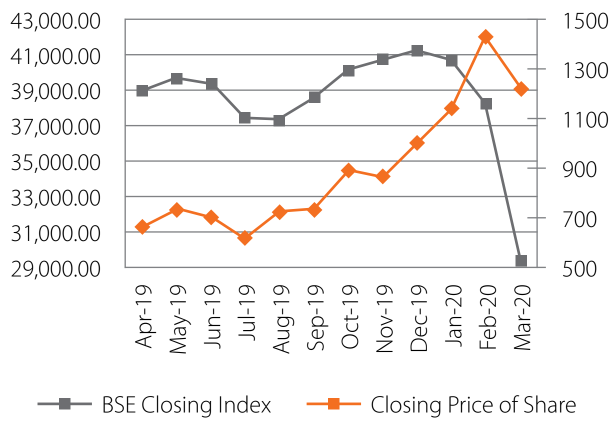
Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	No. of shares traded
April, 2019	779.90	662.10	39,487.45	38,460.25	1,10,918
May, 2019	752.20	653.05	40,124.96	36,956.10	82,540
June, 2019	764.00	690.00	40,312.07	38,870.96	84,276
July, 2019	721.00	570.20	40,032.41	37,128.26	88,709
August, 2019	746.00	624.00	37,807.55	36,102.35	92,288
September, 2019	824.75	705.95	39,441.12	35,987.80	3,30,454
October, 2019	920.00	685.00	40,392.22	37,415.83	2,38,479
November, 2019	950.00	825.55	41,163.79	40,014.23	1,42,496
December, 2019	1,047.30	840.25	41,809.96	40,135.37	2,85,365
January, 2020	1,259.90	965.00	42,273.87	40,476.55	5,18,191
February, 2020	1,629.00	1,110.00	41,709.30	38,219.97	6,48,047
March, 2020	1,523.30	980.00	39,083.17	25,638.90	4,76,573

NSE:

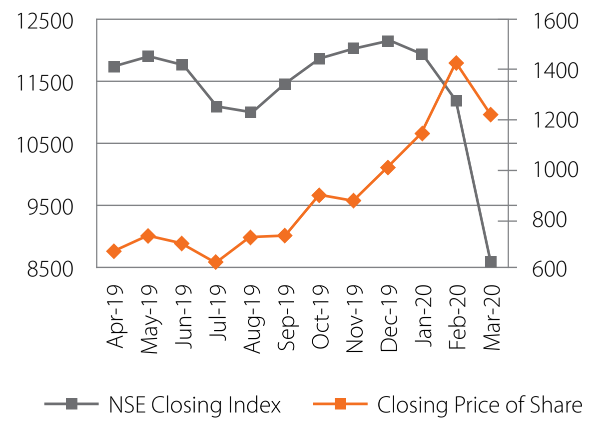
Month	Highest	Lowest	NSE Nifty Highest	NSE Nifty Lowest	No. of shares traded
April, 2019	781.90	664.00	11,856.15	11,549.10	8,56,411
May, 2019	754.00	655.00	12,041.15	11,108.30	7,41,974
June, 2019	764.00	690.05	12,103.05	11,625.10	6,35,845
July, 2019	722.90	570.00	11,981.75	10,999.40	6,52,691
August, 2019	746.00	624.00	11,181.45	10,637.15	9,90,814
September, 2019	824.90	705.65	11,694.85	10,670.25	16,43,578
October, 2019	919.00	686.10	11,945.00	11,090.15	17,51,754
November, 2019	947.85	825.00	12,158.80	11,802.65	15,45,435
December, 2019	1,047.70	841.35	12,293.90	11,832.30	20,33,023
January, 2020	1,259.00	963.40	12,430.50	11,929.60	30,48,022
February, 2020	1,629.80	1,102.90	12,246.70	11,175.05	61,48,798
March, 2020	1,525.00	977.00	11,433.00	7,511.10	58,47,554

I. Performance in comparison to broad based indices:

Company's share price and BSE Sensex



Company's share price and NSE Nifty



J. Registrar and Share Transfer Agents:

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

M/s. KFin Technologies Private Limited
Karvy Selenium Tower "B", Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500032
Tel No.: 1800 345 4001 and + 91 40 67162222
Fax No.: + 91 40 2342 0814
E mail ID : einward.ris@kfintech.com
Website: www.kfintech.com

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

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

K. SHARE TRANSFER SYSTEM:

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

L. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020:

Slab	Total number of shareholders	%	Number of Shares	% of total share capital
Less than 500	80,613	95.52	40,42,819	8.17
501-1000	1,595	1.89	12,06,734	2.44
1001-2000	1,136	1.35	16,59,342	3.35
2001-3000	335	0.40	8,29,219	1.68
3001-4000	148	0.18	5,15,608	1.04
4001-5000	128	0.15	5,95,405	1.20
5001-10000	176	0.21	12,77,316	2.58
10001 & above	266	0.32	3,93,57,877	79.54
Total	**84,397**	**100.00**	**4,94,84,320**	**100.00**

M. SHAREHOLDING PATTERN AS ON MARCH 31, 2020:

Sr. No.	Category	Number of shares held	% of holding
1.	Promoters' holding	1,50,99,724	30.51
2.	Mutual Funds/AIFs and UTI	90,89,374	18.37
3.	Banks, Financial Institutions, Insurance Companies, Central / State Government Institutions	1,36,074	0.28
4.	FPIs	94,13,642	19.02
5.	Private Corporate Bodies	22,69,567	4.59
6.	Indian Public	1,19,47,973	24.14
7.	NRIs / OCBs	5,03,137	1.02
8.	Others		
	Trust	15,442	0.03
	Clearing Members	54,354	0.11
	Qualified Institutional Buyers	5,48,254	1.11
	IEPF	4,06,400	0.82
	Foreign Nationals	379	0.00
	Total	**4,94,84,320**	**100.00**

N. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The equity shares of the Company are regularly traded on BSE Ltd. and National Stock Exchange of India Ltd. As on March 31, 2020, 52,585 shareholders were holding 4,83,43,622 equity shares in demat form which constitute 97.69% of the total share capital of the Company.

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

P. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

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

Q. PLANTS / FACTORIES LOCATION:

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

R. ADDRESS FOR CORRESPONDENCE:

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

S. CREDIT RATINGS

The Company has not issued any debt instruments or have any fixed deposit programme. The Company has maintained its credit rating at 'CARE AA', indicating high degree of safety with respect to timely servicing of financial obligations and very low credit risk, for borrowings with a tenure of more than one year. The rating for short-term facilities of tenure less than one year, has been maintained at 'CARE A1+', indicating very strong degree of safety with respect to timely servicing of its short term financial obligations and lowest credit risk. During the year, the Company maintained 'CARE A1+' rating for issuance of Standalone Commercial Papers, to the extent of ₹3,000 lakhs.

13. OTHER DISCLOSURES:

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

ii) The Company has complied with the requirements of the Stock Exchanges, SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.

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

The objectives of the policy are:

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

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

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

Whistle Blower Policy is available on weblink 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) The Company has complied with all the mandatory requirements of Listing Regulations, in respect of corporate governance.

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

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

b) The Auditors Report does not contain any qualification.

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

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

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

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

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

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

xi) During 2019-2020, 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 (PWC) and all entities in the network firm/network entity of PWC was ₹56.98 lakhs.

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

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

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

14. RISK MANAGEMENT:

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

15. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:

The Board of Directors, has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – www.nfil.in. A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this Report.

16. CEO / CFO CERTIFICATION:

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

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

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

Annexure to Corporate Governance Report 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 March 31, 2020.

For **Navin Fluorine International Limited**

R.R. Welling
Managing Director

Place: Mumbai
Date: June 16, 2020

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, 2020 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

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

Jeetendra Mirchandani
Partner
Membership Number: 48125
UDIN: 20048125AAAAEJ8373

Place : Pune
Date : June 16, 2020

ANNEXURE-3

Business Responsibility Report

INTRODUCTION

The Company's continuing commitment to societal responsibilities is reflective of the philosophy of the Padmanabh Mafatlal Group in view of which, the Company consistently endeavors to fulfill its duties as a responsible corporate citizen. Policies and practices under each principle of the nine principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, notified by the Ministry of Corporate Affairs on July 8, 2011, are particularized hereunder.

SECTION A: GENERAL INFORMATON ABOUT THE COMPANY

1.	Corporate Identity Number of the Company	L24110MH1998PLC115499
2.	Name of the Company	Navin Fluorine International Limited (hereinafter referred to as 'NFIL' or 'the Company')
3.	Registered address	2nd Floor, Sunteck Centre, 37/40 Subhash Road, Vile Parle (E), Mumbai – 400057
4.	Website	www.nfil.in
5.	E-mail ID	info@nfil.in
6.	Financial Year reported	2019-2020
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 manufacturer of specialty fluorochemicals comprising of: 1) Synthetic cryolite, fluorocarbon gases; 2) Hydrofluoric acid and other fluorine chemicals; and 3) Other chemicals
9.	Total number of locations where business activity is undertaken by the Company	**1. International Locations** • 3 Development units at Manchester, Shanghai and New Jersey **2. National Locations** • 2 manufacturing locations at Surat in Gujarat and Dewas in Madhya Pradesh • 5 sales offices in New Delhi, Mumbai, Surat, Chennai and Hyderabad • Head office in Mumbai
10.	Markets served by the Company	Domestic markets and markets across the globe

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2020

1.	Paid up Share Capital	₹ 989.54 lakhs
2.	Total Turnover	₹ 1,02,227 lakhs
3.	Total profit after taxes	₹ 39,982 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	The Company was statutorily required to spend ₹374.89 lakhs towards CSR. The Company has spent ₹378.29 lakhs. This is more than 2% of the average profit after taxes as calculated in terms of Section 198 of the Companies Act, 2013, in the previous three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	This is enumerated in detail in Annexure 4 to the Directors' Report which pertains to Report on CSR.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies?	Yes. List of subsidiaries of the Company is mentioned in Annexure 6 to the Directors' Report which pertains to Extract of Annual Return in Form MGT 9.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies do not participate in the Company's BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]	Yes, less than 30%. The Company has a thorough selection process to ensure it engages with the right value chain partners. Prospective vendors are evaluated on parameters like quality, safety, manufacturing process, capabilities, delivery and commitment. Also, post onboarding, compliance parameters are checked for selected vendors.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director / Directors responsible for BR

a.	Details of Director / Directors responsible for implementation of the BR policy/policies	1. DIN: 07279004 2. Name: Mr. R. R. Welling 3. Designation: Managing Director
b.	Details of the BR Head	1. DIN (if applicable): N.A. 2. Name: Mr. G.C. Jain 3. Designation: President-Operations 4. Telephone Number: +91 0261 6715303 5. E-mail ID: gyanchand.jain@nfil.in

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

Principles under National Voluntary Guidelines

Principle 1:
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2:
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3:
Businesses should promote the wellbeing of all employees

Principle 4:
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5:
Businesses should respect and promote human rights

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

Principle 7:
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8:
Businesses should support inclusive growth and equitable development

Principle 9:
Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for..	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct, Whistleblower Policy, Policy for determination of materiality of events or information P2: Sustainable Development Policy, Integrated Management Systems Policy P3: Health Safety and Environment (HSE) Policy, Prevention of Sexual Harassment Policy, Internal HR Policies for Employees, Integrated Management Systems Policy P4: CSR Policy, Sustainable Development Policy P5: Human Rights Policy P6: Sustainable Development Policy, Integrated Management Systems Policy, HSE Policy P7: Sustainable Development Policy P8: CSR Policy P9: Quality Policy, Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify. (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies that the Company has adopted are in conformity with the relevant national and international standards, wherever statutorily applicable. The policies are compliant with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business issued by the Ministry of Corporate Affairs. While drafting the policies, the Company does adequate research on the best practices adopted across the industry.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD /owner/ CEO/appropriate Board Director?	All policies have been approved by the Board, wherever statutorily required. All policies have been signed by the MD.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy.	Mr. R. R. Welling, Managing Director, is responsible for implementation of BR policies and monitoring the BR performance.								
6	Indicate the link to view the policy online.	http://www.nfil.in/policy/index.html http://www.nfil.in/about_us/code_conduct.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been communicated to relevant stakeholders (Internal/ External) of the Company. NFIL's policies are available on the Company's website.								
8	Does the Company have in-house structure to implement its policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy / policies?	Yes, 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 the Company's 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 the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

3. Governance related to BR:

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

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?	Corporate Governance at the organization is steered by its policies on ethics including Code of Conduct, Ethics Policy and Whistle Blower Policy; where its Code of Conduct extends to all employees, suppliers and contractors.
2.	How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The complaint details being stated here pertain to ethics, transparency and accountability only as per the essence of this Principle. For the reporting year, the Company has not received any stakeholder complaint related to unethical practices.

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.	The Company's mission is "To innovate, build and operate chemical plants in the most safe and environment friendly manner". With respect to this mission, it strives to innovate and incorporate environmental concerns in its products, three of which are as under: a) BF3 Gas b) Para 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?	NFIL's constant effort is in the direction of improving operational efficiency and optimizing resource utilization. The details of the reductions achieved through the above products are mentioned in Note 1.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company continually works with its vendors and suppliers to reduce the environmental impacts of sourcing. 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, the Company utilizes packaging materials that are sustainable and can be reused on regular basis. More than 65% of raw materials are procured from ISO 9001, ISO 14001 certified and socially responsible sources.

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?	The Company encourages sourcing and has initiated action to develop domestic sources with support of R&D. Local sourcing reduces costs, leadtime and provides local employment benefits and reduced environmental footprint in sourcing. Due to local unavailability of some particular material suppliers, those materials are outsourced.
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	As mentioned above, the Company's constant effort is in the direction of improving operational efficiency and optimizing resource utilization. It aims to reduce and improve waste management practices from time to time. The by-products are partly recycled and recovery mechanism of RM and solvent are practiced. Manufacturing site has reduced 10% fresh water consumption during financial year.

Note 1:

List the Products whose design has incorporated environmental/ social concerns, risks and opportunities	Details of how the product has incorporated the environmental / social concern	Reduction in resource use (raw material, energy, water, any other) per unit of production achieved throughout the value chain with respect to the previous year		
		Raw Material (MT)	Energy (MWH)	NG (Sm3)
HF	Power and NG norms improved	-	0.014	0.006
KF	Power and NG norms improved	-	0.041	0.064
Mafron 22	Power norms improved	-	0.019	-
DFBA	DCBN and NG norms improved	0.508	5.553	-
BF3	RM and Power norms improved	0.243	0.021	-
Para Fluoro Bromo Benzene	RM and Power norms improved	0.023	0.065	-
FTFP	Power norms improved	-	2.239	-

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

1.	Please indicate the total number of employees.	1,741 (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 951
3.	Please indicate the number of permanent women employees.	32
4.	Please indicate the number of permanent employees with disability.	4
5.	Do you have an employee association that is recognized by Management?	Yes, we have Management recognized internal union "Navin Fluorine International Employees Union" bearing Registration No. G6461
6.	What percentage of your permanent employees are a member of this recognized employee association?	23.04%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	As per Note 1

Note 1:

What are the average hours of training on: (In percentage)	Surat site		Dewas site		Mumbai Office	
	Safety Training	Skill Upgradation training	Safety Training	Skill Upgradation training	Safety Training	Skill Upgradation training
Permanent employees	99%	100%	100%	100%	100%	100%
Permanent women employees	99%	100%	100%	100%	100%	100%
Casual/temporary/contractual employees	99%	100%	100%	100%	100%	100%
Employees with disability	99%	100%	N/A	N/A	N/A	N/A

Principle 4 (P4): Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

1.	Has the Company mapped its internal and external stakeholders?	Yes. The Company has identified all the key internal and external stakeholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company has identified the vulnerable and marginalized stakeholders and through its CSR activities/programs it always strives to assist them. For instance, from the reporting year's CSR activities, it is evident that the Company has worked towards benefiting the below marganilsed groups: a) People from rural areas: The Company has contributed to the welfare of people from rural areas by providing them with RO machines for safe drinking water, providing health care services through mobile clinics. b) Children: Various activities of the Company that prove to be beneficial to children include supporting education of under-privileged children by making contributions through Pathshala Pravesh Mahotsav and Gyanshala.
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.	The Company has always worked towards initiating activities for the betterment of the disadvantaged, vulnerable, and marginalized stakeholders in the society. This is reflective from the fact that the Company had undertaken CSR activities even before the concept of CSR received statutory recognition under Companies Act, 2013. The details of the CSR activities undertaken by the Company are a part of Annexure 4 to the Directors' Report which pertains to Report on CSR.

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?	The Company understands the importance of human rights specified in the Constitution of India, national laws and policies and is fully aware of the fact that human rights abuses might exist in the value chains of the materials that the Company procures and hence the Company's policy on human rights is extended to its suppliers, contractors and all relevant business associates.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	For the reporting year, the Company has received no stakeholder complaint related to violation of Human rights.

Principle 6 (P6): Businesses should respect, protect, and make efforts to restore the environment.

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/others?	Yes, the Sustainable Development Policy extends to all employees in the management and non-management cadre and other relevant business associates including the suppliers and contractors.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.	Observing the global phenomena and the urgency for reducing the environmental footprints, being a responsible Company, some initiatives were taken which are as under: **A) Reduction in GHG emissions:** 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. R&D has developed greener processes of HALEX for specialty molecules, which avoids uses of organic solvents & hence reduces effluent & air pollution. b. Entered into developing and manufacturing new generation of refrigerant gases which have very low global warming potential e.g.: HFO-1234YF. c. Entered into agreement with Surat Municipal Corporation to take 2 MLD treated recycled water from their STP (Sewage Treatment Plant) which will curb our CO2 emissions and also result into savings of 2000 M3 of water and which will be made available for irrigation by the Canal division. d. Improved the hydrogenation process for speciality product thus reducing the liquid effluent load. e. Improved the bromine recovery system by improving the residence time of effluent for proper separation and thus reducing the effluent load of bromine. f. Installed automatic DHF drum filling system with in-built scrubbing system to curb emissions and reduce air pollution. **C) Reduction in resource consumption:** a. Replaced furnace oil with natural gas in boiler, electric lights with solar power lights etc. b. Reduced the natural gas consumption in few products by recycling the flue gas. c. Reduced the power consumption by adhering to new technology equipment as a replacement. **D) Reduction in solvent emissions:** a. Installed chilled water vent condensers on solvent storage tanks and reactors. b. Process vents have been connected to scrubbers. c. Installed a closed system for solvent handling at few places.
3.	Does the Company identify and assess potential environmental risks?	Yes, the Company identifies potential environmental risks through a robust Quantitative Risk Assessment (QRA) process. QRA assesses all the hazardous chemicals that are stored in bulk quantity at the Company's sites and provides direction in case of any mishap with safe handling of chemicals.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, NFIL has a clean development mechanism for elimination of R-23 through incineration in a thermal oxidizer.

5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.	NFIL is always committed to environment friendly operations, renewal energy usage and constantly thriving to adopt newer ways to enhance our existing practices across our manufacturing facilities. Few of the environmental protection initiatives are developing and optimizing waste generation by recycling solvents, converting waste into by-products, wherever possible, adopting novel technology for energy conservation. Good manufacturing practices have not only benefited NFIL along with optimising operational cost, but have also facilitated environment conservation in several ways. Novel products that get introduced as NFIL pipeline products undergo in-depth R&D process development and optimization route. R&D scientists ensure use of environment friendly solvents in the first place and work on all processes with efficient solvent recovery as well. Green chemistry practices are always the first priority, while designing newer synthetic process, wherever applicable as a routine practice at all R&D units of NFIL. For all existing processes, R&D scientists also work with manufacturing and waste management team members to maximize solvent recovery, increasing norms thereby reducing waste water generation. In terms of bringing in environmental friendly manufacturing processes for NFIL's new fluorinated products, newer manufacturing processes such as solvent free transformations, continuous flow reactor system, vapour pressure technology etc., are adopted, wherever applicable, to remain committed with the objective of continual improvement and be environment friendly. Apart from R&D and technologies, periodic upgradation of manufacturing equipment and energy efficient alternatives with aim of energy optimization are undertaken at facilities. Across all NFIL manufacturing facilities, regular discussion happens between manufacturing and technology transfer team to thrive for excellence.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Emissions and wastes generated at NFIL sites are well within the permissible limits specified by the Pollution Control Boards - CPCB & SPCB.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	No show cause or legal notices have been received for NFIL sites from CPCB /SPCB during the financial year.

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 a member of below mentioned associations: a) Indian Chemical Council; b) Basic Chemicals, Cosmetics & Dyes Export Promotion Council, popularly known as CHEMIXCIL; c) Indian Chamber of Commerce; d) Indo German Industry Association.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	Yes. The Company, through various industry associations, participates in advocating matters for advancement of the industry and public good.

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. The Company has policy on CSR and programs that are being pursued as part of this. Some of our CSR activities for the reporting year include: a) Shri Sadguru Seva Sangh Trust: By contributions to this Turst, the Company ensures provision of eye care services to those in need. b) Mobile health services: With a view to promote health care in remote areas of the Country, mobile health services makes provision for medical care including routine check-up and medicines in villages. c) Pathshala Pravesh Mahotsav and Gyanshala: Through this, the Company supports education of underpriviledged children. d) RO water projects: Under this project, the Company provides potable drinking water to villagers and schools through the installation of water ATMs.
2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/Government structures/any other organization?	The Company evaluates each cause on case to case basis and decides the means through which it is suitable to be undertaken. Hence, there could be activities which are undertaken through in-house team/external NGO/Government structures/any other organization.
3.	Have you done any impact assessment of your initiative?	Yes. Impact assessment in undertaken internally or through implementing agency.
4.	What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken	During the year 2019-20, the Company spent ₹378.29 lakhs towards CSR initiatives. Details of the projects are available in Annexure 4 to the Directors' Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	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. d) Nutrition to underprivileged children – Constantly following up with Salaam Balak Trust to ensure that the resident children are taken care properly.

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?	NFIL has received a total of 53 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? Yes/No/N.A./Remarks (additional information)	NFIL abides by all the applicable laws with respect to product labelling. Relevant labeling on packaging is also done indicating nature of hazards as per the defined format identified in domestic/international laws. NFIL practices an internationally recognised standard in which product details are always displayed by providing MSDS and TREM card along with products. MSDS is sent with each consignment for exports whereas for domestic customer it is sent as and when asked. However, TREM card is sent with all consignments.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	The Company has not received any such complaints during the reporting year.
4.	Did your Company carry out any consumer survey/consumer satisfaction trends?	The Company is customer focused. It undertakes regular customer satisfaction survey which enables it to improve. The survey indulges with external and internal customers. The external customers respond to this feedback annually while the internal customers are surveyed four times a year. Based on the ratings or inputs received the concerned departments work to improve their performance. During the reporting year, the total customer satisfaction index score was 96.34%.

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

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

ANNEXURE-4

Annual Report on CSR initiatives

1. 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 weblink https://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

   ₹18,744.36 lakhs

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

   ₹374.89 lakhs

5. Details of CSR spend during the financial year

   (a) Total amount to be spent for the financial year

   ₹374.89 lakhs

   (b) Amount actually spent on CSR activities

   ₹378.29 lakhs

   (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 program-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, Madhya Pradesh	150.00	150.00	150.00	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 (Donta Jagir, Rangwara, Pagrawad Kalan, Sagdod, Udaynagar)	90.00	85.14	85.14	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	32.00	30.09	30.09	Directly
4.	Olympic Sports Promotion	Promoting Olympic Sports	PAN India	20.00	20.00	20.00	Foundation for promotion of sports and games (Olympic Gold Quest)
5.	Flood relief	Disaster Management	Flood affected areas in Karnataka	-	20.00	20.00	RSS Sanchalita Santrasta Parihara Nidhi, Karnataka
6.	Flood relief	Disaster Management	Flood affected areas in Maharashtra	-	20.00	20.00	RSS Janakalyan Samiti, Kolhapur

(₹ 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 program-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
7.	Mobile health services in villages for medical care including routine check-up and medicines	Health Care	Villages around Dewas in Madhya Pradesh	15.00	15.77	15.77	Directly
8.	Elementary education of slum children	Promoting Education	Surat, Gujarat	10.00	10.00	10.00	Gyanshala, Ahmedabad
9.	Consumer Education	Promoting Education	PAN India	-	10.00	10.00	Consumer Education & Research Centre
10.	Eye Camps	Health Care	Areas around Bhestan, Surat in Gujarat and Dewas in Madhya Pradesh	8.00	7.95	7.95	Directly
11.	Animal Welfare, bird rescue and rehabilitation	Animal Welfare	Surat, Gujarat	4.00	4.00	4.00	Prayas
12.	Nutrition to under privileged children	Eradicating Malnutrition	Mumbai	3.96	3.63	3.63	Salaam Balak Trust
13.	Miscellaneous Provisions	Livelihood enhancement, Promoting Education etc.	-	4.00	1.30	1.30	Directly
14.	Pathshala Pravesh Mahotsav at Surat Schools	Promoting Education	Schools in and around Surat	0.60	0.41	0.41	Directly
	TOTAL			337.56*	378.29	378.29	

*The budgeted figures are only for the CSR expenses incurred during 2019-20 and does not include the unallocated budgets and the unspent allocated budgets.

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: Gandhinagar/Mumbai
Date: June 15, 2020

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

ANNEXURE-5

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

Disclosures with respect to Employees' Stock Option Scheme, 2007 and Employees' Stock Option Scheme, 2017 of the Company pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2020:

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 2019-20.

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, 2020 is ₹80.75 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	5,04,900 (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 Nomination and Remuneration Commmitttee 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	76,000	64,090
(b)	Number of options granted during the year	-	-
(c)	Number of options forfeited / lapsed during the year	3,175	975
(d)	Number of options vested during the year	48,075	-
(e)	Number of options exercised during the year	27,155	-
(f)	Number of shares arising as a result of exercise of options	27,155	-
(g)	Money realized by exercise of options	₹123.47 lakhs	-
(h)	Number of options outstanding at the end of the year	45,670	63,115

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

a) Weighted average exercise price – ₹595.92

b) Weighted average fair value (Black Scholes model) - ₹234.43

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

(a) Key managerial personnel and senior managerial personnel – NIL

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

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

a) No Stock options were granted during the year.

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

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
Vile Parle (East), Mumbai 400057
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CIN: L24110MH1998PLC115499

ANNEXURE-6

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on financial year ended March 31, 2020
[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	June 25, 1998
iii	Name of the Company	Navin Fluorine International Limited
iv	Category/ Sub-category of the Company	Public 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, Maharashtra - 400057, India. Tel No.: +91 022 6650 9999; Fax No.: +91 022 6650 9800 Email ID: info@nfil.in; Website: www.nfil.in
vi	Whether listed Company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited Karvy Selenium Tower 'B', Plot Number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Telangana, India. Tel No.: + 91 040 6716 2222 to 24; Fax No.: + 91 040 2342 0814 E-Mail ID: einward.ris@kfintech.com; Website: www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below

Sr. No.	Name and Description of main products/services	NIC Code of the Products/Services	% to total turnover of the Company
1	Hydrofluoric acid and other fluorine chemicals	2411	59
2	Synthetic cryolite, fluorocarbon gases	2411	25
3	Others	2411	16

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** 1st Floor, Mafatlal Centre, Nariman Point, Mumbai - 400021	U67120MH1995PLC085469	Wholly Owned Subsidiary	100	Section 2(87) of Companies Act, 2013
2	**Navin Fluorine Advanced Sciences Limited** 2nd Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai - 400057	U24297MH2020PLC337262	Wholly Owned Subsidiary	100	Section 2(87) of Companies Act, 2013
3	**Manchester Organics Limited** The Heath Business and Technical Park, Runcorn, Cheshire, WA7 4QX, UK	Not Applicable	Wholly Owned Subsidiary	100	Section 2(87) of Companies Act, 2013
4	**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	Section 2(6) of Companies Act, 2013

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	**Swarnim Gujarat Fluorspar Private Limited** 7th Floor, Khanij Bhavan, Near Gujarat University Ground, 132 ft Ring Road, Vastrapur, Ahmedabad -380052	U24119GJ2012PTC070801	Joint Venture	49.48	Section 2(6) of Companies Act, 2013
6	**NFIL (UK) Limited** Third Floor, 126-134 Baker Street, London W1U6UE	Not Applicable	Wholly Owned Subsidiary	100	Section 2(87) of Companies Act, 2013
7	**Navin Fluorine (Shanghai) Co, Ltd.** Rm. 2656, 26/F, No.83, Lou Shan Guan Road, Changning District, Shanghai	Not Applicable	Wholly Owned Subsidiary	100	Section 2(87) of Companies Act, 2013
8	**NFIL USA, INC.** 47 Bond St, Bridgewater, NJ 08807, US	Not Applicable	Wholly Owned Subsidiary	100	Section 2(87) of Companies Act, 2013

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

(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares of ₹2/- each held at the beginning of the financial year April 01, 2019				No. of Shares of ₹2/- each held at the end of the financial year March 31, 2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	19,37,200	-	19,37,200	3.92	19,37,200	-	19,37,200	3.91	(0.01)
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	1,32,91,249	-	1,32,91,249	26.87	1,30,41,249	-	1,30,41,249	26.35	(0.52)
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)	**1,53,49,724**	**-**	**1,53,49,724**	**31.04**	**1,50,99,724**	**-**	**1,50,99,724**	**30.51**	**(0.53)**
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	0.00	-
b) Other Individuals	-	-	-	-	-	-	-	0.00	-
c) Bodies Corporate	-	-	-	-	-	-	-	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)	**1,53,49,724**	**-**	**1,53,49,724**	**31.04**	**1,50,99,724**	**-**	**1,50,99,724**	**30.51**	**(0.53)**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	81,88,895	-	81,88,895	16.56	82,88,399	-	82,88,399	16.75	0.19
b) Banks/FI	38,445	51,965	90,410	0.18	79,369	46,975	1,26,344	0.26	0.08
C) Cenntral govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares of ₹2/- each held at the beginning of the financial year April 01, 2019				No. of Shares of ₹2/- each held at the end of the financial year March 31, 2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	80,06,076	-	80,06,076	16.19	94,13,642	-	94,13,642	19.02	2.83
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Alternative Investment Funds	5,73,321	-	5,73,321	1.16	8,00,975		8,00,975	1.62	0.46
SUB TOTAL (B) (1) :	**1,68,06,737**	**51,965**	**1,68,58,702**	**34.09**	**1,85,82,385**	**46,975**	**1,86,29,360**	**37.65**	**3.56**
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	24,71,719	2,565	24,74,284	5.00	22,67,127	2,440	22,69,567	4.59	(0.41)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1,12,56,563	12,03,900	1,24,60,463	25.19	97,57,228	10,89,343	1,08,46,571	21.92	(3.28)
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh	12,48,511	-	12,48,511	2.52	11,01,402	-	11,01,402	2.23	(0.29)
iii) NBFCs registered with RBI	95,482	-	95,482	0.19	9,730	-	9,730	0.02	(0.17)
c) Others (specify)									
Clearing Members	22,686	-	22,686	0.05	54,354	-	54,354	0.11	0.06
Foreign Nationals	2,570	-	2,570	0.01	379	-	379	0.00	(0.01)
Non Resident Indians	5,62,368	2,025	5,64,393	1.14	5,01,197	1,940	5,03,137	1.02	(0.12)
Trust	14,420		14,420	0.03	15,442	-	15,442	0.03	0.00
Societies	-	20	20	0.00	-	-	-	-	-
IEPF	3,65,910	-	3,65,910	0.74	4,06,400	-	4,06,400	0.82	0.08
Qualified Institutional Buyer	-	-	-	-	5,48,254	-	5,48,254	1.11	1.11
SUB TOTAL (B) (2) :	**1,60,40,229**	**12,08,510**	**1,72,48,739**	**34.88**	**1,46,61,513**	**10,93,723**	**1,57,55,236**	**31.84**	**(3.04)**
Total Public Shareholding (B) = (B) (1) +(B) (2)	**3,28,46,966**	**12,60,475**	**3,41,07,441**	**68.96**	**3,32,43,898**	**11,40,698**	**3,43,84,596**	**69.49**	**0.53**
Total A+B	**4,81,96,690**	**12,60,475**	**4,94,57,165**	**100.00**	**4,83,43,622**	**11,40,698**	**4,94,84,320**	**100.00**	-
C. Shares held by Custodians, against which Depository Receipts have been issued									
1) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2) Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**4,81,96,690**	**12,60,475**	**4,94,57,165**	**100.00**	**4,83,43,622**	**11,40,698**	**4,94,84,320**	**100.00**	-

(ii) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the financial year April 01, 2019			Shareholding at the end of the financial year March 31, 2020			% change in share holding during the year
	Equity Shares of ₹2/- 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	VISHAD MAFATLAL AS TRUSTEE OF VISHAD P MAFATLAL FAMILY TRUST NO. 1	3,82,635	0.77	0.00	3,82,635	0.77	0.00	0.00
2	VISHAD PADMANABH MAFATLAL	15,34,349	3.10	0.00	15,34,349	3.10	0.00	0.00
3	PADMANABH ARVIND MAFATLAL (HUF)	14,550	0.03	0.00	14,550	0.03	0.00	0.00
4	VISHAD P. MAFATLAL PAM HUF1 P MAFATLAL	4,550	0.01	0.00	4,550	0.01	0.00	0.00
5	RUPAL VISHAD MAFATLAL	101	0.00	0.00	101	0.00	0.00	0.00
6	CHETNA PADMANABH MAFATLAL	1,015	0.00	0.00	1,015	0.00	0.00	0.00
7	MILAP TEXCHEM PVT LTD	100	0.00	0.00	100	0.00	0.00	0.00
8	PAMIL INVESTMENTS PVT LTD	5,000	0.01	0.00	5,000	0.01	0.00	0.00
9	MAFATLAL EXIM PRIVATE LIMITED	16,28,729	3.29	0.91	16,28,729	3.29	0.91	0.00
10	MAFATLAL IMPEX PRIVATE LIMITED	1,16,57,420	23.57	0.67	1,14,07,420	23.05	0.14	(0.52)
11	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO. 1*	3,120	0.01	0.00	1,21,275	0.25	0.00	0.24
12	MRS VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARITY TRUST NO 16, 19, 20*	5,895	0.01	0.00	-	0.00	0.00	(0.01)
13	MRS MILONI PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO. 1-5*	13,460	0.03	0.00	-	0.00	0.00	(0.03)
14	NAVINCHANDRA MAFATLAL CHARITY TRUST NO 2-15*	55,020	0.11	0.00	-	0.00	0.00	(0.11)
15	SHRI PADMAKESH PUBLIC CHARITY TRUST NO 1-4*	10,840	0.02	0.00	-	0.00	0.00	(0.02)
16	SHRI PRANSUKHLAL CHARITY TRUST NO 1-6*	23,580	0.05	0.00	-	0.00	0.00	(0.05)
17	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 2-4*	9,360	0.02	0.00	-	0.00	0.00	(0.02)
	Total	**1,53,49,724**	**31.04**	**1.58**	**1,50,99,724**	**30.51**	**1.05**	**(0.53)**

*Acquisition by Vishad Padmanabh Mafatlal Public Charitable Trust No. 1 during the year was pursuant to amalgamlation of 35 other promoter group charitbale trusts as marked above into Vishad Padmanabh Mafatlal Public Charitable Trust No. 1.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING#

Sr. No.	Particulars	Shareholding at the beginning of the financial year April 01, 2019		Cumulative shareholding during the financial year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1	MAFATLAL IMPEX PRIVATE LIMITED				
	At the beginning of the year	1,16,57,420	23.57	1,16,57,420	23.57
	Sold on January 30, 2020	2,50,000	0.51	1,14,07,420	23.06
	At the end of the year	-	-	1,14,07,420	23.06
2	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO. 1				
	At the beginning of the year	3,120	0.01	3,120	0.01
	Acquisition pursuant to amalgamlation of 35 other promoter group charitable trusts into it (June 13, 2020 to June 14, 2020)	1,18,155	0.24	1,21,275	0.25
	At the end of the year	-	-	1,21,275	0.25

NOTE: Change is due to sale of shares in the open market/pursuant to amlagamation of trusts as mentioned above, and increase in paid-up capital due to allotment of equity shares against exercise of stock options under ESOP schemes of the Company.

#Included only for promoters as on March 31, 2020, whose shareholding underwent a change during the year

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS) (clubbed folio-wise)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the financial year April 01, 2019		Changes during the Year		Cumulative shareholding during the financial year	
		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	6.47	01/04/2019	-	32,02,000	6.47
				28/02/2020	1,79,678	33,81,678	6.84
				06/03/2020	1,03,822	34,85,500	7.04
				31/03/2020	-	34,85,500	7.04
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL	22,10,504	4.47	01/04/2019	-	22,10,504	4.47
				19/07/2019	(57,801)	21,52,703	4.35
				27/09/2019	(4,14,076)	17,38,627	3.51
				31/03/2020	-	17,38,627	3.51
3	DSP BLACKROCK SMALL CAP FUND	14,96,867	3.03	01/04/2019	-	14,96,867	3.03
				10/05/2019	7,023	15,03,890	3.04
				17/05/2019	34,235	15,38,125	3.11
				08/11/2019	(30,436)	15,07,689	3.05
				15/11/2019	(1,35,386)	13,72,303	2.77
				13/12/2019	(1,27,616)	12,44,687	2.52
				10/01/2020	(399)	12,44,288	2.52
				17/01/2020	(91)	12,44,197	2.51
				07/02/2020	(41,379)	12,02,818	2.43
				14/02/2020	(11,339)	11,91,479	2.41
				21/02/2020	(39,273)	11,52,206	2.33
				28/02/2020	(1,43,731)	10,08,475	2.04

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the financial year April 01, 2019		Changes during the Year		Cumulative shareholding during the financial year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease in shareholding	No.of shares	% of total shares of the Company*
				06/03/2020	(2,00,393)	8,08,082	1.63
				13/03/2020	(2,03,491)	6,04,591	1.22
				20/03/2020	(1,89,756)	4,14,835	0.84
				31/03/2020	-	4,14,835	0.84
4	GOLDMAN SACHS INDIA LIMITED	11,56,478	2.34	01/04/2019	-	11,56,478	2.34
				09/08/2019	23,645	11,80,123	2.39
				23/08/2019	53,457	12,33,580	2.49
				13/12/2019	(47,069)	11,86,511	2.40
				28/02/2020	(25,833)	11,60,678	2.35
				06/03/2020	(31,844)	11,28,834	2.28
				13/03/2020	(31,060)	10,97,774	2.22
				20/03/2020	(35,644)	10,62,130	2.15
				31/03/2020	-	10,62,130	2.15
5	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKET	9,35,997	1.89	01/04/2019	-	9,35,997	1.89
				31/03/2020	-	9,35,997	1.89
6	SBI SMALL CAP FUND	-	0.00	01/04/2019	-	-	0.00
				13/03/2020	2,90,508	2,90,508	0.59
				20/03/2020	4,09,492	7,00,000	1.41
				27/03/2020	90,000	7,90,000	1.60
				31/03/2020	-	7,90,000	1.60
7	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	6,82,501	1.38	01/04/2019	-	6,82,501	1.38
				20/12/2019	(22,501)	6,60,000	1.33
				03/01/2020	(1,29,966)	5,30,034	1.07
				17/01/2020	(736)	5,29,298	1.07
				24/01/2020	(1,05,500)	4,23,798	0.86
				31/01/2020	(3,798)	4,20,000	0.85
				14/02/2020	(2,000)	4,18,000	0.84
				28/02/2020	(8,000)	4,10,000	0.83
				31/03/2020	-	4,10,000	0.83
8	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE	5,67,903	1.15	01/04/2019	-	5,67,903	1.15
				01/11/2019	10,706	5,78,609	1.17
				24/01/2020	36,677	6,15,286	1.24
				31/03/2020	12,426	6,27,712	1.27
9	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING	5,35,403	1.08	01/04/2019	-	5,35,403	1.08
				31/05/2019	49,257	5,84,660	1.18
				06/09/2019	(1,00,000)	4,84,660	0.98
				20/09/2019	(50,000)	4,34,660	0.88
				11/10/2019	3,940	4,38,600	0.89
				28/02/2020	10,640	4,49,240	0.91
				13/03/2020	36,192	4,85,432	0.98

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the financial year April 01, 2019		Changes during the Year		Cumulative shareholding during the financial year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease in shareholding	No.of shares	% of total shares of the Company*
				27/03/2020	26,000	5,11,432	1.03
				31/03/2020	-	5,11,432	1.03
10	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESS	-	0.00	01/04/2019	-	-	0.00
				07/02/2020	2,42,375	2,42,375	0.49
				21/02/2020	72,000	3,14,375	0.64
				06/03/2020	1,61,091	4,75,466	0.96
				13/03/2020	40,234	5,15,700	1.04
				20/03/2020	18,000	5,33,700	1.08
				31/03/2020	-	5,33,700	1.08
11	GOLDMAN SACHS TRUST - GOLDMAN SACHS EMERGING MARKET	5,06,206	1.02	01/04/2019	-	5,06,206	1.02
				19/07/2019	27,995	5,34,201	1.08
				27/03/2020	1,01,371	6,35,572	1.28
				31/03/2020	3,482	6,39,054	1.29
12	AJAY UPADHYAYA	5,00,000	1.01	01/04/2019	-	5,00,000	1.01
				07/02/2020	(372)	4,99,628	1.01
				28/02/2020	(125)	4,99,503	1.01
				20/03/2020	497	5,00,000	1.01
				31/03/2020	(32,529)	4,67,471	0.94
13	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE	-	0.00	01/04/2019	-	-	0.00
				13/12/2019	25,000	25,000	0.05
				20/12/2019	1,50,318	1,75,318	0.35
				27/12/2019	1,80,503	3,55,821	0.72
				03/01/2020	23,271	3,79,092	0.77
				17/01/2020	2,831	3,81,923	0.77
				24/01/2020	21,581	4,03,504	0.82
				31/01/2020	89,100	4,92,604	1.00
				07/02/2020	48,836	5,41,440	1.09
				28/02/2020	(13,500)	5,27,940	1.07
				06/03/2020	(22,595)	5,05,345	1.02
				13/03/2020	49,125	5,54,470	1.12
				20/03/2020	(17,388)	5,37,082	1.09
				27/03/2020	(41,703)	4,95,379	1.00
				31/03/2020	(12,917)	4,82,462	0.97

*Percentage change in shareholding due to purchase/sale of shares and increase in paid-up capital due to allotment of equity shares against exercise of stock options.

(v) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL#

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the financial year April 01, 2019		Cumulative Shareholding during the financial year ended on March 31, 2020	
		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	3.10	15,34,349	3.10
	No change during the year				
	At the end of the year	-	-	15,34,349	3.10
2	Mr. A. K. Srivastava				
	At the beginning of the year	11,000	0.02	11,000	0.02
	No change during the year				
	At the end of the year	-	-	11,000	0.02
3	Mr. T. M. M. Nambiar				
	At the beginning of the year	5,000	0.01	5,000	0.01
	No change during the year				
	At the end of the year	-	-	5,000	0.01
4	Mr. P. N. Kapadia				
	At the beginning of the year	6,925	0.01	6,925	0.01
	No change during the year				
	At the end of the year	-	-	6,925	0.01
5	Mr. S. S. Lalbhai				
	At the beginning of the year	5,000	0.01	5,000	0.01
	No change during the year				
	At the end of the year	-	-	5,000	0.01
6	Mr. R. R. Welling				
	At the beginning of the year	8,000	0.02	8,000	0.02
	No change during the year				
	At the end of the year	-	-	8,000	0.02
7	Mr. N. B. Mankad				
	At the beginning of the year	32,500	0.07	32,500	0.07
	No change during the year				
	At the end of the year	-	-	32,500	0.07
8	Mr. Ketan Sablok				
	At the beginning of the year	8,575	0.02	8,575	0.02
	ESOP allotment on January 23, 2020	-	-	1,625	0.00
	At the end of the year	-	-	10,200	0.02

#Details have been mentioned only for Directors and KMPs holding shares in the Company.

V. INDEBTEDNESS: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR FINANCIAL YEAR 2019-2020

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. V. P. Mafatlal Chairman - WTD	Mr. R.R.Welling Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	259.04	267.61	526.65
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	21.65	0.39	22.04
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission*	383.00	255.00	638.00
	- as % of profit	-	-	-
	- others (specify)	-	-	-
5	Others	-	-	-
	• Employer's contribution to Provident Fund	18.20	19.08	37.28
	• Employer's contribution to Superannuation Scheme (Non-taxable limit)	1.50	0.06	1.56
	• Group Mediclaim and Accident Insurance	0.31	0.31	0.62
	Total	**683.70**	**542.45**	**1,226.15**
	Ceiling as per the Act			2,552.41

* Payable in financial Year 2020-2021

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Names of the Directors								Total Amount
		Independent Directors							Non Executive Non Independent Director	
		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. Srivastava	Mr. T.M.M. Nambiar	
1	(a) Fee for attending Board/Committee meetings	3.50	5.25	5.25	5.25	1.75	4.20	4.20	4.90	34.30
	(b) Commission	19.50	19.50	19.50	19.50	19.50	19.50	19.50	19.50	156.00
	(c) Others	-	-	-	-	-	-	-	-	-
	Total	**23.00**	**24.75**	**24.75**	**24.75**	**21.25**	**23.70**	**23.70**	**24.40**	**190.30**

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. Ketan Sablok	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	111.60	93.37	204.97
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4.07	0.80	4.87
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	0.00	8.27	8.27
3	Sweat Equity	-	-	-
4	Commission*	-	-	-
	- as % of profit	-	-	-
	- others (specify)	-	-	-
5	Others	-	-	-
	• Employer's contribution to Provident Fund	4.14	3.57	7.71
	• Employer's contribution to Superannuation Scheme (Non-taxable limit)	1.50	0.06	1.56
	• Group Mediclaim and Accident Insurance	0.31	0.31	0.62
	Total	**121.62**	**106.38**	**228.00**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punisihment or compounding of offences duirng the year ended on March 31, 2020.

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

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

ANNEXURE-7

1. CONSERVATION OF ENERGY

A. Energy conservation measures taken :

1. Reduction in natural gas consumption norms by improving the gas burner technology in natural gas fired boiler
2. Reduction in the batch cycle time in the inorganic product plant resulted in increase in throughput with the same power and improvement in natural gas consumption norms 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 by high efficiency version and improving the productivity.
3. Power saving by utilization of power efficient magnetic driven pump in CAP system resulting in saving of resources and improvement in safety.
4. Continued the water recycling scheme through SMC which will save 2000 mt3/day of fresh water requirement.
5. Asset utilization improved during the period in most of the areas by reduction in batch cycle time and bottleneck area.
6. Improvement in power consumption by shifting the cooling tower to elevated height of around 20 meter from ground floor.
7. Replacement of LCD lighting with LED lighting in phase manner
8. Replacement of old air compressor with energy efficient new screw air compressor

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

1. Use of solar power equivalent to the existing day time consumption of electricity is proposed. Option of either captive generation of Solar Power or procurement through Open Access Scheme is being explored.
2. Increase in contract demand of grid power from 5,500 KVA to 6,500 KVA, this will reduce the use of captive power plant and reduce the power cost.
3. Replacement of old cooling tower fan with new technology light weight fan for reduction in power consumption.
4. Replacement of old centrifugal compressor with energy efficient screw compressor
5. Replacement of high power consumption centrifugal cooling water pump with new technology energy efficient pump.

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

1. The power consumption of key products has shown improvement with increase in batch size and reduction in process consumption norms.
2. Above points will lead to savings of about 2.2 million KWH of power per year at present rate of production from this year onwards.
3. Above points will lead to savings of about 4.7 lakhs SM3/annum of natural gas at present rate of production from this year onwards.

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

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

2. Technology absorption:

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

3. Foreign Exchange earnings and outgo:

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

About 45% of the Company's revenue came from exports of refrigerant gases, inorganic and organic specialties and contract research and manufacturing services. Exports continued to grow year-on-year. 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, conducting R & D seminars on Fluorination capabilities etc. to improve presence in various geographies and also increasing 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:

(₹ in lakhs)

	Current Year	Previous Year
Total foreign exchange used	32,128.35	27,602.37
Total foreign exchange earned	45,303.95	42,697.75

ANNEXURE TO DIRECTORS' REPORT

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

	2019-20	2018-19
(A) POWER & FUEL CONSUMPTION		
(1) Electricity		
(a) Purchased		
Units (in Kwh)	4,04,08,696	3,53,03,270
Total Cost (₹)	30,51,97,841	31,09,36,602
Rate/Unit (₹)	7.55	8.81
(b) Own Generation		
(i) Through Captive Power Plant		
Units (in Kwh)	19,99,748	16,59,612
Unit per M3 of Natural Gas (Kwh)	3.23	3.16
Cost/Unit (₹)	11.04	12.55
(ii) Through Diesel Generator		
Units (in Kwh)	92,073	52,629
Unit per litre of diesel oil (Kwh)	3.04	2.93
Cost/Unit (₹)	22.84	22.77
(2) Others		
(a) High Speed Diesel (HSD)		
Quantity (K.Ltrs)	22	38
Total Cost (₹)	14,68,830	25,15,102
Rate/Unit (Per K.Ltr.)	67,920	66,565
(b) Natural Gas		
Quantity (Cub. Mtrs.)	53,35,382	60,58,944
Total Cost (₹)	18,21,52,474	23,07,00,020
Rate (₹/Cub Mtrs.)	34.14	38.08
(c) Water		
Quantity (K. Ltrs.)	7,22,667	5,92,716
Total Cost (₹)	2,26,60,675	1,61,06,319
Rate (₹/K.Ltrs)	31.36	27.17
(B) CONSUMPTION PER UNIT OF PRODUCTION:		
(1) Electricity (Kwh/Mt.)	1,074	941
(2) Natural Gas (Cub.Mtrs/Mt.)	135	154
(3) Others (K Ltrs/Mt.)	18	15
Production	MT	MT
Synthetic Cryolite, Aluminium Fluoride & Fluorocarbon Gases	10,518	9,990
Misc. Fluorides	28,959	29,309
Total	**39,477**	**39,299**

FORM - B

RESEARCH & DEVELOPMENT

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

The Company has its Research & Development centers at its plants in Bhestan, Surat (Gujarat), in Dewas (Madhya Pradesh) and at Manchester Organics Ltd. (MOL) in UK. These centers specialize in the following areas:

- The R & D center at Bhestan, Surat, specialises in organic and inorganic synthesis primarily in fluorine based chemistries.
- The R & D Centre at Dewas and MOL focuses on manufacturing and use of various fluorinating agents for development of novel pharmaceutical intermediates, primarily using various heterocyclic and aromatic organic chemistry based processes for global Life Science segment.

The efforts in these research centers of the Company are directed predominantly towards following areas:

a) Organic and Inorganic chemical synthesis using various fluorination techniques and range of other chemistries involving high pressure reactions, hydrogenation, acetylation, acylation, nitration etc.

b) Development of innovative and robust processes, and novel technology platforms to meet the market needs

c) Development of new, innovative technology platforms

d) Working with technology and manufacturing teams to scale up the laboratory based processes for commercial production and support the manufacturing team for continuous improvement of existing products and processes.

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

a) Products and processes developed in R & D contributed to sales and enhanced capabilities to deliver end-to-end solutions to our customers

b) During the year, R&D team worked on more than 15 new developmental projects and on several new process development, optimization work to build a pipeline of products.

c) Supported the manufacturing team for continuous improvement of at least four key specialty products, resulting in enhanced process efficiencies and significant reduction in cost

d) Identified newer applications for fluorine containing products such as BF_3, HF and their adducts to enhance newer sales opportunities and uses of these key products

e) Developed and improved business opportunities for the manufacture of life science and crop science intermediates, using in-house capabilities and technology, for new chemical entities that are being launched by global majors,

f) Worked closely with our customers on various projects to develop and modify processes for manufacture of their products and improvement in the routes, using our expertise and skillset in handling fluorine

g) Further continued strengthening and increasing our customers resolve 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 R&D centers drive sales and profitability of all the business units by continuing to develop novel processes for manufacturing various chemical entities. They work on cost effective processes and technologies, partner with industry leaders, to manufacture new products and develop novel processes and in some cases with their patented technologies. The R&D centers continue to invest in people and equipment to effectively carry on its research and development projects, supporting the growth of our internal company needs and strengthening our capabilities. This financial year we have expanded research capacities in Dewas by adding a kilo lab and process safety lab facility along with increase in team of scientists. In Surat R&D center also equipments such as autoclaves along with additional analytical equipment such as GCMS, UV, IR & GC etc. were added. With a new manufacturing facility being planned at Dahej, Gujarat, activities in Surat R&D center have enhanced this year and shall continue to increase. The R&D is also continuing its efforts to leverage its capabilities with its research based subsidiary company, MOL to improve its capabilities wherever necessary to manufacture value added niche chemicals in the future. Plans are underway to further expand our capabilities by increasing our laboratory space and enhancing the team of our experts.

D. Expenditure on R&D:

(₹ in lakhs)

	Current Year	Previous Year
Capital Expenditure	228.44	232.17
Recurring Expenditure	2,152.37	1,688.65
Total Expenditure	2,380.81	1,920.82
Total R&D Expenditure as percentage of total turnover	2.33%	2.01%

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

The R&D Centers continue to focus on utilizing its years of experience and knowledge along with its technical services team to handle not only difficult reagents and processes safely, which are used in fluorination but also continue to expand its capabilities by developing newer technological platform through its in-house activities. During the year, R&D teams have started working on specific projects on various technology platforms and validated a few at its pilot plant facility. For some projects, lab feasibility work has been completed and optimization towards commercial requirement is in progress.

Over the years, NFIL has developed a few niche technology platforms, which have created novel areas of competence and capabilities. These will play a critical role in areas such as pharmaceutical, agriculture, non-conventional energy, refrigerant and related industries worldwide. R&D team continues to provide and improve its modern tools, its customer networks clubbed with facilities including use of advanced online literatures and search engines for all its research scientists. This helps in identifying globally competitive techniques required for fluorination at 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 and continue to enhance:

a) Significant increase in revenue and profitability for all the business units within the Company and also moving towards becoming a long term supplier and partner of choice for customers

b) Enhanced abilities to adopt technologies from reputed multinational global companies to help them manufacture their pipeline product in India by becoming their technology partner

c) Technology absorption activities realized potential benefits for the Company this year too by continuing to help create possible joint collaborations and preferred partnerships with select long term customers, leading to sustainable business growth

c. Information regarding technology imported during last five years

NIL

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

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

ANNEXURE-8

Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2020 and percentage increase in remuneration of each Director in the financial year:

Director	Remuneration (₹ in lakhs)	Ratio	% Increase
Mr. V P Mafatlal	683.70	120	16
Mr. R R Welling	542.45	95	222*
Mr. T M M Nambiar	24.40	4	6
Mr. P N Kapadia	24.75	4	9
Mr. S S Lalbhai	24.75	4	6
Mr. S M Kulkarni	24.75	4	9
Mr. A K Srivastava	23.70	4	13
Mr. S G Mankad	23.00	4	10
Mr. H H Engineer	21.25	4	0
Mrs. R.V. Haribhakti	23.70	4	11

*Mr. R R Welling was appointed as a Director w.e.f. December 11, 2018. Hence, his remuneration for 2019-20 is not comparable with remuneration for part of the year 2018-19.

The percentage increase in remuneration of the Company Secretary was 10% and of the Chief Financial Officer was 28%.

2. Percentage increase in median remuneration of employees in the financial year: 2.10%

3. The number of permanent employees on the rolls of the Company as on March 31, 2020: 790

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   Average increase for non-managerial grade is 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.

5. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

Registered Office:
2nd floor, Sunteck Centre, 37/40, Subhash Road,
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CIN: L24110MH1998PLC115499

ANNEXURE-9

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2020

[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 March 31, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; (Foreign Direct Investment and External Commercial Borrowings Not Applicable to the Company during the Audit Period);

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

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

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

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

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

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

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

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

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable to the Company during the Audit Period)

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

(i) Secretarial Standards 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 examination of the relevant documents and records in pursuance thereof, on test–check basis, the Company has complied with the following laws applicable specifically to the Company;

- Ozone Depleting Substances (Regulations) Rules, 2000
- The Indian Boiler Act, 1923 (Amended 1960)
- The Chemical Accidents (emergency planning, preparedness and response) Rules, 1996
- The Hazardous Wastes (Management and Handling) Rules, 1989
- Explosive Act, 1884 and Explosive Rules, 2008

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period;

- The Company allotted 27,155 equity shares of face value of ₹2/- each pursuant Employee Stock Option Scheme of the Company.
- The Company incorporated a Wholly Owned Subsidiary in India named as 'Navin Fluorine Advanced Sciences Limited' vide a Board Resolution dated 12th December, 2019.

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

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667B000346371
Peer Review No: P2009MH007000
Place: Mumbai
Date: June 16, 2020

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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667B000346371
Peer Review No: P2009MH007000
Place: Mumbai
Date: June 16, 2020

Dividend Distribution Policy

(A) OBJECTIVE:

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

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

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

(B) EFFECTIVE DATE:

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

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

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

Dividend shall be declared or paid out of:

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

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

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

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

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

(ii) Working capital requirements

(iii) Capital expenditure requirements

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

(v) Outstanding borrowings

(vi) Likely crystallization of contingent liabilities

(vii) Growth opportunities including inorganic growth.

External factors:

(i) Economic and business environment

(ii) Capital market environment

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

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

(E) UTILIZATION OF RETAINED EARNINGS:

The retained earnings shall be utilized for all such activities that in the opinion of the Board of Directors shall enhance the 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.

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

V P. Mafatlal
Chairman
DIN: 00011350

Place: Mumbai
Date: June 16, 2020

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

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Navin Fluorine International Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Navin Fluorine International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of Carrying Value of: a) Investment in Wholly Owned Subsidiaries i.e. NFIL (UK) Limited, UK and Manchester Organics Limited, UK; and b) Identified Property, Plant and Equipment (PP&E) relating to Dewas Unit (Refer to Note 2(k), 5A, 8 and 53 in the standalone financial statements) The carrying value of the investment in above mentioned subsidiaries and the property, plant and equipment (PP&E) relating to the Company's manufacturing facility at Dewas as at March 31, 2020 is ₹9,390.36 lakhs and ₹14,503.90 lakhs respectively, which in aggregate represents approximately 15.18% of the total assets of the Company. The said investments and PP&E are carried at cost less accumulated impairment losses, if any. The Company reviews their carrying values at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying value. As mentioned in the note 53, the Management considers these investments and the said PP&E as part of one cash generating unit (CGU) for the purpose of assessment of their recoverable value.	Our procedures included the following : • Understood the management process for assessment of carrying values of investments and PP&E, and also evaluated the design and tested the operating effectiveness of the Company's internal controls surrounding such assessment. • Reviewed the Company's accounting policy in respect of impairment assessment of investments and PP&E. • Assessed whether the Company's determination of CGUs was consistent with our knowledge of the Company's operations. • Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting. • Examined the report issued by the valuation expert engaged by the management. • Assessed the competency and objectivity of the valuation expert engagement by the management. • To assess the reasonableness of the key assumptions used, in particular those relating to discount rates, cash flow forecasts and terminal growth rates applied: - Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data. - Performed sensitivity analysis on the forecasts by varying the key assumptions within a foreseeable range.

Key audit matter	How our audit addressed the key audit matter
With the involvement of an independent valuation expert, the Management estimates recoverable value of the CGU based on discounted cash flows forecast, requiring judgements in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate. Changes in these assumptions could lead to an impairment to the carrying values of the investments and PP&E forming part of the CGU. We have considered this to be a key audit matter as the carrying value of these investments and PP&E is significant to the balance sheet and significant management judgement is involved in calculation of recoverable amount for the purpose of assessment of the appropriateness of the carrying amount.	- Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Evaluated the adequacy and appropriateness of disclosures made in the financial statements. Based on the above procedures performed, we noted that the management's assessment of the carrying value of the investments and the identified PP&E is reasonable.

Other Information

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

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

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

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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

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

        ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2020;

        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, 2020.

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

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEH4313

Pune
June 16, 2020

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, 2020

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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to

future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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: 048125
UDIN: 20048125AAAAEH4313

Pune
June 16, 2020

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, 2020.

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

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

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

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

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

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

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

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 47(ii) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service-tax, duty of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In ₹ lakhs) *	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act	Excise Duty	90.33	1993-94 to 2005-06	High Court
Central Excise Act	Excise Duty	0.17	2005-06 & 2006-07	Assistant Commissioner of Central Excise
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	9.77	1994-95 and 2000-2001 to 2004-05	Appellate Authority – Upto Commissioner's level
The Uttar Pradesh Value Added Tax	Value Added Tax	69.14	1998-99 and 2000-2001	Appellate Authority – Upto Commissioner's level
MP Commercial Tax Act	Entry Tax, Central Sales tax, Value Added Tax	14.48	1995-96,1996-97 & 2006-07	Appellate Board
MP Commercial Tax Act	Central Sales Tax	9.42	1990-91 to 1994-95	Madhya Pradesh High Court
The Gujarat Value Added Tax Act	Central Sales Tax	18.53	2014-15	Appellate Authority – Upto Commissioner's level

*net of amount paid under protest

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

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

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also Refer paragraph 17 of our main audit report.

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

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

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

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

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

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEH4313

Pune
June 16, 2020

Standalone Balance Sheet as at March 31, 2020

₹ in lakhs

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	35,906.26	27,960.22
b. Right-of-use assets	5B	1,043.63	-
c. Capital work-in-progress	5C	3,885.07	3,932.96
d. Investment properties	6	4,236.87	4,322.02
e. Other intangible assets	7	95.28	128.62
f. Investment in Subsidiaries and Joint Ventures	8	14,269.65	13,345.47
g. Financial assets			
i. Investments	9	8,608.81	20,493.10
ii. Loans	10	1,506.69	1,602.78
iii. Other financial assets	10A	177.48	14.70
h. Non-current tax assets (Net)	11	11,379.54	970.05
i. Deferred tax assets (Net)	24	1,941.31	-
j. Other non-current assets	12	959.37	1,964.74
Total non-current assets		84,009.96	74,734.66
Current assets			
a. Inventories	13	13,606.84	9,286.22
b. Financial assets			
i. Investments	14	6,754.10	18,834.61
ii. Trade receivables	15	20,933.43	16,746.47
iii. Cash and cash equivalents	16A	16,915.19	1,270.15
iv. Bank balances other than (iii) above	16B	9,492.10	969.35
v. Loans	17	666.63	716.11
vi. Other financial assets	18	589.79	195.35
c. Other current assets	19	4,428.68	4,058.00
Total current assets		73,386.76	52,076.26
Total assets		1,57,396.72	1,26,810.92
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	989.54	989.00
b. Other equity	21	1,37,904.74	1,04,932.15
Total equity		1,38,894.28	1,05,921.15
Liabilities			
Non-current liabilities			
a. Other financial liabilities	22	711.20	-
b. Provisions	23	1,027.89	862.65
c. Deferred tax liabilities (Net)	24	-	2,953.44
d. Other non-current liabilities	25	1,352.04	1,445.07
Total non-current liabilities		3,091.13	5,261.16
Current liabilities			
a. Financial liabilities			
i. Trade payables	26		
a. Total outstanding dues of micro enterprises and small enterprises		887.84	684.26
b. Total outstanding dues other than (i)(a) above		8,335.72	6,102.71
ii. Other financial liabilities	27	3,174.99	2,336.10
b. Contract liabilities		209.09	345.76
c. Provisions	28	283.18	235.65
d. Current tax liabilities (Net)	11	-	3,604.39
e. Other current liabilities	29	2,520.49	2,319.74
Total current liabilities		15,411.31	15,628.61
Total liabilities		18,502.44	20,889.77
Total equity and liabilities		1,57,396.72	1,26,810.92
Significant Accounting Policies	2		

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

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	30	1,02,226.51	95,513.08
Other Income	31	3,133.85	3,477.02
Total Income		**1,05,360.36**	**98,990.10**
EXPENSES			
Cost of materials consumed	32	48,756.26	44,142.37
Purchases of stock-in-trade		-	1,283.68
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	33	(2,266.94)	110.00
Employee benefits expense	34	11,183.15	9,694.95
Finance costs	35	160.49	47.28
Depreciation and amortisation expense	36	3,374.10	2,587.65
Other Expenses	37	18,482.07	18,471.35
Total Expenses		**79,689.13**	**76,337.28**
Profit before tax		**25,671.23**	**22,652.82**
Tax expenses			
(1) Current tax	38.1	8,257.63	7,242.33
(2) Excess provision of tax for earlier years	38.2	(14,125.37)	-
(3) Deferred tax [including Minimum Alternate Tax credit]	24.1	(8,442.74)	562.66
Total Tax expenses		**(14,310.48)**	**7,804.99**
Profit for the year		**39,981.71**	**14,847.83**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement loss of the defined benefit obligations		(109.13)	(48.75)
Current tax relating to the above		38.13	17.03
Total other comprehensive income, net of tax		**(71.00)**	**(31.72)**
Total comprehensive income for the year		**39,910.71**	**14,816.11**
Earnings per equity share (of face value of ₹2.00 each)	40		
(1) Basic (in ₹)		80.83	30.05
(2) Diluted (in ₹)		80.75	30.03
Significant Accounting Policies	2		

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

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Standalone Statement of Cash flows for the year ended March 31, 2020

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	25,671.23	22,652.82
Adjustments for:		
Depreciation and amortisation expense	3,374.10	2,587.65
Loss on sale / write off of property, plant and equipment (Net)	434.45	57.97
Gain on sale of investments (Net)	(840.36)	(367.07)
Changes in fair value of financial assets at fair value through profit or loss	(647.72)	(1,354.58)
Employee Share-based payment expense	95.12	83.66
Provision for diminution in value of investment	-	146.56
Unwinding of Rent	-	2.00
Finance Costs	160.49	47.28
Interest income	(409.26)	(415.60)
Lease rental income on investment properties	(916.29)	(946.55)
Net loss on foreign currency transactions	78.10	62.30
Dividend Income	(15.13)	(68.71)
Excess provision/ liabilities written back	(96.64)	(17.90)
Provision for doubtful debts	57.65	-
Operating profit before changes in operating assets and liabilities	**26,945.74**	**22,469.82**
Adjustments for:		
Increase in trade receivables	(3,983.86)	(2,109.14)
Increase in inventories	(4,320.62)	(49.09)
Increase in other assets	(1,063.51)	(692.12)
Increase/(drecrease) in trade and other payables	2,530.53	(3,513.33)
Cash generated from operations	**20,108.28**	**16,106.15**
Income taxes paid (net of refunds)	(4,560.01)	(7,101.19)
Net cash generated from operating activities	**15,548.27**	**9,004.96**
Cash flows from investing activities		
Payments for property, plant and equipment	(10,704.03)	(6,103.80)
Increase in deposits with banks	(8,389.88)	(122.43)
Repayments of loans and advances from Subsidaries and Joint ventures	288.87	835.68
Payments for purchase of investments	(31,985.15)	(27,128.71)
Amount invested in Subsidiaries	(924.18)	(935.24)
Proceeds from sale of property, plant and equipment	981.82	39.78
Proceeds from sale of investments	57,438.03	29,154.18
Lease rental income on investment properties	779.14	946.55
Dividend received	15.13	68.71
Interest received	166.78	94.78
Net cash generated from/(used in) investing activities	**7,666.53**	**(3,150.50)**

Standalone Statement of Cash flows for the year ended March 31, 2020 *(contd.)*

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from financing activities		
Principal elements of lease payments	(391.11)	-
Calls in arrears received (including securities premium)	-	0.26
Proceeds from allotment of Employee Stock Option Plan (ESOP)	123.47	207.18
Dividend paid (including tax)	(7,141.63)	(6,107.14)
Interest paid	(160.49)	(47.28)
Net cash used in financing activities	**(7,569.76)**	**(5,946.98)**
Net increase/(decrease) in cash and cash equivalents	**15,645.04**	**(92.51)**
Cash and cash equivalents at the beginning of the year	1,270.15	1,362.66
Cash and cash equivalents at the end of the year	**16,915.19**	**1,270.15**
Reconciliation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - note 16A	16,915.19	1,270.15
As per Cash flow statement	16,915.19	1,270.15

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 54).

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

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Standalone Statement of changes in equity for the year ended March 31, 2020

A. Equity share capital

	₹ in lakhs
Balance as at April 1, 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**
Shares issued on exercise of employee stock options during the year	0.54
Less: Calls in arrears	-
Balance as at March 31, 2020	**989.54**

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, 2018	**8,035.17**	**7,035.19**	**33.88**	**1,558.55**	**7,333.34**	**207.09**	**0.41**	**71,808.48**	**96,012.11**
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**
Profit for the year	-	-	-	-	-	-	-	39,981.71	39,981.71
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(71.00)	(71.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,910.71**	**39,910.71**
Shares issued on exercise of employee stock options during the year	-	-	-	167.55	-	-	-	-	167.55
Recognition of share-based payments (Net)	-	-	-	-	-	50.50	-	-	50.50
Calls in arrears received during the year	-	-	-	-	-	-	-	-	-
Payment of dividends (including tax)	-	-	-	-	-	-	-	(7,156.17)	(7,156.17)
Balance as at March 31, 2020	**8,035.17**	**7,035.19**	**33.88**	**2,002.16**	**7,333.34**	**270.24**	**0.67**	**1,13,194.09**	**1,37,904.74**

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

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

1. Corporate Information

Navin Fluorine International Limited ("the Company") is a public limited company, incorporated under the provisions of the Companies Act, 1956. Its registered office is located at 2nd floor, Sunteck Centre, 37/40, Subhash Road, Ville Parle (East), Mumbai 400057.

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

2. Significant Accounting Policies

a) Basis of Preparation

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

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

(ii) Historical Cost Convention

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

(iii) New and amended standards adopted by the Company

Ind AS 116, Leases

The Company has adopted Ind AS 116, Leases, effective April 1, 2019, on a modified retrospective basis, applying the standard to all leases on balance sheet. The adoption of 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. Refer note no (d) below for accounting policies and note no. 5B 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

Till March 31, 2019:

(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.

With effective from April 1, 2019:

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17.The Company has adopted modified retrospective approach where lease liability measured at present value

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

(i) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

f) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

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".

Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful life. The useful lives have been determined based on technical evaluation done by the management's expert which are equal to the useful lives as prescribed under schedule II of the Companies Act, 2013, except for few items in Plant & Machinery where the useful lives are lower than those prescribed in Schedule II to the Companies Act, 2013 as per below:

Assets	Useful Life
Plant and Machinery	5,6,8,10 and 12 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

i) Intangible assets

Computer Software are stated at cost, less accumulated amortization and impairments, if any.

Computer Software which are capitalised are amortised over a period of 3 years on straight-line basis.

The estimated amortisation method, useful life and residual value are reviewed at the end of each reporting period, with effect of any changes in the estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

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

j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

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

k) Impairment of assets

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

l) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on weighted average basis. Cost includes all charges in bringing the goods to their present location and condition. The cost of process stock and finished goods comprises of materials, direct labour, other direct costs and related production overheads and taxes as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

m) Foreign currency transactions

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

Loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

n) Cash and Cash equivalents

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

o) Trade receivables

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

p) Borrowings

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

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

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

q) Borrowing Cost

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

r) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant & equipments utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

t) Provisions and contingencies

Provisions are recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

u) Investment in subsidiaries and joint ventures

Investments in subsidiary companies and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries and joint ventures recognised as at April 1, 2016 measured as per the IGAAP and use that carrying value as the deemed cost, except for an investment in a subsidiary, for which fair value at a transition date is considered as the deemed cost.

v) Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the Statement Profit and Loss.

a. Investment and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

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.

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 contigent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

w) Rounding of amounts

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

3. Critical estimates and 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. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

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, 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**
I. Gross Block								
Balance as at April 1, 2019	37.13	5,839.53	822.62	236.46	24,818.39	2,564.50	793.94	35,112.57
Additions	-	1,102.34	634.34	-	10,358.25	-	52.27	12,147.20
Disposals/Adjustments	-	-	(19.71)	-	(1,647.69)	-	-	(1,667.40)
Balance as at March 31, 2020	**37.13**	**6,941.87**	**1,437.25**	**236.46**	**33,528.95**	**2,564.50**	**846.21**	**45,592.37**
II. Accumulated depreciation								
Balance as at April 1, 2019	-	703.62	292.37	59.86	5,819.19	79.39	197.92	7,152.35
Depreciation expense for the year	-	272.71	115.46	29.64	2,246.24	26.97	93.87	2,784.89
Disposals/Adjustments	-	-	(14.45)	-	(236.68)	-	-	(251.13)
Balance as at March 31, 2020	**-**	**976.33**	**393.38**	**89.50**	**7,828.75**	**106.36**	**291.79**	**9,686.11**
Net block (I-II)								
Balance as at March 31, 2020	**37.13**	**5,965.54**	**1,043.87**	**146.96**	**25,700.20**	**2,458.14**	**554.42**	**35,906.26**

Notes:

1. Standby Letter of Credit facility amounting to Nil (March 31,2019: ₹413.83 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. For details of Capital commitment relating to Property, Plant and Equipment (refer note 46).

5B. Right-of-use assets

This note provides information for leases where the Company is a lessee. The Company leases various Premises, Vehicles and Plant and machinery.

₹ in lakhs

Description of Assets	Premises	Vehicles	Plant and Machinery	Total
I. Gross Block				
Balance as at March 31, 2019	-	-	-	-
Addition on account of Transition to Ind AS 116 – April 1, 2019	1,192.20	209.02	86.39	1,487.61
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**1,192.20**	**209.02**	**86.39**	**1,487.61**
II. Accumulated depreciation				
Balance as at March 31, 2019	-	-	-	-
Depreciation expense for the year	330.70	60.45	52.83	443.98
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**330.70**	**60.45**	**52.83**	**443.98**
Net block (I-II)				
Balance as at March 31, 2020	**861.50**	**148.57**	**33.56**	**1,043.63**

Notes:

1. The Company has adopted Ind AS 116 effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous year information has not been restated.

5B. Right-of-use assets *(contd.)*

2. This has resulted in recognising a right-of-use asset of ₹1,487.61 lakhs and a corresponding lease liability of ₹1,487.61 lakhs.

3. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous year is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

5C. Capital work-in progress

Capital work-in progress as at March 31, 2020 is ₹3,885.07 lakhs (March 31,2019: ₹3,932.96 lakhs). It is mainly comprises of expansion projects in progress.

6. Investment Properties

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
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	255.78	170.51
Charge for the year	85.15	85.27
Closing Balance	340.93	255.78
Net carrying amount (I-II)	**4,236.87**	**4,322.02**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Rental Income (refer note 31)	916.29	946.55
Direct operating expenses from property that generated rental income	117.03	183.32
Profit from investment properties before depreciation	**799.26**	**763.23**
Depreciation	85.15	85.27
Profit from investment properties	**714.11**	**677.96**

(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, 2020	As at March 31, 2019
Not later than one year	400.81	368.72
Later than one year and not later than five years	616.81	436.45
Total	**1,017.62**	**805.17**
Operating lease rentals credited to the Statement of Profit and Loss (refer note 31)	**916.29**	**946.55**

(iii) Fair Value

Particulars	As at March 31, 2020	As at March 31, 2019
Investment properties	13,942.51	13,942.51

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. All resulting fair value estimates for investment properties are included in Level 3.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

7. Other intangible assets

₹ in lakhs

Particulars	Software
Balance as at April 1, 2018	**152.58**
Additions	86.38
Deduction/Adjustment	-
Balance as at March 31, 2019	**238.96**
Accumulated amortisation	
Balance as at April 1, 2018	78.30
Amortisation expense	32.04
Deduction/Adjustment	-
Balance as at March 31, 2019	**110.34**
Net carrying amount as at March 31, 2019	**128.62**
Balance as at April 1, 2019	238.96
Additions	26.74
Deduction/Adjustment	-
Balance as at March 31, 2020	**265.70**
Accumulated amortisation	
Balance as at April 1, 2019	110.34
Amortisation expense	60.08
Deduction/Adjustment	-
Balance as at March 31, 2020	**170.42**
Net carrying amount as at March 31, 2020	**95.28**

8. Investment in Subsidiaries and Joint Ventures

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
Investments in Equity Instruments				
In subsidiaries (Unquoted, fully paid up) - (at cost)				
- Equity shares of Sulakshana Securities Limited of ₹10.00 each	1,50,000	830.55	1,50,000	830.55
- Equity shares of Navin Fluorine Advanced Sciences Limited of ₹10.00 each	50,00,000	500.00	-	-
- Equity shares of Manchester Organics Limited of GBP 0.01 each	5,100	3,265.12	5,100	3,265.12
- Equity shares of NFIL (UK) Limited of GBP 1.00 each	64,50,000	6,125.24	59,70,000	5,701.06
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, 2019: ₹146.56 lakhs)]	39,68,847	-	39,68,847	-
In joint ventures (Unquoted, fully paid up) - (at cost)				
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹10.00 each	11,82,500	118.25	11,82,500	118.25
- Equity shares of Convergence Chemicals Private Limited of ₹10.00 each	3,43,04,900	3,430.49	3,43,04,900	3,430.49
Total		**14,269.65**		**13,345.47**

9. Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	175.27	4,81,600	175.54
- Equity shares of Mafatlal Services Limited of ₹100.00 each	9,300	-	9,300	-

9. Investments *(contd.)*

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
(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, 2019: ₹1.50 lakhs)#	150	-	150	-
10% Non-convertible debentures of Wondrous Buildmart Private Limited	290	339.10	290	317.28
10% Non-convertible debentures of ATS Infrabuild Private Limited SR-I to III NCD	18	213.26	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
- Citicorp Finance (India) Limited - INE915D07G41	-	-	983	1,038.44
- ECAP Equities Limited - Enhanced FMP XVII-F9F709E	-	-	500	580.30
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8A	-	-	50	574.47
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8B	-	-	100	1,149.37
- Fullerton India Credit Company Limited - INE535H07BA7	50	527.40	-	-
(d) Investments in mutual funds (unquoted) - (at fair value through profit or loss)				
- UTI Fixed Term Income Fund Series XXVI-V(1160 days)-Growth Plan	-	-	1,00,00,000	1,154.77
- DHFL Pramerica Fixed Duration Fund-Series AE-Regular Plan Growth	-	-	30,000	346.70
- 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
- Aditya Birla Sun Life Fixed Term Plan-Series OJ(1136 days) Growth Regular	-	-	1,50,00,000	1,677.08
- DHFL Pramerica Fixed Duration Fund-Series AF-Regular Plan Growth	-	-	50,000	579.11
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	1,00,00,000	1,097.22	1,00,00,000	1,081.71
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days),Regular Growth	62,50,000	739.78	62,50,000	679.98
- Sundaram Fixed Term Plan - IE - Regular Growth	1,00,00,000	1,170.66	1,00,00,000	1,076.99
- UTI FIXED Term Income Fund XXVIII – X- 1153 Days - Growth Plan	1,50,00,000	1,573.65	1,50,00,000	1,574.28
- DHFL Pramerica Fixed Duration Fund Series AR-Regular Plan Growth	-	-	50,000	500.66
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	1,00,00,000	1,154.03	1,00,00,000	1,066.34
- Kotak FMP Series 220 - Growth (Regular Plan)	1,00,00,000	1,174.52	1,00,00,000	1,076.09
- Kotak Equity Savings Fund - Growth (Regular Plan)	-	-	55,74,933	791.42
- ICICI Prudential Equity Income Fund - Cumulative	-	-	57,22,313	787.96
(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	450	443.92
Total		**8,608.81**		**20,493.10**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		**8,608.81**		**20,493.10**
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, 2020

10. Loans (Non-Current)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	752.06	733.39
Loans to related parties (refer note 45.2)	754.63	869.39
Total	**1,506.69**	**1,602.78**

Break-up of Security details

Particulars	As at March 31, 2020	As at March 31, 2019
Loans considered good - Secured	-	-
Loans considered good - Unsecured	1,506.69	1,602.78
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**1,506.69**	**1,602.78**
Loss allowance	-	-
Total	**1,506.69**	**1,602.78**

10A. Other financial assets (Non-Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank held as margin money*	15.98	14.70
Rent Receivable	161.50	-
Total	**177.48**	**14.70**

* 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, 2020	As at March 31, 2019
Non Current Tax Assets [net of provision ₹37,840.31 lakhs (March 31, 2019: ₹18,767.29 lakhs)]	11,379.54	970.05
Current Tax Liability [net of Advance tax Nil (March 31, 2019: ₹24,920.87 lakhs)]	-	3,604.39

12. Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	537.58	1,774.81
Prepaid expenses	255.39	15.15
Advance Fringe benefit tax [net of provision Nil (March 31, 2019:₹89 lakhs)]	3.70	12.08
Advances towards a Project (refer note 49)	162.70	162.70
Total	**959.37**	**1,964.74**

13. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	6,210.12	3,935.48
Work-in-progress	1,871.82	1,881.77
Finished goods	4,585.16	2,308.27
Stores and Spares	939.74	1,160.70
Total	**13,606.84**	**9,286.22**

Write-downs of inventories to net realisable value amounted to ₹23.84 lakhs (March 31, 2019 – ₹23.84 lakhs). These were recognised as an expense during the year and included in 'Cost of materials consumed' in the Statement of Profit and Loss.

14. Investments

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments (Quoted, fully paid up) - (at fair value through profit or loss)				
- Equity shares of NOCIL Limited of ₹10.00 each	1,10,000	72.38	4,95,000	728.39
- Equity shares of Mafatlal Industries Limited of ₹10.00 each	-	-	2,63,616	285.50
(b) Investments in mutual funds (unquoted) - (at fair value through profit or loss)				
- ICICI Prudential Flexible Income Plan - Growth	-	-	4,05,303	1,453.94
- ICICI Prudential Banking & PSU Debt Fund - Growth	-	-	40,60,533	861.84
- HDFC Liquid Fund - Regular Plan - Growth	-	-	70,847	2,593.21
- IDFC Cash Fund - Growth - (Regular Plan)	-	-	97,582	2,202.86
- UTI Liquid Cash Plan Institutional Growth	-	-	29,869	910.97
- Aditya Birla Sun Life Savings Fund - Growth- Regular Plan	-	-	2,87,438	1,061.04
- Kotak Savings Fund – Growth (Regular Plan) (Erstwhile Kotak SpaG Treasury Adv.)	-	-	38,58,059	1,156.32
- 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
- Adity Birla SunLife Liquid Fund - Growth	-	-	1,73,369	518.39
- UTI Fixed Term Income Fund Series XXVI-V(1160 days)-Growth Plan	1,00,00,000	1,254.34	-	-
- UTI Fixed Term Income Fund XXVI - VII (1140) days (Growth Plan)	1,70,00,000	2,120.05	-	-
- Aditya Birla Sun Life Fixed Term Plan-Series OJ(1136 days) Growth Regular	1,50,00,000	1,835.26	-	-
- Kotak Equity Savings Fund - Growth (Regular Plan)	55,74,933	744.76	-	-
- ICICI Prudential Equity Income Fund - Cumulative	57,22,313	727.31	-	-
Total		**6,754.10**		**18,834.61**
Of the above:				
Aggregate amount of quoted investments and market value thereof		72.38		1,013.89
Aggregate amount of unquoted investments		6,681.72		17,820.72
Aggregate amount of impairment in value of investments		-		-

15. Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	20,928.36	16,707.71
Receivables from related parties (refer note 45.2)	196.55	172.59
Less:- Allowance for doubtful debts (expected credit loss allowances) (refer note 43.7)	(191.48)	(133.83)
Total	**20,933.43**	**16,746.47**

Break-up for security details

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good - Secured	111.50	139.16
Trade receivables considered good - Unsecured	21,013.41	16,741.14
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	**21,124.91**	**16,880.30**
Allowance for doubtful debts (expected credit loss allowances) (refer note 43.7)	(191.48)	(133.83)
Total	**20,933.43**	**16,746.47**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

16A. Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	13.57	7.79
Balances with banks in current account*	2,092.73	1,262.36
Deposits with original maturity of less than or equal to 3 months	14,808.89	-
Total	**16,915.19**	**1,270.15**

*One current account with bank balance ₹2.40 lakhs (March 31, 2019: ₹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, 2020	As at March 31, 2019
Unpaid dividend	416.61	402.06
Buyback account	1.09	1.09
Deposits with maturity of more than 3 month and less than 12 months*	9,074.40	566.20
Total	**9,492.10**	**969.35**

* ₹582.40 lakhs (March 31, 2019: Nil) held as lien by bank against bank guarantees.

17. Loans

Particulars	As at March 31, 2020	As at March 31, 2019
- Security deposits	123.96	107.67
- Loans to related parties (refer note 45.2)	542.52	608.30
- Loans to employees	0.15	0.14
Total	**666.63**	**716.11**

Break-up of Security details

Particulars	As at March 31, 2020	As at March 31, 2019
Loans considered good - Secured	-	-
Loans considered good - Unsecured	666.63	716.11
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**666.63**	**716.11**
Loss allowance	-	-
Total	**666.63**	**716.11**

18. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Rent Receivable	76.67	101.03
Derivative assets - Forward exchange contracts	87.11	94.32
Export Incentive receivables	426.01	-
Total	**589.79**	**195.35**

19. Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to suppliers	454.46	721.65
Prepaid expenses	171.18	117.77
Balances with government authorities	3,087.77	2,577.21
Other deposits	129.51	101.46
Others advances	585.76	539.91
Total	**4,428.68**	**4,058.00**

20. Equity share capital

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Shares		
17,50,00,000 equity shares of ₹2.00 each	3,500.00	3,500.00
Issued, subscribed and fully Paid shares		
4,94,84,320 (as at March 31, 2019 - 4,94,57,165) equity shares of ₹2.00 each	989.69	989.15
Less: Calls in arrears [refer note 20 (e)]	0.15	0.15
Total	**989.54**	**989.00**

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

Particulars	Number of shares	Amount
Balance as at April 1, 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 April 1, 2019	**4,94,57,165**	**989.15**
Add: Shares issued on exercise of employee stock options during the year	27,155	0.54
Balance as at March 31, 2020	**4,94,84,320**	**989.69**

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹2.00 per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company in proportion to the number of and amounts paid on the shares held.

(c) Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 44.

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

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2020		
Mafatlal Impex Private Limited	1,14,07,420	23.05%
Smallcap World Fund, Inc	34,85,500	7.04%
As at March 31, 2019		
Mafatlal Impex Private Limited	1,16,57,420	23.57%
Smallcap World Fund, Inc	32,02,000	6.47%

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

₹ in lakhs

Particulars	Number of shares	Amount
As at March 31, 2020		
Equity shares of ₹2.00 each, ₹1.00 called up but unpaid	14,555	0.15
As at March 31, 2019		
Equity shares of ₹2.00 each, ₹1.00 called up but unpaid	14,555	0.15

(f) Out of the rights issue made in 2004-05, 109 equity shares could not be offered on rights basis due to the non-availability of details of beneficial holders from depositories. The same are kept in abeyance.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

21. Other Equity

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve no.1	8,035.17	8,035.17
Capital Reserve no.2	7,035.19	7,035.19
Capital redemption reserve	33.88	33.88
Securities Premium	2,002.16	1,834.61
General Reserve	7,333.34	7,333.34
Share Options Outstanding Account	270.24	219.74
Call in arrears pending for allotment	0.67	0.67
Retained Earnings	1,13,194.09	80,439.55
Total	**1,37,904.74**	**1,04,932.15**

(i) Capital Reserve no.1

Particulars	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
Opening Balance	33.88	33.88
Closing Balance	**33.88**	**33.88**

(iv) Securities Premium

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	1,834.61	1,558.55
Add: Received during the year on shares issued on exercise of employee stock options during the year	167.55	276.06
Closing Balance	**2,002.16**	**1,834.61**

(v) General Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	7,333.34	7,333.34
Closing Balance	**7,333.34**	**7,333.34**

(vi) Share Options Outstanding Account

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	219.74	207.09
Add: Recognition of share-based payments (Net)	50.50	12.65
Closing Balance	**270.24**	**219.74**

(vii) Call in arrears pending for allotment

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	0.67	0.41
Add: Calls in arrears received during the year	-	0.26
Closing Balance	**0.67**	**0.67**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

21. Other Equity *(contd.)*

(viii) Retained Earnings

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	80,439.55	71,808.48
Add: Profit for the year	39,981.71	14,847.83
Less:		
Other comprehensive income for the year, net of income tax	(71.00)	(31.72)
Dividends (including tax)	(7,156.17)	(6,185.04)
Closing Balance	**1,13,194.09**	**80,439.55**

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. Other Non-current financial liabilities

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities	711.20	-
Total	**711.20**	**-**

23. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences (refer note 42.3)	1,027.89	862.65
Total	**1,027.89**	**862.65**

24. Deferred Tax Assets / Deferred Tax Liabilities - (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	4,098.02	4,624.56
Less: Deferred tax assets	(6,039.33)	(1,671.12)
Total (Deferred Tax Assets) / Deferred Tax Liabilities	**(1,941.31)**	**2,953.44**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

24. Deferred Tax Assets / Deferred Tax Liabilities - (Net) *(contd.)*

24.1 Movement of Deferred Tax

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2020

₹ in lakhs

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	3,995.23	(600.79)	-	3,394.44
Right-of-use to assets	-	364.69	-	364.69
Financial assets measured at FVTPL	596.13	(340.47)	-	255.66
Others	33.20	50.03	-	83.23
Total deferred tax liabilities (A)	**4,624.56**	**(526.54)**	**-**	**4,098.02**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	1,375.60	63.05	-	1,438.65
Fair Valuation of loan to wholly owned subsidiary	109.59	(37.86)	-	71.73
Provision for Compensated Absences	72.33	(40.75)	-	31.58
Provision for doubtful debts	46.76	20.14	-	66.90
Lease Liabilities	-	383.16	-	383.16
MAT credit entitlement/(utilisation) (refer note 38.2)	-	7,355.19	(3,547.99)	3,807.20
Capital losses	66.69	173.42	-	240.11
Others	0.15	(0.15)	-	-
Total deferred tax assets (B)	**1,671.12**	**7,916.20**	**(3,547.99)**	**6,039.33**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**2,953.44**	**(8,442.74)**	**(3,547.99)**	**(1,941.31)**

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

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Other movements during the year	Closing balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	3,813.51	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 deferred tax liabilities/(deferred tax assets) (A - B)	**2,390.78**	**562.66**	**-**	**2,953.44**

25. Other non-current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Liability against project contracts (Refer note 49)	1,334.95	1,334.95
Other payables	-	91.36
Deferred Government Grant	17.09	18.76
Total	**1,352.04**	**1,445.07**

26. Trade payables

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	887.84	684.26
Total outstanding dues other than above	8,319.63	6,015.49
Trade payables - Related parties (Refer note 45.2)	16.09	87.22
Total	**9,223.56**	**6,786.97**

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at March 31, 2020	As at March 31, 2019
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	885.80	636.97
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.04	47.29
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	118.96	1,685.59
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	47.29	-
f. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.86	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.

27. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid dividends*	416.61	402.06
Unpaid money on buy-back of shares	1.09	1.09
Derivative liability - Forward exchange contract	305.03	69.33
Capital Creditors	1,095.40	910.63
Lease Liabilities	385.30	-
Security Deposits received	971.56	952.99
Total	**3,174.99**	**2,336.10**

* 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, 2020	As at March 31, 2019
Provision for compensated absences (refer note 42.3)	283.18	235.65
Total	**283.18**	**235.65**

29. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	397.31	474.74
Deferred Government Grant	1.67	1.67
Gratuity Payable (refer note 42.2)	198.70	71.65
Payables to Employees	1,904.92	1,753.79
Payables to a related party (refer note 45.2)	17.89	17.89
Total	**2,520.49**	**2,319.74**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

30. Revenue from operations

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	97,622.86	94,229.03
Sale of services	3,052.04	459.07
Other operating revenues		
- Scrap Sales	182.75	216.66
- Export Incentives	1,368.86	608.32
Total	**1,02,226.51**	**95,513.08**

31. Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
- on banks deposits	207.88	42.69
- on loans and advances	201.38	372.91
Dividend income		
- on investments in subsidiaries	-	34.22
- on investments in others	15.13	34.49
Lease rental income on investment properties (refer note 6)	916.29	946.55
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	647.72	1,354.58
- Excess provision/ liabilities written back (Net)	96.64	17.90
- Net gain arising on sale of Investments	840.36	367.07
- Net gain on foreign currency transactions	39.89	-
- Miscellaneous Income	168.56	306.61
Total	**3,133.85**	**3,477.02**

32. Cost of Material consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw material consumed	45,764.34	41,149.86
Packing Material consumed	2,991.92	2,992.51
Total	**48,756.26**	**44,142.37**

33. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year		
Finished goods	4,585.16	2,308.27
Work-in-progress	1,871.82	1,881.77
Stock-in-trade	-	-
	6,456.98	4,190.04
Inventories at the beginning of the year		
Finished goods	2,308.27	2,132.29
Work-in-progress	1,881.77	2,049.43
Stock-in-trade	-	118.32
	4,190.04	4,300.04
Net (Increase) / Decrease	(2,266.94)	110.00

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

34. Employee benefits expenses

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages and bonus	9,913.37	8,521.09
Contribution to provident and other funds (refer note 42.1 and 42.2)	634.04	534.92
Employee share-based payment expense (refer note 44)	95.12	83.66
Staff Welfare Expenses	351.05	382.38
Gratuity expenses (refer note 42.2)	189.57	172.90
Total	**11,183.15**	**9,694.95**

35. Finance Costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Lease liabilities	114.34	-
Interest on Others	46.15	47.28
Total	**160.49**	**47.28**

36. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 5A)	2,784.89	2,470.34
Depreciation on Right-of-use assets (refer note 5B)	443.98	-
Depreciation on investment properties (refer note 6)	85.15	85.27
Amortisation of intangible assets (refer note 7)	60.08	32.04
Total	**3,374.10**	**2,587.65**

37. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	5,141.74	5,665.72
Rent expense (refer note 41.1)	18.01	438.56
Repairs and Maintenance		
- Plant and Machinery	747.44	777.95
- Buildings	95.25	93.83
Consumption of stores and spares	2,896.11	2,816.43
Transport and freight charges (Net)	2,079.21	1,889.23
Labor contract charges	1,396.40	1,317.63
Legal and Professional Charges (refer note 37.1)	1,587.37	1,190.96
Rates & Taxes	449.13	415.33
Insurance	449.11	150.14
Directors Sitting Fees	34.30	36.75
Loss on Sale/ retirement of property, plant & equipment (Net)	434.45	57.97
Provision for doubtful debts (Net)	57.65	-
Provision for diminution in value of investment	-	146.56
Expenditure on Corporate Social Responsibility (refer note 37.2)	378.29	529.19
Net loss on foreign currency transactions	-	199.28
Miscellaneous expenses	2,717.61	2,745.82
Total	**18,482.07**	**18,471.35**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

37. Other expenses *(contd.)*

37.1 Payments to auditors

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditors		
a) Statutory audit	28.50	25.50
b) Other audit services	22.75	17.50
c) Re-imbursement of expenses	0.73	0.58
In other capacity		
a) Taxation matters	5.00	-
Total	**56.98**	**43.58**

37.2 Corporate social responsibility

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the company during the year	374.89	315.45
b) Amount spent during the year on:	378.29	529.19
	In cash	Yet to be paid in cash
For the year March 31, 2020		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	375.45	2.84
For the year March 31, 2019		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	526.99	2.20

38. Income taxes

38.1 Income tax expenses recognised

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	8,257.63	7,242.33
- Excess provision of tax for earlier years	(14,125.37)	-
- Deferred tax [including Minimum Alternate Tax credit]	(8,442.74)	562.66
	(14,310.48)	**7,804.99**
In respect of the current year		
- Current tax recognised in other comprehensive income	(38.13)	(17.03)
	(38.13)	**(17.03)**
Total income tax expense recognised in the current year	**(14,348.61)**	**7,787.96**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	**25,671.23**	**22,652.82**
Income tax expense calculated at 34.944% (2018-2019: 34.944%)	8,970.55	7,915.80
Effect of:		
Income exempt from tax	(5.29)	(12.75)
Tax Reversal of earlier years	(14,125.37)	-
MAT Created in the current year relating to earlier years	(7,355.19)	-
Deferred tax liability reversal due to change in tax rate	(1,318.50)	-
Expenses that are not deductible in determining taxable profit	134.23	547.61

38. Income taxes *(contd.)*

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Tax concessions (availed) / reversed	(376.01)	(483.10)
Income taxable at different tax rate	(281.65)	(163.47)
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	(64.70)	(60.59)
Others	111.44	61.49
Income tax expense recognised in Statement of Profit and Loss	**(14,310.48)**	**7,804.99**

38.2 The Company had contested receipts on account of Certified Emission Reduction (CER) as capital receipts not chargeable to tax from financial year 2007-08 to financial year 2012-13. During the year, it received favourable appellate orders for some of the aforesaid years. This has resulted in the Company becoming liable to tax on its book profits for these years under section 115JB of the Income Tax Act, 1961 (the Act) [i.e. Minimum Alternate Tax (MAT)] and correspondingly eligible for MAT Credit in terms of section 115JAA of the Act, to be utilised against the tax liability of the succeeding years. Though the matter is contested by the tax authorities, considering the favourable pronouncements from various Tribunals/ High Courts in similar matters, including jurisdictional High Court and as legally advised, no outflow for the same is expected.

Accordingly, the Company has now recognized MAT Credit entitlement of ₹7,355.19 lakhs under section 115JAA of the Act, for which claims have been made. The Company has recomputed the tax liabilities for these years and written back excess tax provisions amounting to ₹14,125.37 lakhs for earlier years.

39. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the 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, 2020			As at and for the year ended March 31, 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	56,724.53	45,501.98	1,02,226.51	51,345.05	44,168.03	95,513.08
Carrying cost of non current assets@	62,222.61	9,553.07	71,775.68	43,495.20	9,128.88	52,624.08
Cost incurred on acquisition of property, plant and equipment	12,126.04	-	12,126.04	4,985.93	-	4,985.93

@ Excluding financial assets.

Note: Considering the nature of business of the Company in which it operates, the Company deals with various customers. Consequently, none of the customer contributes materially to the revenue of the Company.

40. Earning per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year attributable to equity shareholders - (₹ in lakhs) - A	39,981.71	14,847.83
Weighted average number of equity shares outstanding during the year - B	4,94,66,322	4,94,15,916
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	43,752	29,944
Weighted average number of Equity shares adjusted for the effect of dilution - C	4,95,10,074	4,94,45,860
Basic earnings per share - ₹ (A/B)	80.83	30.05
Diluted earnings per share - ₹ (A/C)	80.75	30.03
Nominal value per share - ₹	2.00	2.00

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

41. Leasing arrangement

41.1 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 ₹18.01 lakhs (March 31, 2019: ₹438.56 lakhs). From April 1, 2019 the Company has recognised right of use assets for these leases, except short term leases. Refer note 5B for further information.

41.2 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, 2020	As at March 31, 2019
Not later than one year	-	92.17
Later than one year and not later than five years	-	107.10
Total	-	199.27

42. Employee benefit plans

42.1 Defined Contribution Plan

The company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	As at March 31, 2020	As at March 31, 2019
Contribution to Provident Fund	102.79	67.34
Contribution to Family Pension Fund	105.43	91.41
Contribution to Superannuation Fund	230.00	210.16
Contribution to Employees' State Insurance Scheme	1.77	3.26
Contribution to Employees' Deposits Linked Insurance Scheme	6.67	5.89
Total	446.66	378.06

42.2 Defined Benefit Plans

(i) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2020. 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.

42. Employee benefit plans *(contd.)*

(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, 2020	As at March 31, 2019
1. Discount rate	6.59%	7.48%
2. Salary escalation	11%	11%
3. Mortality rate	Indian Assured Lives Mortality (2006 - 08) Ultimate	
4. Attrition rate	11%	11%

(b) **The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan (gratuity) is as follows:**

Balances of defined benefit plan

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(2,565.23)	(2,237.72)
Fair value of plan assets	2,366.53	2,166.07
Net (liability)/asset arising from gratuity	(198.70)	(71.65)

(c) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in Statement of Profit and Loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	184.21	166.84
Net interest expenses	5.36	6.06
Total (A) (refer note 34)	**189.57**	**172.90**
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)	(15.03)	16.70
-Actuarial gains and losses arising from changes in financial assumptions	110.68	21.49
-Actuarial gains and losses arising from experience adjustments	13.48	10.56
Total (B)	**109.13**	**48.75**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,237.71	2,046.81
Current service cost	184.21	166.84
Interest cost	167.39	157.20
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising from changes in financial assumptions	110.68	21.49
-Actuarial gains and losses arising from experience adjustments	13.48	10.56
Benefits paid	(148.24)	(165.19)
Closing defined benefit obligation (C)	**2,565.23**	**2,237.71**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	2,166.06	1,967.87
Interest income	162.02	151.13
Remeasurement gain/(loss):		
-Return on plan assets (excluding interest income)	15.03	(16.70)
Contributions by employer	171.66	228.95
Benefits paid	(148.24)	(165.19)
Closing fair value of plan assets (D)	**2,366.53**	**2,166.06**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

42. Employee benefit plans *(contd.)*

(d) The expected contribution to the plan for the next financial year is ₹257.00 lakhs (Previous Year: ₹223.00 lakhs)

(e) Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Central Government of India	11.38%	11.68%
State Government Securities	27.51%	20.70%
Special Deposits Scheme	9.85%	10.10%
Debt Instruments/Corporate Bonds/Mutual Funds	51.26%	57.52%

(f) The weighted average duration of the defined benefit obligation is 7 years (Previous year: 7 years). The expected maturity analysis of gratuity is as follows:

₹ in lakhs

Particulars	Within 1 year	1-5 years	Above 5 years
As at March 31, 2020	527.30	1,002.47	2,387.95
As at March 31, 2019	443.03	960.60	2,176.10

(g) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and attrition rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Following is the impact of changes in assumption in defined benefit obligation of gratuity:

Increase/ (decrease) in assumptions	As at March 31, 2020	As at March 31, 2019
Impact of discount rate for 50 basis points increase	(63.54)	(52.86)
Impact of discount rate for 50 basis points decrease	67.29	55.85
Impact of salary escalation rate for 50 basis points increase	64.24	53.78
Impact of salary escalation rate for 50 basis points decrease	(61.35)	(51.46)
Impact of attrition rate for 50 basis points increase	(17.60)	(12.08)
Impact of attrition rate for 50 basis points decrease	18.48	12.64

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.

42. Employee benefit plans *(contd.)*

(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, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(3,400.47)	(2,883.85)
Fair value of plan assets	3,590.45	3,042.87
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised.

(b) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in Statement of Profit and Loss, movement in defined benefit liability (i.e. provident fund) and movement in plan assets:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	187.38	156.86
Expected Return on plan assets	(204.19)	(207.55)
Net interest expenses	204.19	207.55
Total (A)	**187.38**	**156.86**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,883.85	2,373.85
Opening balance adjustment	(17.49)	13.04
Current service cost	187.38	156.86
Interest cost	204.19	207.55
Employee Contribution	331.86	258.75
Liabilities assumed for employee transferred from other entity	351.16	41.03
Benefits paid	(540.48)	(167.23)
Closing defined benefit obligation (B)	**3,400.47**	**2,883.85**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	3,042.87	2,523.55
Remeasurement gain/(loss):	13.47	22.35
Expected Return on plan assets	204.19	207.55
Contributions	519.23	415.61
Asset transferred in for employee transferred from other entity	351.17	41.04
Benefits paid	(540.48)	(167.23)
Closing fair value of plan assets (C)	**3,590.45**	**3,042.87**

(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, 2020	As at March 31, 2019
Central Government of India	9.99%	9.97%
State Government Securities	29.82%	24.92%
Special Deposits Scheme	27.13%	26.99%
Public Sector Units	29.73%	33.39%
Others	3.33%	4.73%

42.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹1,311.07 lakhs (March 31, 2019: ₹1,098.30 lakhs).

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

43. Financial Instruments and Risk Review

43.1 Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may return to shareholders the capital or issue new shares or take such appropriate action as may be needed. The Company considers total equity reported in the financial statements to be managed as part of capital. The Company does not have any borrowings as at March 31, 2020 and March 31, 2019.

43.2 Fair value measurements

(i) Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	26,407.29	2,239.50
– Investments	552.36	506.47
– Trade receivables	20,933.43	16,746.47
– Loans	2,173.32	2,318.89
– Other financial assets	680.16	115.73
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	247.65	1,189.43
– Investments in mutual funds / Other funds	14,562.90	37,631.82
– Derivative assets	87.11	94.32
(b) designated at FVTPL	-	-
Measured at fair value through other comprehensive income (FVTOCI)	-	-
Financial liabilities		
Measured at Amortised Cost		
– Trade payable	9,223.56	6,786.97
– Other financial liabilities	3,581.15	2,266.77
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	305.03	69.33
(b) designated at FVTPL	-	-

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2020	72.38	175.27	-	247.65
As at March 31, 2019	1,013.89	175.54	-	1,189.43
Investments in mutual funds / Other funds				
As at March 31, 2020	14,118.97	-	443.92	14,562.90
As at March 31, 2019	37,187.90	-	443.92	37,631.82
Derivative liability				
As at March 31, 2020	-	305.03	-	305.03
As at March 31, 2019	-	69.33	-	69.33

43. Financial Instruments and Risk Review *(contd.)*

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3.

(iii) Valuation technique used to determine fair value

1. The fair value of the quoted investments is determined using quoted bid prices in an active market.
2. The fair value of the unquoted investments is determined using the inputs other than quoted prices included in level 1 that are observable for assets and liabilities.
3. Company has made investments in 'Ask Real Estate Special Situation Fund'. The Fund invests primarily in special purpose vehicles and holding companies of special purpose vehicles that undertake residential and mixed use real estate developments with a significant residential component. The Valuation methodology used shall depend on the type of property and market conditions and stage of development reached in the invested project. The suitability of a particular method of valuation is decided based on the below criteria:
    - For undeveloped properties: Sales/Market Comparison Method benchmarked by Discounted Cash Flow Method
    - For semi developed properties / properties under development: Weighted average of Discounted Cash Flow Method and Replacement Cost Method
    - For completed properties, leased property or ready for sale properties: Capitalization of Rental Method or Market Comparison Method

(iv) Fair value of Financial assets and liabilities measured at amortised cost

The carrying amounts of cash and cash equivalents, trade receivables, receivables from related parties and trade payables are considered to be the same as their fair values due to their short-term nature. Fair value of security deposits approximates the carrying value.

43.3 Financial risk management objectives

The Company's activities exposes it to a variety of financial risks including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of financial risks on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

43.4 Market Risks

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and other price risk. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

43. Financial Instruments and Risk Review *(contd.)*

43.5 Foreign exchange risk

(i) **Exposure to foreign exchange risk:**

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency of the entity in the Company. The risk also includes highly probable foreign currency cash flows. The Company has exposure arising out of export, import and other transactions other than functional risks. The Company hedges its foreign exchange risk using foreign exchange forward contracts. The same is within the guidelines laid down by Risk Management Policy of the Company.

(ii) **Foreign exchange risk management:**

To manage the foreign exchange risk arising from recognized assets and liabilities, Company use spot transactions, foreign exchange forward contracts, according to the Company's foreign exchange risk policy. Company's treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions. The Company's foreign exchange risk management policy is to selectively hedge net transaction exposures in major foreign currencies. The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	(₹ in lakhs)	(Foreign Currency In lakhs)	(₹ in lakhs)	(Foreign Currency In lakhs)
Amount receivable				
USD	-	-	149.82	2.17
GBP	17.84	0.19	4.75	0.05
EURO	3.79	0.05	9.55	0.12
Amount payable				
USD	459.47	6.07	-	-
GBP	-	-	0.34	*
EURO	18.91	0.23	41.01	0.53
SGD	0.22	*	-	-

* Amount is below the rounding off norms adopted by the Company

(iii) **Foreign exchange risk sensitivity:**

3% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analyze of change in profit where the Indian Rupee strengthens and weakens by 3% against the relevant currency:

₹ in lakhs

Particulars	For year ended March 31, 2020		For year ended March 31, 2019	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	(13.78)	13.78	4.49	(4.49)
GBP	0.54	(0.54)	0.13	(0.13)
EURO	(0.45)	0.45	(0.94)	0.94
SGD	(0.01)	0.01	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

43. Financial Instruments and Risk Review *(contd.)*

(iv) Forward foreign exchange contracts

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Currency	Exposure to buy / sell	As at the year end	
		₹ in lakhs	Foreign Currency in lakhs
US Dollars			
March 31, 2020	sell	9,344.14	127.05
March 31, 2019	sell	6,449.66	91.77
EURO			
March 31, 2020	sell	210.95	2.66
March 31, 2019	sell	127.35	1.58
US Dollars			
March 31, 2020	buy	1,900.51	26.20
March 31, 2019	buy	2,125.38	29.69

43.6 Other price risks

The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Investment policy. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Management Committee.

Price Risk Sensitivity Analysis:

As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows:

For equity instruments, a 10% increase in equity prices would have led to approximately an additional ₹7.24 lakhs gain in Statement of Profit and Loss (March 31, 2019: ₹101.39 lakhs). A 10% decrease in equity prices would have led to an equal but opposite effect.

43.7 Credit risk

(i) Exposures to credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. The credit risk arises from its operating activities (i.e. primarily trade receivables), from its investing activities including deposits with banks and financial institutions and other financial instruments.

(ii) Credit risk management

a) Trade receivable

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹20,946.43 lakhs (March 31, 2019 - ₹16,745.47 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, 2020 was ₹191.48 lakhs (March 31, 2019 - ₹133.83 lakhs).

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

43. Financial Instruments and Risk Review *(contd.)*

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning	133.83	142.83
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	57.65	(9.00)
Balance at the end	191.48	133.83

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.

43.8 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

(i) Liquidity risk tables

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2020 and March 31, 2019. 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, 2020				
– Trade payable	9,223.56	9,223.56	-	9,223.56
– Other financial liabilities (other than derivative liabilities)	3,581.15	2,869.96	711.20	3,581.15
– Derivative liabilities	305.03	305.03	-	305.03
As at March 31, 2019				
– Trade payable	6,786.97	6,786.97	-	6,786.97
– Other financial liabilities (other than derivative liabilities)	2,266.77	2,266.77	-	2,266.77
– Derivative liabilities	69.33	69.33	-	69.33

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

44. Share based payments

Details of the employee share based plan of the Company

Employee stock option scheme 2007 ("ESOS 2007") - The Shareholders of the Company at their Annual General Meeting held on July 20,2007 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2007, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2007 shall be capable of being exercisable on vesting within 10 years from grant date.

Employee stock option scheme 2017 ("ESOS 2017") - The Shareholders of the Company at their Annual General Meeting held on June 29,2017 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company and its subsidiary companies to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2017, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2017 shall be capable of being exercisable on vesting within 10 years from grant date.

(i) The following share-based payment arrangements were in existence during the current and prior years under the scheme:

Scheme	Grant date	Number of Stock Options Granted	Vesting period	Exercise Price (₹)
ESOS 2007	July 28, 2007	1,11,000*	4 Years	74.84
	July 28, 2007	40,000*	4 Years	81.49
	April 28, 2014	4,33,500*	2 Years	78.00
	June 29, 2015	1,50,115*	2 Years	194.80
	October 24, 2016	56,075*	2 Years	554.40
ESOS 2017	March 19, 2018	58,830	2 Years	780.00
	May 9, 2018	725	2 Years	770.35
	January 7, 2019	14,315	2 Years	698.45

*Adjusted to corporate actions of sub-division of shares in the ratio of 5 Equity Shares of ₹2.00 each for every 1 Equity Share of ₹10.00 each.

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of year				
ESOS 2007	76,000	406.30	1,93,760	295.60
ESOS 2017	64,090	761.68	58,700	780.00
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	15,040	701.92
Exercised during the year				
ESOS 2007	27,155	454.68	1,06,355	194.80
ESOS 2017	-	-	-	-
Expired during the year				
ESOS 2007	(3,175)	554.40	(11,405)	483.30
ESOS 2017	(975)	780.00	(9,650)	780.00
Balance at the end year				
ESOS 2007	45,670	367.24	76,000	406.30
ESOS 2017	63,115	761.40	64,090	761.68

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

44. Share based payments *(contd.)*

(iii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise price (₹)	Share options March 31, 2020	Share options March 31, 2019
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	23,770	31,300
October 24, 2016	October 23, 2026	554.40	21,900	44,700
March 19, 2018	March 18, 2028	780.00	48,075	49,050
May 9, 2018	May 8, 2028	770.35	725	725
January 7, 2019	January 6, 2029	698.45	14,315	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, 2020 *	For the year ended March 31, 2019
Inputs into the model		
Expected volatility (%)	-	39.50%
Option life (Years)	-	6
Dividend yield (%)	-	2.79%
Risk-free interest rate	-	7.45%

*No Stock options granted during the year.

(v) Expenses arising from employee share based payment transaction recognised in the Statement of Profit and Loss as part of employee benefit expense for the year ended March 31, 2020 is ₹95.12 lakhs (March 31, 2019: ₹83.66 lakhs). Also refer note 34.

45. Related party transactions

Following are the name and relationship of related parties with whom Company have transactions/ balances:

a. Enterprises over which key management personnel and their relatives are able to exercise significant influence

Arvind Mafatlal Foundation Trust **

Sri Sadguru Seva Sangh Trust

b. Entity over which Company has joint control (i.e. joint venture)

Swarnim Gujarat Fluorspar Private Limited, India

Convergence Chemicals Private Limited, India

c. Entities over which Company has control

(i) **Subsidiaries:**

Sulakshana Securities Limited, India

Manchester Organics Limited, United Kingdom

Navin Fluorine (Shanghai) Co. Limited, China

NFIL (UK) Limited, United Kingdom

Navin Fluorine Advanced Sciences Limited, India (w.e.f. February 6, 2020)

(ii) **Step-down Subsidiaries:**

NFIL USA, Inc., United States of America

d. Associate:

Urvija Associates, India - a partnership firm where the Company was a partner (upto July 31, 2018)

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

45. Related party transactions *(contd.)*

e. Key Management personnel

Shri Vishad P. Mafatlal
Shri Radhesh Welling (Managing Director w.e.f. December 11, 2018)
Shri Shekhar S. Khanolkar (Managing Director upto October 12, 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 - 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 31,2020	Year ended March 31,2019
Sale of finished goods		
Convergence Chemicals Private Limited	1,021.11	956.24
Manchester Organics Limited	70.16	94.31
Dividend Income		
Manchester Organics Limited	-	34.22
Rental income		
Convergence Chemicals Private Limited	0.88	1.03
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	63.15	67.88
Sulakshana Securities Limited	108.34	306.05
Purchase of raw materials		
Manchester Organics Limited	0.90	235.23
Convergence Chemicals Private Limited	0.69	0.79
Rent paid, including lease rentals		
Sulakshana Securities Limited	108.90	108.48
Reimbursement of expenses paid		
Convergence Chemicals Private Limited	-	37.98
Manchester Organics Limited	293.31	359.08
NFIL USA, Inc.	454.45	301.19
Advance / Loan given to		
Convergence Chemicals Private Limited	-	3.39
Navin Fluorine Advanced Sciences Limited	50.43	-
Reimbursement of expenses recovered		
Sulakshana Securities Limited	99.98	144.65
Convergence Chemicals Private Limited	107.48	513.58
Purchase of Investment in equity shares		
Navin Fluorine (Shanghai) Co. Ltd.	-	146.56
NFIL (UK) Limited	424.18	779.49
Swarnim Gujarat Fluorspar Private Limited	-	10.00
Navin Fluorine Advanced Sciences Limited	500.00	-
Repayment of advances / Reimbursement of expenses from		
Sulakshana Securities Limited	395.98	246.00
Convergence Chemicals Private Limited	-	24.87
NFIL (UK) Limited	-	37.51

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

45. Related party transactions *(contd.)*

₹ in lakhs

Transactions	Year ended March 31,2020	Year ended March 31,2019
Share of loss in a partnership firm		
Urvija Associates	-	1.43
Capital contribution in a partnership firm		
Urvija Associates		
- current	-	1.43
Donation		
Sri Sadguru Seva Sangh Trust	150.00	221.47
Arvind Mafatlal Foundation Trust	-	100.00
Managerial remuneration		
Shri Vishad P. Mafatlal	683.70	588.22
Shri Radhesh Welling	542.45	168.49
Shri Shekhar S. Khanolkar	-	452.70
Director Sitting fees and Commission*		
Shri T. M. M. Nambiar	24.40	23.10
Shri P. N. Kapadia	24.75	22.75
Shri S. S. Lalbhai	24.75	23.45
Shri S. M. Kulkarni	24.75	22.75
Shri S. G. Mankad	23.00	21.00
Shri H. H. Engineer	21.25	21.35
Shri A. K. Srivastava	23.70	21.00
Smt R. V. Haribhakti	23.70	21.35

* Commission payable to Independent/Non-Independent, Non-executive directors of ₹156.00 lakhs for the year ended March 31, 2020 is subject to approval of shareholders.

** No transactions during the year.

45.2 Disclosures of closing balances:

₹ in lakhs

Transactions	As at March 31, 2020	As at March 31, 2019
Amounts due to		
Manchester Organics Limited	16.09	87.22
Convergence Chemicals Private Limited	17.89	17.89
Amount due to Directors		
Shri Vishad P. Mafatlal	383.00	330.00
Shri Radhesh Welling	255.00	30.00
Shri Shekhar S. Khanolkar	-	55.00
Shri T. M. M. Nambiar	19.50	17.50
Shri P. N. Kapadia	19.50	17.50
Shri S. S. Lalbhai	19.50	17.50
Shri S. M. Kulkarni	19.50	17.50
Shri S. G. Mankad	19.50	17.50
Shri H. H. Engineer	19.50	17.50
Shri A. K. Srivastava	19.50	17.50
Smt R. V. Haribhakti	19.50	17.50
Amounts due from		
Manchester Organics Limited	20.41	7.58
Sulakshana Securities Limited	922.73	1,110.39
Convergence Chemicals Private Limited	501.13	533.31
Navin Fluorine Advanced Sciences Limited	50.43	-

45. Related party transactions *(contd.)*

₹ in lakhs

Transactions	As at March 31, 2020	As at March 31, 2019
Corporate Guarantee given		
NFIL (UK) Limited	-	413.83
Convergence Chemicals Private Limited	3,632.37	4,410.00
Manchester Organics Limited	140.25	-

Terms and Condition:

1. Sales

   The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. For the year ended March 31, 2020, 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, 2020 is ₹1,127.00 lakhs (March 31, 2019:₹1,423.00 lakhs). Under Ind AS 109' Financial Instruments' the same has been fair valued. Accordingly, ₹815.55 lakhs (March 31, 2019: ₹815.55 lakhs) has been disclosed as Investment in equity of SSL and ₹921.72 lakhs (March 31, 2019: ₹1,110.39 lakhs) as loans to SSL as at March 31, 2020.

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, 2020 was ₹325.00 lakhs (March 31, 2019 was ₹325.00 lakhs). These loans are unsecured and carry an interest rate of 10.50% (March 31, 2019: 10.50%) and repayable on demand.

5. Guarantees to subsidiary and joint venture company

   Guarantees provided to the lenders of the subsidiary and joint venture company are for availing term loans from the lender banks.

46. Capital and other commitments

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,509.67	5,926.40
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	24.37	17.96

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

47. Contingent liabilities

₹ in lakhs

(i).

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts		
a. Income tax matters	329.27	696.69
b. Excise duty matters	118.57	119.33
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	3,772.62	4,823.83
f. Other Bank guarantees	14.59	14.59

Note : It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(ii). 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.

48. Research and development expenditure

The details of research and development expenditure of ₹2,380.81 lakhs (as at March 31, 2019 ₹1,920.82 lakhs) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital Expenditure	228.44	232.17
Revenue Expenditure	2,152.37	1,688.65
Total	**2,380.81**	**1,920.82**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	1,130.29	925.12
Material / Consumable / Spares	515.87	323.83
Utilities	125.16	119.66
Other expenditure	225.59	195.96
Depreciation	155.46	124.08
Total	**2,152.37**	**1,688.65**

49. Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers had asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Company pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

50. The Board of Directors has recommended final dividend of ₹3.00 per share on the face value of ₹2.00 each (150%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

51. Earnings in foreign exchange

₹ in lakhs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Export of goods calculated on FOB basis	42,251.91	42,204.47
Sale of Services	3,052.04	459.07
Dividend received	-	34.22

52. Note on COVID-19 Impact

The outbreak of COVID -19 has severely impacted many businesses around the world. In view of the various directives of Central Government /Concerned State Governments relating to lockdown, the Company, on March 24, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Company has since re-commenced its operations from April 14, 2020 in a phased manner, after obtaining requisite permissions, as applicable, from concerned Government authorities. Currently, all the plants manufacturing products for life science and crop science sectors are running to optimum capacities, whereas those for industrial sectors continue to operate at sub-optimum levels.

Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, for the next one year from the date of approval of the standalone financial results, including Property, Plant and Equipment, Trade receivables, Inventories, Investments and Deferred tax assets and has concluded that there are no significant impact on its financial results or position as at March 31, 2020. Management believes that, in the preparation of the standalone financial results, it has taken into account all known events arising from COVID-19 pandemic. However, the Company will continue to monitor any material changes to future economic conditions.

53. The Company had made a strategic investment in its wholly owned subsidiary Manchester Organics Limited (MOL). MOL has been an integral part of the overall Contract Research and Manufacturing Services (CRAMS) operations and strategy of the Company. Based on management assessment, the investments in MOL and identified property, plant and equipment located at Dewas Unit has been considered as one Cash Generating Unit (CGU).

The Company tests impairment on the aforesaid assets on an annual basis. The recoverable amount of the CGU is determined based on value-in-use calculations which require the use of assumptions. The Management has assessed the impairment of its CGU by reviewing the business forecasts and assumptions and believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash- generating unit.

54. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
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

Pune, June 16, 2020

Mumbai, June 16, 2020

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Navin Fluorine International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Navin Fluorine International Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries [Holding Company, its subsidiaries (including a step down subsidiary) together referred to as "the Group"] and its joint ventures (refer Note 1B to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, 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, 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 17 and 19 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of carrying value of: (a) Goodwill relating to acquisition of Manchester Organics Limited, U.K.; and (b) Identified Property, Plant and Equipment (PP&E) relating to Dewas Unit (Refer to Note 2(i), 2(j), 5A and 7 in the consolidated financial statements) The carrying value of goodwill in relation to the acquisition of the aforesaid subsidiary and the property, plant and equipment (PP&E) relating to the Company's manufacturing facility at Dewas as at March 31, 2020 is ₹7,285.42 lakhs and ₹14,503.90 lakhs respectively, which in aggregate represents approximately 13.38% of the total assets of the Group.	Our procedures included the following : • Understood the management process for impairment assessment and also evaluated the design and tested the operating effectiveness of the Company's internal controls surrounding such assessment. • Reviewed the Group's accounting policy in respect of impairment assessment of goodwill and PP&E. • Assessed whether the Group's determination of CGU was consistent with our knowledge of the Group's operations. • Compared the previous year cash flow forecasts made by the management to actual results to assess the historical accuracy of forecasting.

Key audit matter	How our audit addressed the key audit matter
The Group carries the Goodwill at cost less any accumulated impairment losses, if any, and PP&E at cost less accumulated depreciation and impairment losses, if any. The Group reviews their carrying values at every balance sheet date and performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets', where there is any indication of impairment to the carrying value. With the involvement of an independent valuation expert, the management estimates the recoverable amount of the Cash Generating Unit (CGU) to which the Goodwill and PP&E belongs, based on discounted cash flows, requiring judgements in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate. We have considered this to be a key audit matter as the balances are significant to the consolidated balance sheet and significant judgement is involved in calculation of recoverable value for the purpose of impairment testing.	• Examined the report issued by the valuation expert engaged by the management. • Assessed the competency and objectivity of the valuation expert engaged by the management. • To assess the reasonableness of the key assumptions used, in particular those relating to discount rates, cash flow forecasts and terminal growth rates applied: - Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data. - Performed sensitivity analysis on the forecasts by varying the key assumptions within a foreseeable range. - Tested the cash flow forecasts used and assessed whether those were consistent with our understanding of the business. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Evaluated the adequacy and appropriateness of disclosures made in the financial statements. Based on the above procedures performed, we noted that the management's assessment of the carrying value of goodwill and PP&E is reasonable.

Other Information

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

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

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 and 18 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

16. We did not audit the financial statements of one subsidiary (i.e. Sulakshana Securities Limited) whose financial statements reflect total assets of ₹2,786.08 lakhs and net assets of ₹599.67 lakhs as at March 31, 2020, total revenue of ₹413.61 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹270.51 lakhs and net cash flows amounting to ₹9.38 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹721.99 lakhs for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of one joint venture (i.e. Convergence Chemicals Private Limited), 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 in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary and joint ventures, is based solely on the reports of the other auditors.

17. We did not audit the financial information of one subsidiary (i.e. Navin Fluorine Advanced Sciences Limited) whose financial statements reflect total assets of ₹500.00 lakhs and net assets of ₹449.57 lakhs as at March 31, 2020, total revenue of Nil, total comprehensive income (comprising of loss and other comprehensive income) of (₹50.43) lakhs and net cash flows amounting to ₹500.00 lakhs for the period from February 06, 2020 to March 31, 2020, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of (₹0.97) lakhs for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of one joint venture (i.e. Swarnim Gujarat Fluorspar Private Limited), whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid joint venture, is based solely on the unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

18. The financial statements of three subsidiaries [i.e. Manchester Organics Limited, NFIL (UK) Ltd. and Navin Fluorine (Shanghai) Co. Ltd.] and one step down subsidiary (i.e. NFIL USA Inc) located outside India, included in the consolidated financial statements, which constitute total assets of ₹10,233.50 lakhs and net assets of ₹8,925.36 lakhs as at March 31, 2020, total revenue of ₹4,449.58 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of (₹116.34) lakhs and net cash out flows amounting to ₹68.57 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries including step down subsidiary located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries including step down subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint ventures– Refer Note 47 to the consolidated financial statements.

ii. The Group and its joint 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, 2020.

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, 2020.

20. The Holding Company and its subsidiary companies and joint ventures incorporated in India has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEI6788

Pune
June 16, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 19(f) of the Independent Auditors' Report of even date to the members of Navin Fluorine International Limited on the consolidated financial statements for the year ended March 31, 2020.

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, 2020 we have audited the internal financial controls with reference to financial statements of Navin Fluorine International Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and joint venture company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary company and joint venture company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary company and joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary company and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEI6788

Pune
June 16, 2020

Consolidated Balance sheet as at March 31, 2020

₹ in lakhs

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	36,418.04	28,496.85
b. Right-of-use assets	5B	2,083.86	-
c. Capital work-in-progress	5C	3,885.07	3,932.96
d. Investment properties	6	5,502.59	5,615.94
e. Goodwill	7	8,776.41	8,776.41
f. Other intangible assets	7	95.28	128.62
g. Investment accounted for using the equity method	8	4,046.92	3,325.90
h. Financial assets			
i. Investments	9	8,738.86	20,583.54
ii. Loans	10	751.61	732.94
iii. Other financial assets	10A	234.04	14.70
i. Non-current tax assets (Net)	11	11,488.80	1,072.63
j. Deferred tax assets (Net)	23A	1,513.31	-
k. Other non-current assets	12	959.37	1,964.74
Total non-current assets		**84,494.16**	**74,645.23**
Current assets			
a. Inventories	13	15,788.26	11,190.94
b. Financial assets			
i. Investments	14	6,754.10	18,834.61
ii. Trade receivables	15	21,848.74	17,273.06
iii. Cash and cash equivalents	16A	17,673.28	1,587.43
iv. Bank balances other than (iii) above	16B	10,701.70	2,111.69
v. Loans	17	449.11	476.11
vi. Other financial assets	18	589.79	290.48
c. Other current assets	19	4,553.81	4,310.35
Total current assets		**78,358.79**	**56,074.67**
Total assets		**1,62,852.95**	**1,30,719.90**
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	989.54	989.00
b. Other equity	21	1,40,228.17	1,06,255.79
Total equity		**1,41,217.71**	**1,07,244.79**
Liabilities			
Non-current liabilities			
a. Other financial liabilities	22	1,534.25	-
b. Provisions	23	1,027.89	862.65
c. Deferred tax liabilities (Net)	23A	-	3,481.98
d. Other non-current liabilities	24	1,352.04	1,445.07
Total non-current liabilities		**3,914.18**	**5,789.70**
Current liabilities			
a. Financial liabilities			
i. Borrowings	25	140.25	413.83
ii. Trade payables	26		
a. Total outstanding dues of micro enterprises and small enterprises		887.84	684.26
b. Total outstanding dues other than (ii) (a) above		8,922.48	6,449.80
iii. Other financial liabilities	27	3,551.06	2,499.72
b. Contract liabilities		209.09	345.76
c. Provisions	28	283.18	235.65
d. Current tax liabilities (Net)	11	1.89	3,608.09
e. Other current liabilities	29	3,725.27	3,448.30
Total current liabilities		**17,721.06**	**17,685.41**
Total liabilities		**21,635.24**	**23,475.11**
Total equity and liabilities		**1,62,852.95**	**1,30,719.90**
Significant Accounting Policies	2		

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

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 48125

V. P. Mafatlal
Chairman
(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	30	1,06,155.33	99,593.73
Other Income	31	3,332.82	3,439.51
Total Income		**1,09,488.15**	**1,03,033.24**
EXPENSES			
Cost of materials consumed	32	49,558.92	44,569.50
Purchases of stock-in-trade		1,300.55	2,773.62
Changes in Inventories of finished goods, work in progress and stock-in-trade	33	(2,477.58)	312.49
Employee benefits expense	34	13,077.57	11,548.99
Finance costs	35	200.44	82.69
Depreciation and amortisation expense	36	3,700.04	2,751.17
Other Expenses	37	18,347.33	18,553.51
Total Expenses		**83,707.27**	**80,591.97**
Profit before tax		**25,780.88**	**22,441.27**
Tax expenses			
(1) Current tax	38.1	8,316.33	7,292.56
(2) Excess provision of tax for earlier years	38.2	(14,125.37)	-
(3) Deferred tax [including Minimum Alternate Tax credit]	23A	(8,546.61)	403.99
Total Tax expenses		**(14,355.65)**	**7,696.55**
Profit for the year		**40,136.53**	**14,744.72**
Share of profits/(losses) from joint ventures and associate (Net)		722.03	165.08
Total profit for the year		**40,858.56**	**14,909.80**
Other comprehensive income			
(A) Items that will not be reclassified to profit and loss			
(i) Remeasurement loss of the defined benefit obligations		(109.13)	(48.75)
(ii) Current tax relating to the above		38.13	17.03
(iii) Share of other comprehensive income in joint venture (net of tax)		(1.01)	-
Total (A)		**(72.01)**	**(31.72)**
(B) Items that may be reclassified to profit and loss			
(i) Exchange differences on translation of foreign operations		123.95	(87.59)
Total (B)		**123.95**	**(87.59)**
Total other comprehensive income (A+B)		**51.94**	**(119.31)**
Total comprehensive income for the year		**40,910.50**	**14,790.49**
Profit is attributable to:			
Owners of the Company		40,858.56	14,909.80
Other Comprehensive Income attributable to:			
Owners of the Company		51.94	(119.31)
Total Comprehensive Income attributable to:			
Owners of the Company		40,910.50	14,790.49
Earnings per equity share (of face value of ₹2.00 each)	40		
(1) Basic (in ₹)		82.60	30.17
(2) Diluted (in ₹)		82.53	30.15
Significant Accounting Policies	2		

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

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

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Managing Director
(DIN:07279004)

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Consolidated Statement of Cash flows for the year ended March 31, 2020

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	25,780.88	22,441.27
Adjustments for:		
Depreciation and amortisation	3,700.04	2,751.17
Loss on sale / write off of property, plant and equipment (Net)	434.45	60.14
Gain on sale of investments (Net)	(840.36)	(367.07)
Changes in fair value of financial assets at fair value through profit or loss	(658.89)	(1,362.74)
Employee Share-based payment expense	95.12	83.66
Unwinding of Rent	-	2.00
Finance Costs	200.44	82.69
Interest income	(310.89)	(119.17)
Lease rental income on investment properties	(1,200.29)	(1,230.97)
Net loss on foreign currency transactions	202.03	62.30
Dividend Income	(15.13)	(34.49)
Excess provision/ liabilities written back	(96.64)	(17.90)
Provision for doubtful debts	57.65	-
Operating profit before changes in operating assets and liabilities	**27,348.41**	**22,350.89**
Adjustments for:		
Increase in trade receivables	(4,372.58)	(1,825.40)
(Increase)/decrease in inventories	(4,597.32)	192.22
Increase in other assets	(936.30)	(261.49)
Increase/ (Decrease) in trade and other payables	2,845.53	(4,254.25)
Cash generated from operations	**20,287.74**	**16,201.97**
Income taxes paid (net of refunds)	(4,623.87)	(7,186.83)
Net cash generated from operating activities	**15,663.87**	**9,015.14**
Cash flows from investing activities		
Payments for property, plant and equipment	(10,771.58)	(6,157.80)
Repayment of Loans and Advances from Joint venture	43.30	514.93
Increase in deposits with banks	(8,457.15)	(185.86)
Payments for purchase of investments	(32,015.15)	(27,167.50)
Proceeds from sale of property, plant and equipment	981.82	39.76
Proceeds from sale of investments	57,439.59	29,154.18
Lease rental income on investment properties	1,101.72	1,230.97
Dividend received	15.13	34.49
Interest received	176.75	104.40
Net cash generated from/(used in) investing activities	**8,514.43**	**(2,432.43)**
Cash flows from financing activities		
Principal elements of lease payments	(600.27)	-
Calls in arrears received(including securities premium)	-	0.26
Proceeds from allotment of Employee Stock Option Plan (ESOP)	123.47	207.18

Consolidated Statement of Cash flows for the year ended March 31, 2020

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Repayments of long term borrowings	(413.83)	(421.84)
Proceed/(Repayments) of other borrowings (net)	140.25	(429.85)
Dividend (including tax)	(7,141.63)	(6,107.13)
Interest paid	(200.44)	(82.69)
Net cash used in financing activities	**(8,092.45)**	**(6,834.07)**
Net increase/(decrease) in cash and cash equivalents	**16,085.85**	**(251.36)**
Cash and cash equivalents at the beginning of the year	1,587.43	1,838.79
Cash and cash equivalents at the end of the year	**17,673.28**	**1,587.43**
Reconciliation of cash and cash equivalents as per the cash flow statement		
As per Balance sheet - note 16A	17,673.28	1,587.43
As per Cash flow statement	**17,673.28**	**1,587.43**

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) The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note (Refer note 55).

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

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

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(DIN:00011350)

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

N. B. Mankad
Company Secretary

K. Sablok
Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Consolidated Statement of changes in equity for the year ended March 31, 2020

A. Equity share capital

₹ in lakhs

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
Shares issued on exercise of employee stock options during the year	0.54
Less: Calls in arrears	-
Balance as at March 31, 2020	989.54

B. Other Equity

₹ in lakhs

Particulars	Reserves & Surplus									Attributable to owners of the parent	Non-Controlling interest	Total
	Capital Reserve 1	Capital Reserve 2	Capital redemption reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Call in arrears pending for allotment	Retained Earnings	Foreign currency translation reserve			
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)	(87.58)	(119.30)	-	(119.30)
Total comprehensive income for the year	-	-	-	-	-	-	-	14,878.08	(87.58)	14,790.50	-	14,790.50
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
Profit for the year	-	-	-	-	-	-	-	40,858.56		40,858.56	-	40,858.56
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(72.01)	123.95	51.94	-	51.94
Total comprehensive income for the year	-	-	-	-	-	-	-	40,786.55	123.95	40,910.50	-	40,910.50
Shares issued on exercise of employee stock options during the year	-	-	-	167.55	-	-	-	-	-	167.55	-	167.55
Recognition of shared based payments (net)	-	-	-	-	-	50.50	-	-	-	50.50	-	50.50
Calls in arrears received during the year	-	-	-	-	-	-	-	-	-	-	-	-
Payment of dividends (including tax)	-	-	-	-	-	-	-	(7,156.17)	-	(7,156.17)	-	(7,156.17)
Balance as at March 31, 2020	8,035.17	7,035.19	33.88	2,002.16	7,333.34	270.24	0.67	1,15,349.00	168.52	1,40,228.17	-	1,40,228.17

The above Consolidated Statement of Change in Equity should be read in conjunction with the accompanying notes

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Jeetendra Mirchandani
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Chief Financial Officer

Pune, June 16, 2020

Mumbai, June 16, 2020

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

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, 2020	As at March 31, 2019
Subsidiaries			
Sulakshana Securities Limited	India	100%	100%
Navin Fluorine Advanced Sciences Limited*	India	100%	*
NFIL (UK) Limited	UK	100%	100%
Manchester Organics Limited	UK	100%	100%
Navin Fluorine (Shanghai) Co. Limited	China	100%	100%
Step-down Subsidiary			
NFIL USA, Inc.	USA	100%	100%
Joint Ventures (JV)			
Convergence Chemicals Private Limited (JV)	India	49%	49%
Swarnim Gujarat Fluorspar Private Limited (JV)	India	49.48%	49.48%

*Newly Incorporated as on February 6, 2020

2. Significant Accounting Policies

This note provide a list of the significant accounting policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements are for the group consisting of the Company and its subsidiary companies.

a) Basis of Preparation

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

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

(ii) Historical Cost Convention

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

(iii) New and amended standards adopted by the Group

Ind AS 116, Leases

The Group has adopted Ind AS 116, Leases, effective April 1, 2019, on a modified retrospective basis, applying the standard to all leases on balance sheet. The adoption of 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. Refer note no (e) below for accounting policies and note no. 5B 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, 2020

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.

(i) 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

Till March 31, 2019:

(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.

With effective from April 1, 2019:

The Group has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17.The Group has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

f) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax liabilities are not recognised for temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

g) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The 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 Consolidated Statement of Changes in Equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement of Profit and Loss as past service cost.

Provident fund liability

Provident Fund for certain employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognized by the Income Tax authorities where other entities are also the participant. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss and when services are rendered by the employees. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

(b) Defined contribution plans

The Group contributes towards family pension fund, superannuation fund and provident fund for certain employees which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

h) Employee share-based payment arrangements

Eligible employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to eligible employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

i) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less deprecation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

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

Property, plant and equipment which are not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. However, for below assets, the useful lives are higher or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Assets	Useful Life
Plant and Machinery	
Laboratory Equipments	4, 5 and 10 years
Computers	3 and 5 years
Other Equipments	5,6,8,10 and 12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the end of each reporting period.

j) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiary companies is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold.

(ii) Computer software

Computer Software are stated at cost, less accumulated amortization and impairments, if any.

Computer Software which are capitalised are amortised over a period of 3 years on straight-line basis.

The estimated amortisation method, useful life and residual value are reviewed at the end of each reporting period, with effect of any changes in the estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss.

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

k) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

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

l) Impairment of assets

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

m) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost for raw materials, traded goods and stores and spares is determined on weighted average basis. Cost includes all charges in bringing the goods to their present location and condition. The cost of process stock and finished goods comprises of materials, direct labour, other direct costs and related production overheads and taxes as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

n) Foreign currency transactions

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet.

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction).

c) all resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gains / (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

o) Cash and Cash equivalents

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

p) Trade receivables

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

q) Borrowings

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

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

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

r) Borrowing Cost

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

s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant & equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

u) Provisions and contingencies

Provisions are recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

v) Investment in associate and joint ventures

Investments in associate and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

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.

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. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

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, 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**	**312.43**	**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**
I. Gross Block								
Balance as at April 1, 2019	37.13	5,839.53	878.22	236.46	25,598.93	2,564.50	798.95	35,953.72
Additions	-	1,102.34	634.34	-	10,408.03	-	54.02	12,198.73
Disposals/Adjustments	-	-	(19.71)	-	(1,647.69)	-	-	(1,667.40)
Effect of Foreign currency exchange difference	-	-	1.83	-	25.67	-	0.16	27.66
Balance as at March 31, 2020	**37.13**	**6,941.87**	**1,494.68**	**236.46**	**34,384.94**	**2,564.50**	**853.13**	**46,512.71**
II. Accumulated depreciation								
Balance as at April 1, 2019	-	703.62	312.43	59.86	6,101.80	79.39	199.77	7,456.87
Depreciation expense for the year	-	272.71	128.97	29.64	2,324.23	26.97	94.74	2,877.26
Disposals/Adjustments	-	-	(14.45)	-	(236.68)	-	-	(251.13)
Effect of Foreign currency exchange difference	-	-	0.88	-	10.72	-	0.07	11.67
Balance as at March 31, 2020	**-**	**976.33**	**427.83**	**89.50**	**8,200.07**	**106.36**	**294.58**	**10,094.67**
Net block (I-II)								
Balance as at March 31, 2020	**37.13**	**5,965.54**	**1,066.85**	**146.96**	**26,184.87**	**2,458.14**	**558.55**	**36,418.04**

Notes:

1. Standby Letter of Credit facility amounting to Nil (March 31,2019: ₹413.83 lakhs) availed from HDFC Bank for loan taken by Subsidiary is being secured by Second charge on the property, plant and equipment of the Group.

2. For details of Capital commitment relating to Property, Plant and Equipment (refer note 46).

5B. Right-of-use assets

This note provides information for leases where the Group is a lessee. The Group leases various Premises, Vehicles and Plant and machinery.

₹ in lakhs

Description	Premises	Vehicles	Plant and machinery	Total
I. Gross Block				
Balance as at March 31, 2019	-	-	-	-
Addition on account of Transition to Ind AS 116 – April 1, 2019	2,277.70	209.02	86.39	2,573.11
Addition	-	-	160.10	160.10
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**2,277.70**	**209.02**	**246.49**	**2,733.21**
II. Accumulated depreciation				
Balance as at April 1, 2019	-	-	-	-
Depreciation expense for the year	526.38	60.45	62.52	649.35

5B. Right-of-use assets *(contd.)*

₹ in lakhs

Description	Premises	Vehicles	Plant and machinery	Total
Disposals/Adjustments	-	-	-	-
Balance as at March 31, 2020	**526.38**	**60.45**	**62.52**	**649.35**
Net block (I-II)				
Balance as at March 31, 2020	**1,751.32**	**148.57**	**183.97**	**2,083.86**

Note:

1. The Group has adopted Ind AS 116 effective April 1, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.
2. This has resulted in recognising a right-of-use asset of ₹2,573.11 lakhs and a corresponding lease liability of ₹2,573.11 lakhs.
3. In the consolidated statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous year is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

5C. Capital work-in progress

Capital work-in progress as at March 31, 2020 is ₹3,885.07 lakhs (March 31, 2019: ₹3,932.96 lakhs). It is mainly comprises of expansion projects in progress.

6. Investment Properties

Particulars	As at March 31, 2020	As at March 31, 2019
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	340.38	226.91
Charge for the year	113.35	113.47
Closing Balance	453.73	340.38
Net carrying amount (I-II)	**5,502.59**	**5,615.94**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Rental Income (refer note 31)	1,200.29	1,230.97
Direct operating expenses from property that generated rental income	137.64	206.96
Profit from investment properties before depreciation	**1,062.65**	**1,024.01**
Depreciation	113.35	113.47
Profit from investment properties	**949.30**	**910.54**

(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, 2020	As at March 31, 2019
Not later than one year	723.39	691.30
Later than one year and not later than five years	656.70	798.91
Later than five years	-	-
Total	**1,380.09**	**1,490.21**
Operating lease rentals credited to the Consolidated Statement of Profit and Loss (refer note 31)	**1,200.29**	**1,230.97**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

6. Investment Properties *(contd.)*

(iii) Fair Value

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Investment properties	18,988.02	18,988.02

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. All resulting fair value estimates for investment properties are included in Level 3.

7. Other intangible assets and Goodwill

Particulars	Other intangible assets - Software	Goodwill
Balance as at April 1, 2018	**152.58**	**8,776.41**
Additions	86.38	-
Deduction/Adjustment	-	-
Balance as at March 31, 2019	**238.96**	**8,776.41**
Accumulated amortisation		
Balance as at April 1, 2018	78.30	-
Amortisation expense	32.04	-
Deduction/Adjustment	-	-
Balance as at March 31, 2019	**110.34**	**-**
Net carrying amount as at March 31, 2019	**128.62**	**8,776.41**
Balance as at April 1, 2019	**238.96**	**8,776.41**
Additions	26.74	
Deduction/Adjustment	-	-
Balance as at March 31, 2020	**265.70**	**8,776.41**
Accumulated amortisation		
Balance as at April 1, 2019	110.34	-
Amortisation expense	60.08	-
Deduction/Adjustment		-
Balance as at March 31, 2020	**170.42**	**-**
Net carrying amount as at March 31, 2020	**95.28**	**8,776.41**

Significant estimate - impairment of Goodwill

For the purpose of impairment testing, Goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which Goodwill is monitored for internal Management purposes and which is not higher than the operating segment of the Group. The Goodwill of ₹1,490.99 lakhs pertains to the acquisition of Sulakshana Securities Limited and recoverable amount has been determined using fair value less cost of disposal. Goodwill of ₹7,285.42 lakhs pertains to the acquisition of Manchester Organics Limited and recoverable amount has been determined based on its value in use.

Under value in use calculation, management with the help of external valuer uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 15.71% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 3% per annum. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Accordingly, there was no impairment recorded for the period March 31, 2020.

8. Investment accounted for using the equity method

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments				
In joint ventures (Unquoted, fully paid up)				
- Equity shares of Swarnim Gujarat Fluorspar Private Limited of ₹10.00 each	11,82,500	78.86	11,82,500	83.20
Add: Share in total comprehensive income		(0.97)		(4.34)
		77.89		78.86
- Equity shares of Convergence Chemicals Private Limited of ₹10.00 each	3,43,04,900	3,247.04	3,43,04,900	3,075.12
Add: Share in total comprehensive income		721.99		171.92
		3,969.03		3,247.04
Total		**4,046.92**		**3,325.90**

9. Investments

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	175.27	4,81,600	175.54
- 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, 2019: ₹1.50 lakhs)#	150	-	150	-
10% Non-convertible debentures of Wondrous Buildmart Private Limited	290	339.10	290	317.28
10% Non-convertible debentures of ATS Infrabuild Private Limited SR-I to III NCD	18	213.26	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
- Citicorp Finance (India) Limited - INE915D07G41	-	-	983	1,038.44
- ECAP Equities Limited - Enhanced FMP XVII-F9F709E	-	-	500	580.30
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8A	-	-	50	574.47
- JM Financial Asset Reconstruction Co. Ltd- Enhanced FMP XVIII-JM8B	-	-	100	1,149.37
- Fullerton - Enhanced FMP Sr. 75-290721-F75M2	50	527.40	-	-
(d) Investments in mutual funds - (Unquoted) (at fair value through profit or loss)				
- UTI Fixed Term Income Fund Series XXVI-V(1160 days)-Growth Plan	-	-	1,00,00,000	1,154.77
- DHFL Pramerica Fixed Duration Fund-Series AE-Regular Plan Growth	-	-	30,000	346.70
- 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
- Aditya Birla Sun Life Fixed Term Plan-Series OJ(1136 days) Growth Regular	-	-	1,50,00,000	1,677.08
- DHFL Pramerica Fixed Duration Fund-Series AF-Regular Plan Growth	-	-	50,000	579.11
- UTI Fixed Term Income Fund -Series XXVIII - II (1210 Days) - Growth Plan	1,00,00,000	1,097.22	1,00,00,000	1,081.71
- Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 days),Regular Growth	62,50,000	739.78	62,50,000	679.98
- Sundaram Fixed Term Plan - IE - Regular Growth	1,00,00,000	1,170.66	1,00,00,000	1,076.99
- UTI FIXED Term Income Fund XXVIII – X- 1153 Days - Growth Plan	1,50,00,000	1,573.65	1,50,00,000	1,574.28

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

9. Investments *(contd.)*

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
- DHFL Pramerica Fixed Duration Fund Series AR-Regular Plan Growth	-	-	50,000	500.66
- HDFC FMP 1208D March 2018 (1) - Regular - Growth - Series - 39	1,00,00,000	1,154.03	1,00,00,000	1,066.34
- Kotak FMP Series 220 - Growth (Regular Plan)	1,00,00,000	1,174.52	1,00,00,000	1,076.09
- Kotak Equity Savings Fund - Growth (Regular Plan)	-	-	55,74,933	791.42
- ICICI Prudential Equity Income Fund - Cumulative	-	-	57,22,313	787.96
- Kotak Corporate Bond Fund - Growth	4,833	130.05	3,661	90.44
(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	450	443.92
Total		**8,738.86**		**20,583.54**
Of the above:				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		**8,738.86**		**20,583.54**
Aggregate amount of impairment in value of investments		**1.50**		**1.50**

pending transfer in the Company's name and not available for physical verification.

10. Non-Current Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	751.61	732.94
Total	**751.61**	**732.94**

Break-up of Security details

Particulars	As at March 31, 2020	As at March 31, 2019
Loans considered good - Secured	-	-
Loans considered good - Unsecured	751.61	732.94
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**751.61**	**732.94**
Loss allowance	-	-
Total	**751.61**	**732.94**

10A. Other financial assets (Non-Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank held as margin money*	15.98	14.70
Rent Receivable	218.06	-
Total	**234.04**	**14.70**

* 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, 2020	As at March 31, 2019
Non Current Tax Assets [net of provision ₹38,375.26 lakhs (March 31, 2019: ₹19,226.94 lakhs)]	11,488.80	1,072.63
Current Tax Liability [net of Advance tax ₹1.92 lakhs (March 31, 2019: ₹24,920.87 lakhs)]	1.89	3,608.09

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

12. Other non-current assets

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	537.58	1,774.81
Prepaid expenses	255.39	15.15
Advance Fringe benefit tax [net of provision Nil (March 31, 2019: ₹89.00 lakhs)]	3.70	12.08
Advances towards a Project (refer note 49)	162.70	162.70
Total	**959.37**	**1,964.74**

13. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	6,210.12	3,935.48
Work-in-progress	1,933.27	1,881.77
Finished goods	4,748.03	2,308.27
Stock-in-trade	1,957.10	1,904.72
Stores and Spares	939.74	1,160.70
Total	**15,788.26**	**11,190.94**

Write-downs of inventories to net realisable value amounted to ₹23.84 lakhs (March 31, 2019 – ₹23.84 lakhs). These were recognised as an expense during the year and included in 'Cost of materials consumed' in the Statement of Profit and Loss.

14. Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
(a) Investments in Equity Instruments (Quoted, fully paid up) - (at fair value through profit or loss)				
- Equity shares of NOCIL Limited of ₹10.00 each	1,10,000	72.38	4,95,000	728.39
- Equity shares of Mafatlal Industries Limited of ₹10.00 each	-	-	2,63,616	285.50
(b) Investments in mutual funds (Unquoted) - (at fair value through profit or loss)				
- ICICI Prudential Flexible Income Plan - Growth	-	-	4,05,303	1,453.94
- ICICI Prudential Banking & PSU Debt Fund - Growth	-	-	40,60,533	861.84
- HDFC Liquid Fund - Regular Plan - Growth	-	-	70,847	2,593.21
- IDFC Cash Fund - Growth - (Regular Plan)	-	-	97,582	2,202.86
- UTI Liquid Cash Plan Institutional Growth	-	-	29,689	910.97
- Aditya Birla Sun Life Savings Fund - Growth- Regular Plan	-	-	2,87,438	1,061.04
- Kotak Savings Fund – Growth (Regular Plan) (Erstwhile Kotak Treasury Adv.)	-	-	38,58,059	1,156.32
- 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
- Adity Birla SunLife Liquid Fund - Growth	-	-	1,73,369	518.39
- UTI Fixed Term Income Fund Series XXVI-V(1160 days)-Growth Plan	1,00,00,000	1,254.34	-	-
- UTI Fixed Term Income Fund XXVI - VII (1140) days (Growth Plan)	1,70,00,000	2,120.05	-	-
- Aditya Birla Sun Life Fixed Term Plan-Series OJ(1136 days) Growth Regular	1,50,00,000	1,835.26	-	-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

14. Investments *(contd.)*

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
- Kotak Equity Savings Fund - Growth (Regular Plan)	55,74,933	744.76	-	-
- ICICI Prudential Equity Income Fund - Cumulative	57,22,313	727.31	-	-
Total		**6,754.10**		**18,834.61**
Of the above:				
Aggregate amount of quoted investments and market value thereof		72.38		1,013.89
Aggregate amount of unquoted investments		6,681.72		17,820.72
Aggregate amount of impairment in value of investments		-		-

15. Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	21,864.09	17,241.88
Receivables from related parties (refer note 45.2)	176.13	165.01
Less:- Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(191.48)	(133.83)
Total receivables	**21,848.74**	**17,273.06**

Break-up for security details

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good - Secured	111.50	139.16
Trade receivables considered good - Unsecured	21,928.72	17,267.73
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total receivables	**22,040.22**	**17,406.89**
Allowance for doubtful debts (expected credit loss allowances) (refer note 43.8)	(191.48)	(133.83)
Total trade receivables	**21,848.74**	**17,273.06**

16A. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	13.60	7.82
Balances with banks in current account *	2,850.79	1,579.61
Deposits with original maturity of less than or equal to 3 months	14,808.89	-
Total	**17,673.28**	**1,587.43**

*One current account with bank balance ₹2.40 lakhs (March 31, 2019: ₹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, 2020	As at March 31, 2019
Unpaid dividend	416.61	402.06
Buyback account	1.09	1.09
Deposits with maturity of more than 3 month and less than 12 months*	9,267.51	748.25
Deposits received under protest (refer note 50)	981.57	925.37
Balances in earmarked accounts (Unpaid matured debentures)	34.92	34.92
Total	**10,701.70**	**2,111.69**

* ₹582.40 lakhs (March 31, 2019: Nil) held as lien by bank against bank guarantees.

17. Loans

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
- Security deposits	123.96	107.67
- Loans to related parties (refer note 45.2)	325.00	368.30
- Loans to employees	0.15	0.14
Total	**449.11**	**476.11**

Break-up of Security details

Particulars	As at March 31, 2020	As at March 31, 2019
Loans considered good - Secured	-	-
Loans considered good - Unsecured	449.11	476.11
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**449.11**	**476.11**
Loss allowance	-	-
Total	**449.11**	**476.11**

18. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Rent Receivable	76.67	196.16
Derivative assets - Foreign exchange contracts	87.11	94.32
Export incentive receivables	426.01	-
Total	**589.79**	**290.48**

19. Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to suppliers	454.85	722.60
Prepaid expenses	294.05	239.81
Balances with government authorities	3,089.64	2,706.57
Other deposits	129.51	101.46
Others advances	585.76	539.91
Total	**4,553.81**	**4,310.35**

20. Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Shares		
17,50,00,000 equity shares of ₹2.00 each	3,500.00	3,500.00
Issued, subscribed and fully Paid shares		
4,94,84,320 (as at March 31, 2019 - 4,94,57,165) equity shares of ₹2.00 each	989.69	989.15
Less: Calls in arrears [refer note 20 (e)]	0.15	0.15
Total	**989.54**	**989.00**

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

Particulars	Number of shares	Amount
Balance as at April 1, 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**
Add: Shares issued on exercise of employee stock options during the year	27,155	0.54
Balance as at March 31, 2020	**4,94,84,320**	**989.69**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

20. Equity share capital *(contd.)*

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹2.00 per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company in proportion to the number of and amounts paid on the shares held.

(c) Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 44.

(d) Details of shareholders more than 5% shares:

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2020		
Mafatlal Impex Private Limited	1,14,07,420	23.05%
Smallcap World Fund, Inc	34,85,500	7.04%
As at March 31, 2019		
Mafatlal Impex Private Limited	1,16,57,420	23.57%
Smallcap World Fund, Inc	32,02,000	6.47%

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

₹ in lakhs

Particulars	Number of shares	Amount
as at March 31, 2020		
Equity shares of ₹2.00 each, ₹1.00 called up but unpaid	14,555	0.15
as at March 31, 2019		
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

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve no.1	8,035.17	8,035.17
Capital Reserve no.2	7,035.19	7,035.19
Capital redemption reserve	33.88	33.88
Securities Premium	2,002.16	1,834.61
General Reserve	7,333.34	7,333.34
Share Options Outstanding Account	270.24	219.74
Call in arrears pending for allotment	0.67	0.67
Foreign currency translation reserve	168.52	44.57
Retained Earnings	1,15,349.00	81,718.62
Total	**1,40,228.17**	**1,06,255.79**

(i) Capital Reserve no.1

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	8,035.17	8,035.17
Closing Balance	**8,035.17**	**8,035.17**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

21. Other Equity *(contd.)*

(ii) Capital Reserve no.2

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
Opening Balance	33.88	33.88
Closing Balance	**33.88**	**33.88**

(iv) Securities Premium

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	1,834.61	1,558.55
Add: Received during the year on shares issued on exercise of employee stock options during the year	167.55	276.06
Closing Balance	**2,002.16**	**1,834.61**

(v) General Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	7,333.34	7,333.34
Closing Balance	**7,333.34**	**7,333.34**

(vi) Share Options Outstanding Account

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	219.74	207.09
Add: Recognition of share-based payments (Net)	50.50	12.65
Closing Balance	**270.24**	**219.74**

(vii) Call in arrears pending for allotment

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	0.67	0.41
Add: Calls in arrears received during the year	-	0.26
Closing Balance	**0.67**	**0.67**

(viii) Foreign currency translation reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	44.57	132.15
Add: Changes in foreign currency translation reserve	123.95	(87.58)
Closing Balance	**168.52**	**44.57**

(ix) Retained Earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	81,718.62	73,025.58
Add: Profit for the year	40,858.56	14,909.80
Less:		
Other comprehensive income for the year, net of income tax	(72.01)	(31.72)
Dividends (including tax)	(7,156.17)	(6,185.04)
Closing Balance	**1,15,349.00**	**81,718.62**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

21. Other Equity *(contd.)*

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.

22. Other Non-current financial liabilities

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities	1,534.25	-
Total	**1,534.25**	**-**

23. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences (refer note 42.3)	1,027.89	862.65
Total	**1,027.89**	**862.65**

23A. Deferred Tax Assets / Deferred Tax Liabilities - (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	4,601.08	5,045.65
Less: deferred tax assets	(6,114.39)	(1,563.67)
Total (Deferred Tax Assets) / Deferred Tax Liabilities	**(1,513.31)**	**3,481.98**

23. Provisions *(contd.)*

23A.1 Movement of Deferred Tax

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2020

₹ in lakhs

Particulars	Opening Balance	Recognised in the Consolidated Statement of Profit and Loss	Other movements during the year	Closing Balance
Deferred tax liabilities in relation to:				
Property, plant and equipment and intangible assets	4,085.61	(578.50)	-	3,507.11
Right-of-use to assets	-	509.25	-	509.25
Financial asset measured at FVTPL	596.13	(340.47)	-	255.66
On undistributed profit	278.80	6.12	-	284.92
Foreign Currency translation reserve	12.58	-	3.33	15.91
Others	72.54	(44.31)	-	28.23
Total deferred tax liabilities	**5,045.66**	**(447.91)**	**3.33**	**4,601.08**
Deferred tax assets in relation to:				
Indexation benefit on Investment properties	1,375.60	63.05	-	1,438.65
Provision for Compensated Absences	72.33	(40.75)	-	31.58
Provision for doubtful debts	46.76	20.14	-	66.90
Lease Liabilities	-	527.80	-	527.80
MAT credit entitlement/(utilisation) (refer note 38.2)	-	7,355.19	(3,547.99)	3,807.20
Capital losses	66.69	173.42	-	240.11
Others	2.30	(0.15)	-	2.15
Total deferred tax assets	**1,563.68**	**8,098.70**	**(3,547.99)**	**6,114.39**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**3,481.98**	**(8,546.61)**	**3,551.32**	**(1,513.31)**

(ii) 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	Other movements during the year	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	(32.29)	-	278.80
Foreign Currency translation reserve	12.58	-	-	12.58
Others	52.37	20.17	-	72.54
Total deferred tax liabilities (A)	**4,601.33**	**444.33**	**-**	**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 (B)	**1,521.49**	**42.19**	**-**	**1,563.68**
Total deferred tax liabilities/(deferred tax assets) (A - B)	**3,079.84**	**402.14**	**-**	**3,481.98**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

24. Other non-current liabilities

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Liability against project contracts (refer note 49)	1,334.95	1,334.95
Other payables	-	91.36
Deferred Government Grant	17.09	18.76
Total	**1,352.04**	**1,445.07**

25. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured - at amortised cost		
- Working Capital Loan from a bank#	140.25	-
- Term loan from a bank*	-	413.83
Total	**140.25**	**413.83**

Terms of repayment and security

Repayable on demand and carries interest rate of LIBOR +1.30% per annum. The same is secured by Fixed deposits.

* 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 company.

26. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	887.84	684.26
Total outstanding dues other than above	8,922.48	6,449.80
Total	**9,810.32**	**7,134.06**

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

Particulars	As at March 31, 2020	As at March 31, 2019
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	885.80	636.97
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.04	47.29
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	118.96	1,685.59
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	47.29	-
f. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.86	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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

27. Other financial liabilities

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid dividends*	416.61	402.06
Unpaid money on buy-back of shares	1.09	1.09
Unclaimed matured debentures and interest accrued thereon	35.31	35.31
Derivative liability - Foreign exchange contract	305.03	69.33
Capital Creditors	1,095.40	910.63
Lease Liabilities	598.68	-
Security Deposits received	1,095.24	1,076.67
Others	3.70	4.63
Total	**3,551.06**	**2,499.72**

* 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, 2020	As at March 31, 2019
Provision for compensated absences (refer note 42.3)	283.18	235.65
Total	**283.18**	**235.65**

29. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers (refer note 50)	1,066.91	1,001.72
Statutory dues	472.65	523.50
Deferred Government Grant	1.67	1.67
Gratuity Payable (refer note 42.2)	198.70	71.65
Payables to Employees	1,905.41	1,754.39
Payables to a related party (refer note 45.2)	17.89	17.89
Others	62.04	77.48
Total	**3,725.27**	**3,448.30**

30. Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	1,01,551.68	98,309.68
Sale of services	3,052.04	459.07
Other operating revenues		
- Scrap Sales	182.75	216.66
- Export Incentives	1,368.86	608.32
Total	**1,06,155.33**	**99,593.73**

31. Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
- on banks deposits	217.75	52.11
- on loans and advances	93.04	66.86
- others	0.10	0.20
Dividend income	15.13	34.49
Lease rental income on investment properties (refer note 6)	1,200.29	1,230.97

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

31. Other Income *(contd.)*

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other gains and losses		
- Net gain arising on financial assets mandatorily measured at FVTPL	658.89	1,362.74
- Excess provision/ liabilities written back (Net)	96.64	17.90
- Net gain arising on sale of Investments	840.36	367.07
- Net gain on foreign currency transactions	41.92	0.56
- Miscellaneous Income	168.70	306.61
Total	**3,332.82**	**3,439.51**

32. Cost of Material consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw material consumed	46,567.00	41,576.99
Packing Material consumed	2,991.92	2,992.51
Total	**49,558.92**	**44,569.50**

33. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year		
Finished goods	4,748.03	2,308.27
Work-in-progress	1,933.27	1,881.77
Stock-in-trade	1,957.10	1,923.16
	8,638.40	6,113.20
Inventories at the beginning of the year		
Finished goods	2,308.27	2,132.29
Work-in-progress	1,881.77	2,049.43
Stock-in-trade	1,923.16	2,264.35
	6,113.20	6,446.07
	(2,525.20)	332.87
Add/(Less): Foreign currency translation adjustments	(47.62)	20.38
Net (Increase) / Decrease	**(2,477.58)**	**312.49**

34. Employee benefits expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages and bonus	11,805.10	10,363.49
Contribution to provident and other funds (refer note 42.1 and 42.2)	634.04	534.92
Employee share-based payment expense (refer note 44)	95.12	83.66
Staff Welfare Expenses	353.74	394.02
Gratuity expenses (refer note 42.2)	189.57	172.90
Total	**13,077.57**	**11,548.99**

35. Finance Costs

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	7.35	35.24
Interest on Lease liabilities	136.48	-
Interest on Others	56.61	47.45
Total	**200.44**	**82.69**

36. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 5A)	2,877.26	2,605.66
Depreciation on Right-of-use assets (refer note 5B)	649.35	-
Depreciation on investment properties (refer note 6)	113.35	113.47
Amortisation of intangible assets (refer note 7)	60.08	32.04
Total	**3,700.04**	**2,751.17**

37. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	5,141.74	5,665.72
Rent expense (refer note 41.1)	48.81	711.87
Repairs and Maintenance		
- Plant and Machinery	807.77	848.38
- Buildings	95.25	93.83
Consumption of stores and spares	2,896.11	2,816.43
Transport and freight charges (Net)	2,079.21	1,889.23
Labor contract charges	1,396.40	1,317.63
Property maintenance expenses	7.56	10.66
Legal and Professional Charges (refer note 37.1)	920.78	606.04
Rates & Taxes	462.04	428.14
Insurance	502.01	203.90
Directors Sitting Fees	34.30	41.32
Loss on Sale/ retirement of property, plant & equipment (Net)	434.45	60.14
Net loss on foreign currency transactions	-	194.70
Provision for doubtful debts (Net)	57.65	-
Expenditure on Corporate Social Responsibility (refer note 37.2)	378.29	529.19
Miscellaneous expenses	3,084.96	3,136.33
Total	**18,347.33**	**18,553.51**

37.1 Payments to auditors

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditors		
(a) Statutory audit	28.50	25.50
(b) Other audit services	22.75	17.50
(c) Re-imbursement of expenses	0.73	0.58
In other capacity		
(a) Taxation matters	5.00	-
Total	**56.98**	**43.58**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

37. Other expenses *(contd.)*

37.2 Corporate social responsibility

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the company during the year	374.89	315.45
b) Amount spent during the year on:	378.29	529.19
	In cash	Yet to be paid in cash
For the year March 31, 2020		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	375.45	2.84
For the year March 31, 2019		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	526.99	2.20

38. Income taxes relating to continuing operations

38.1 Income tax expenses recognised

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	8,316.33	7,292.56
- Excess provision of tax for earlier years	(14,125.37)	-
- Deferred tax [including Minimum Alternate Tax credit]	(8,546.61)	403.99
	(14,355.65)	**7,696.55**
In respect of the current year		
- Current tax recognised in other comprehensive income	(38.13)	(17.03)
	(38.13)	**(17.03)**
Total income tax expense recognised in the current year	**(14,393.78)**	**7,679.52**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	**25,780.88**	**22,441.27**
Income tax expense	9,066.90	7,841.88
Effect of:		
Income exempt from tax	(5.29)	(12.75)
Tax Reversal of earlier years	(14,125.37)	-
MAT Created in the current year relating to earlier years	(7,355.19)	-
Deferred tax liability reversal due to change in tax rate	(1,405.75)	-
Expenses that are not deductible in determining taxable profit	181.48	595.57
Tax concessions (availed) / reversed	(424.02)	(531.94)
Unused tax losses and tax setoff not recognised as deferred tax assets earlier	19.93	-
Income taxable at different tax rate	(290.35)	(204.67)
Deductible temporary differences on account of indexation benefits recognised as deferred tax assets	(64.70)	(60.59)
Others	46.70	69.05
Income tax expense recognised in Consolidated Statement of Profit and loss	**(14,355.65)**	**7,696.55**

38. Income taxes *(contd.)*

38.2 The Company had contested receipts on account of Certified Emission Reduction (CER) as capital receipts not chargeable to tax from financial year 2007-08 to financial year 2012-13. During the year, it received favourable appellate orders for some of the aforesaid years. This has resulted in the Company becoming liable to tax on its book profits for these years under section 115JB of the Income Tax Act, 1961 (the Act) [i.e. Minimum Alternate Tax (MAT)] and correspondingly eligible for MAT Credit in terms of section 115JAA of the Act, to be utilised against the tax liability of the succeeding years. Though the matter is contested by the tax authorities, considering the favourable pronouncements from various Tribunals/ High Courts in similar matters, including jurisdictional High Court and as legally advised, no outflow for the same is expected.

Accordingly, the Company has now recognized MAT Credit entitlement of ₹7,355.19 lakhs under section 115JAA of the Act, for which claims have been made. The Company has recomputed the tax liabilities for these years and written back excess tax provisions amounting to ₹14,125.37 lakhs for earlier years.

39. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. Chairman and Managing Director of the Group are the chief operating decision makers. The Group operates only in one Business Segment i.e. 'Chemical Business' which constitutes a single reporting segment.

The Group has two geographical segments based upon location of its customers - within and outside India:

₹ in lakhs

Particulars	As at and for the year ended March 31, 2020			As at and for the year ended March 31, 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	56,724.53	49,430.80	1,06,155.33	51,345.05	48,248.68	99,593.73
Carrying cost of non current assets@	72,581.86	674.48	73,256.34	52,614.71	699.33	53,314.04
Cost incurred on acquisition of property, plant and equipment	12,126.06	51.53	12,177.59	4,985.93	54.37	5,040.30

@ 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

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year attributable to equity shareholders - (₹ in lakhs) - **A**	40,858.56	14,909.80
Weighted average number of equity shares outstanding during the year - **B**	4,94,66,322	4,94,15,916
Effect of Dilution :		
Weighted average number of ESOP shares outstanding	43,752	29,944
Weighted average number of Equity shares adjusted for the effect of dilution - **C**	4,95,10,074	4,94,45,860
Basic earnings per share - ₹**(A/B)**	82.60	30.17
Diluted earnings per share - ₹**(A/C)**	82.53	30.15
Nominal value per share - ₹	2.00	2.00

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

41. Leasing arrangement

41.1 The Group has taken office, residential premises and vehicles under operating lease or leave and license agreements. These are generally cancellable in nature and range between 11 months to 60 months. These leave and license agreements are generally renewable or cancelable at the option of the Group or the lessor. The lease payment recognised in the Consolidated Statement of Profit and Loss is ₹48.81 lakhs (as at March 31, 2019: ₹711.87 lakhs). From April 1, 2019 the Group has recognised right of use assets for these leases, except short term leases. Refer note 5B for further information.

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, 2020	As at March 31, 2019
not later than one year	-	411.12
later than one year and not later than five years	-	1,236.73
later than five years	-	-
Total	**-**	**1,647.85**

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:

Particulars	As at March 31, 2020	As at March 31, 2019
Contribution to Provident Fund	102.79	67.34
Contribution to Family Pension Fund	105.43	91.41
Contribution to Superannuation Fund	230.00	210.16
Contribution to Employees' State Insurance Scheme	1.77	3.26
Contribution to Employees' Deposits Linked Insurance Scheme	6.67	5.89
Total	**446.66**	**378.06**

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, 2020. 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.

42. Employee benefit plans *(contd.)*

(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, 2020	As at March 31, 2019
1. Discount rate	6.59%	7.48%
2. Salary escalation	11%	11%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	
4. Attrition rate	11%	11%

(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, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(2,565.23)	(2,237.72)
Fair value of plan assets	2,366.53	2166.07
Net (liability)/asset arising from gratuity	(198.70)	(71.65)

(c) Expenses recognised for defined benefit plan and movement of plan assets and liabilities:

Following is the amount recognised in Consolidated Statement of Profit and Loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	184.21	166.84
Net interest expenses	5.36	6.06
Total (A)	**189.57**	**172.90**
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)	(15.03)	16.70
-Actuarial gains and losses arising from changes in financial assumptions	110.68	21.49
-Actuarial gains and losses arising from experience adjustments	13.48	10.56
Total (B)	**109.13**	**48.75**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,237.71	2,046.81
Current service cost	184.21	166.84
Interest cost	167.39	157.20
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising from changes in financial assumptions	110.68	21.49
-Actuarial gains and losses arising from experience adjustments	13.48	10.56
Benefits paid	(148.24)	(165.19)
Closing defined benefit obligation (C)	**2,565.23**	**2,237.71**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	2,166.06	1,967.87
Interest income	162.02	151.13
Remeasurement gain (loss):		
-Return on plan assets (excluding interest income)	15.03	(16.70)
Contributions by employer	171.66	228.95
Benefits paid	(148.24)	(165.19)
Closing fair value of plan assets (D)	**2,366.53**	**2,166.06**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

42. Employee benefit plans *(contd.)*

(d) The expected contribution to the plan for the next financial year is ₹257.00 lakhs (Previous Year: ₹223.00 lakhs)

(e) Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Central Government of India	11.38%	11.68%
State Government Securities	27.51%	20.70%
Special Deposits Scheme	9.85%	10.10%
Debt Instruments/Corp Bonds	51.26%	57.52%

(f) The weighted average duration of the defined benefit obligation is 7 years (March 31, 2019: 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, 2020	527.30	1,002.47	2,387.95
As at March 31, 2019	443.03	960.60	2,176.10

(g) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and attrition rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while all other assumptions constant. Following is the impact of changes in assumption in defined benefit obligation of gratuity:

Increase/ (decrease) in assumptions	As at March 31, 2020	As at March 31, 2019
Impact of discount rate for 50 basis points increase	(63.54)	(52.86)
Impact of discount rate for 50 basis points decrease	67.29	55.85
Impact of salary escalation rate for 50 basis points increase	64.24	53.78
Impact of salary escalation rate for 50 basis points decrease	(61.35)	(51.46)
Impact of attrition rate for 50 basis points increase	(17.60)	12.08
Impact of attrition rate for 50 basis points decrease	18.48	12.64

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year

(iii) Provident fund (funded)

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund for all employees, are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Group. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

(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

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(3,400.47)	(2,883.85)
Fair value of plan assets	3,590.45	3,042.87
Net Assets/(Liabilities)*	-	-

* Excess of fair value of plan assets over present value of funded defined benefit obligation has not been recognised.

42. Employee benefit plans *(contd.)*

(b) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in 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, 2020	For the year ended March 31, 2019
A. Components of expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	187.38	156.86
Expected Return on plan assets	(204.19)	(207.55)
Net interest expenses	204.19	207.55
Total (A)	**187.38**	**156.86**
B. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,883.85	2,373.85
Opening balance adjustment	(17.49)	13.04
Current service cost	187.38	156.86
Interest cost	204.19	207.55
Employee Contribution	331.86	258.75
Liabilities assumed for employee transferred from other entity	351.16	41.03
Benefits paid	(540.48)	(167.23)
Closing defined benefit obligation (B)	**3,400.47**	**2,883.85**
C. Movements in the fair value of the plan assets		
Opening fair value of plan assets	3,042.87	2,523.55
Remeasurement gain (loss):	13.47	22.35
Expected Return on plan assets	204.19	207.55
Contributions	519.23	415.61
Asset transferred in for employee transferred from other entity	351.17	41.04
Benefits paid	(540.48)	(167.23)
Closing fair value of plan assets (C)	**3,590.45**	**3,042.87**

(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, 2020	As at March 31, 2019
Central Government of India	9.99%	9.97%
State Government Securities	29.82%	24.92%
Special Deposits Scheme	27.13%	26.99%
Public Sector Units	29.73%	33.39%
Others	3.33%	4.73%

42.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹1,311.07 lakhs (March 31, 2019: ₹1,098.30 lakhs).

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

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, 2020 and March 31, 2019.

43.2 Fair value measurements

(i) Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	28,374.98	3,699.12
– Investments	552.36	506.47
– Trade receivables	21,848.74	17,273.06
– Loans	1,200.72	1,209.05
– Other financial assets	736.72	210.86
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Equity instruments	247.65	1,189.43
– Investments in mutual funds / Other funds	14,692.95	37,722.25
– Derivative assets	87.11	94.32
(b) designated at FVTPL	-	-
Measured at fair value through other comprehensive income (FVTOCI)	-	-
Financial liabilities		
Measured at Amortised Cost		
– Borrowing	140.25	413.83
– Trade payable	9,810.32	7,134.06
– Other financial liabilities	4,780.28	2,430.39
Measured at fair value through profit and loss (FVTPL)		
(a) mandatorily measured		
– Derivative liability	305.03	69.33
(b) designated at FVTPL	-	-

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in equity instruments				
As at March 31, 2020	72.38	175.27	-	247.65
As at March 31, 2019	1,013.89	175.54	-	1,189.43
Investments in mutual funds/other funds				
As at March 31, 2020	14,249.03	-	443.92	14,692.95
As at March 31, 2019	37,278.33	-	443.92	37,722.25
Derivative liability				
As at March 31, 2020	-	305.03	-	305.03
As at March 31, 2019	-	69.33	-	69.33

43. Financial Instruments and Risk Review *(contd.)*

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3.

(iii) Valuation technique used to determine fair value

1. The fair value of the unquoted investments is determined using quoted bid prices in an active market.
2. The fair value of the unquoted investments is determined using the inputs other than quoted prices included in level 1 that are observable for assets and liabilities.
3. Group has made investments in 'Ask Real Estate Special Situation Fund'. The Fund invests primarily in special purpose vehicles and companies of special purpose vehicles that undertake residential and mixed use real estate developments with a significant residential component. The Valuation methodology used shall depend on the type of property and market conditions and stage of development reached in the invested project. The suitability of a particular method of valuation is decided based on the below criteria:
   - For undeveloped properties: Sales/Market Comparison Method benchmarked by Discounted Cash Flow Method
   - For semi developed properties / properties under development: Weighted average of Discounted Cash Flow Method and Replacement Cost Method
   - For completed properties, leased property or ready for sale properties: Capitalization of Rental Method or Market Comparison Method

(iv) Fair value of Financial assets and liabilities measured at amortised cost

The carrying amounts of cash and cash equivalents, trade receivables, receivables from related parties and trade payables are considered to be the same as their fair values due to their short-term nature. Fair value of security deposits approximates the carrying value.

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

43. Financial Instruments and Risk Review *(contd.)*

The Group has exposure arising out of export, import and other transactions other than functional risks. The Group hedges its foreign exchange risk using foreign exchange forward contracts. The same is within the guidelines laid down by Risk Management Policy of the Group.

(ii) Foreign exchange risk management:

To manage the foreign exchange risk arising from recognized assets and liabilities, Group use spot transactions, foreign exchange forward contracts, according to the Group's foreign exchange risk policy. Group's treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions. The Group's foreign exchange risk management policy is to selectively hedge net transaction exposures in major foreign currencies.

The carrying amounts of the Group's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	(₹ in lakhs)	(Foreign Currency In lakhs)	(₹ in lakhs)	(Foreign Currency In lakhs)
Amount receivable				
USD	-	-	149.82	2.17
GBP	17.84	0.19	4.75	0.05
EURO	3.79	0.05	9.55	0.12
Amount payable				
USD	459.47	6.07	-	-
GBP	-	-	0.34	*
EURO	18.91	0.23	41.01	0.53
SGD	0.22	*	-	-

*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:

₹ in lakhs

Foreign currency	For year ended March 31, 2020		For year ended March 31, 2019	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	(13.78)	13.78	4.49	(4.49)
GBP	0.54	(0.54)	0.13	(0.13)
EURO	(0.45)	0.45	(0.94)	0.94
SGD	(0.01)	0.01	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

43. Financial Instruments and Risk Review *(contd.)*

(iv) Forward foreign exchange contracts

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Currency	Exposure to buy / sell	As at the year end	
		₹ in lakhs	Foreign Currency in lakhs
US Dollars			
March 31, 2020	sell	9,344.14	127.05
March 31, 2019	sell	6,449.66	91.77
EURO			
March 31, 2020	sell	210.95	2.66
March 31, 2019	sell	127.35	1.58
US Dollars			
March 31, 2020	buy	1,900.51	26.20
March 31, 2019	buy	2,125.38	29.69

43.6 Other price risks

The Group is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Investment policy. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Management Committee.

Price Risk Sensitivity Analysis:

As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows:

For equity instruments, a 10% increase in equity prices would have led to approximately an additional ₹7.24 lakhs gain in statement if profit and loss (March 31, 2019: ₹101.39 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 March 31,2020 would have been lower by ₹0.70 lakhs. (March 31, 2019: ₹2.07 lakhs). An opposite impact would have been on profit had the interest rate had been 50 basis points lower.

43.8 Credit risk

(i) Exposures to credit risk

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. The credit risk arises from its operating activities (i.e. primarily trade receivables), from its investing activities including deposits with banks and financial institutions and other financial instruments.

(ii) Credit risk management

1) Trade receivable

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹21,848.74 lakhs (March 31, 2019 : ₹17,273.06 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

43. Financial Instruments and Risk Review *(contd.)*

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, 2020 was : ₹191.48 lakhs (March 31, 2019 : ₹133.83 lakhs).

Movement in the credit loss allowance

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning	133.83	142.83
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	57.65	(9.00)
Balance at the end	191.48	133.83

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, 2020 and March 31, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in lakhs

Contractual maturities of financial liabilities	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2020				-
– Borrowing	140.25	140.25	-	140.25
– Trade payable	9,810.32	9,810.32	-	9,810.32
– Other financial liabilities (other than derivative liabilities)	4,780.28	3,246.03	1,534.25	4,780.28
– Derivative liabilities	305.03	305.03	-	305.03
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 (other than derivative liabilities)	2,430.39	2,430.39	-	2,430.39
– Derivative liabilities	69.33	69.33	-	69.33

44. Share based payments

Details of the employee share based plan of the Group

Employee stock option scheme 2007 ("ESOS 2007") - The Shareholders at their Annual General Meeting held on July 20,2007 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2007, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2007 shall be capable of being exercisable on vesting within 10 years from grant date.

Employee stock option scheme 2017 ("ESOS 2017") - The Shareholders at their Annual General Meeting held on June 29,2017 had approved the issue of Stock Options to eligible employees and directors, including the Managing Director(s) and the Whole Time Director(s) but excluding the promoters or persons belonging to the promoter group of the Company and its subsidiary companies to the extent maximum of 5% of issued and paid up share capital of the Company from time to time. Each option is exercisable into one fully paid-up Equity Shares of ₹2.00 each of the Company. These options are to be issued in one or more tranches and on such terms and conditions (including exercise price, vesting period, exercise period etc.) as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of the ESOS 2017, SEBI Regulations and in compliance with other applicable laws and regulations. The stock options granted under ESOS 2017 shall be capable of being exercisable on vesting within 10 years from grant date.

(i) The following share-based payment arrangements were in existence during the current and prior years under the scheme:

Scheme	Grant date	Number of Stock Options Granted	Vesting period	Exercise Price (₹)
ESOS 2007	July 28, 2007	1,11,000*	4 Years	74.84
	July 28, 2007	40,000*	4 Years	81.49
	April 28, 2014	4,33,500*	2 Years	78.00
	June 29, 2015	1,50,115*	2 Years	194.80
	October 24, 2016	56,075*	2 Years	554.40
ESOS 2017	March 19, 2018	58,830	2 Years	780.00
	May 9, 2018	725	2 Years	770.35
	January 7, 2019	14,315	2 Years	698.45

*Adjusted to corporate actions of sub-division of shares in the ratio of 5 Equity Shares of ₹2.00 each for every 1 Equity Share of ₹10.00 each.

(ii) The following reconciles the Stock Options outstanding at the beginning and end of the period:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of stock option	Weighted average exercise price (₹)	Number of stock option	Weighted average exercise price (₹)
Balance at beginning of year				
ESOS 2007	76,000	406.30	1,93,760	295.60
ESOS 2017	64,090	761.68	58,700	780
Granted during the year				
ESOS 2007	-	-	-	-
ESOS 2017	-	-	15,040	701.92
Exercised during the year				
ESOS 2007	27,155	454.68	1,06,355	194.80
ESOS 2017	-	-	-	-
Expired during the year				
ESOS 2007	(3,175)	554.40	(11,405)	483.30
ESOS 2017	(975)	780.00	(9,650)	780.00
Balance at the end year				
ESOS 2007	45,670	367.24	76,000	406.30
ESOS 2017	63,115	761.40	64,090	761.68

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

44. Share based payments *(contd.)*

(iii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise price (₹)	Share options March 31, 2020	Share options March 31, 2019
July 28, 2007	July 27, 2017	81.49	-	-
April 28, 2014	April 27, 2024	78.00	-	-
June 29, 2015	June 28, 2025	194.80	23,770	31,300
October 24, 2016	October 23, 2026	554.40	21,900	44,700
March 19, 2018	March 18, 2028	780.00	48,075	49,050
May 9, 2018	May 9, 2028	770.35	725	725
January 7, 2019	January 6, 2029	698.45	14,315	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, 2020	For the year ended March 31, 2019
Inputs into the model		
Expected volatility (%)	-	39.50%
Option life (Years)	-	6
Dividend yield (%)	-	2.79%
Risk-free interest rate	-	7.45%

(v) Expenses arising from employee share based payment transaction recognised in the Consolidated Statement of Profit and Loss as part of employee benefit expense for the year ended March 31, 2020 is ₹95.12 lakhs (March 31, 2019: ₹83.66 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

b. Joint Ventures:

Swarnim Gujarat Fluorspar Private Limited, India

Convergence Chemicals Private Limited, India

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 Radhesh Welling (Managing Director w.e.f. December 11, 2018)

Shri Shekhar S. Khanolkar (Managing Director upto October 12, 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 - Independent Non-Executive Director

Smt R. V. Haribhakti - Independent Non- Executive Director

45. Related party transactions *(contd.)*

45.1 Disclosures in respect of significant transactions with related parties during the year:

₹ in lakhs

Transactions	Year ended March 31,2020	Year ended March 31,2019
Sale of finished goods		
Convergence Chemicals Private Limited	1,021.21	956.24
Rental income		
Convergence Chemicals Private Limited	0.88	1.03
Interest Income and Guarantee Commission		
Convergence Chemicals Private Limited	63.15	67.88
Purchase of raw materials		
Convergence Chemicals Private Limited	0.69	0.79
Reimbursement of expenses paid		
Convergence Chemicals Private Limited	-	37.98
Advance / Loan given to		
Convergence Chemicals Private Limited	-	3.39
Reimbursement of expenses recovered		
Convergence Chemicals Private Limited	107.48	513.58
Repayment of advances / Reimbursement of expenses from		
Convergence Chemicals Private Limited	-	24.87
Purchase of Investments in Equity Shares		
Swarnim Gujarat Fluorspar Private Limited	-	10.00
Share of loss in a partnership firm		
Urvija Associates	-	1.43
Capital contribution in a partnership firm		
Urvija Associates		
- current	-	1.43
Donation		
Sri Sadguru Seva Sangh Trust	150.00	221.47
Arvind Mafatlal Foundation Trust	-	100.00
Managerial remuneration		
Shri Vishad P. Mafatlal	683.70	588.22
Shri Radhesh Welling	542.45	168.49
Shri Shekhar S. Khanolkar	-	452.70
Director Sitting fees and Commission*		
Shri T. M. M. Nambiar	24.40	23.10
Shri P. N. Kapadia	24.75	22.75
Shri S. S. Lalbhai	24.75	23.45
Shri S. M. Kulkarni	24.75	22.75
Shri S. G. Mankad	23.00	21.00
Shri H. H. Engineer	21.25	21.35
Shri A. K. Srivastava	23.70	21.00
Smt R. V. Haribhakti	23.70	21.35

* Commission payable to Independent/Non-Independent, Non-executive directors of ₹156.00 lakhs for the year ended March 31, 2020 is subject to approval of shareholders.

** No transactions during the year.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

45. Related party transactions (contd.)

45.2 Disclosures of closing balances:

₹ in lakhs

Transactions	As at March 31, 2020	As at March 31, 2019
Amounts due to		
Convergence Chemicals Private Limited	17.89	17.89
Commission due to Directors		
Shri Vishad P. Mafatlal	383.00	330.00
Shri Radhesh Welling	255.00	30.00
Shri Shekhar S. Khanolkar	-	55.00
Shri T. M. M. Nambiar	19.50	17.50
Shri P. N. Kapadia	19.50	17.50
Shri S. S. Lalbhai	19.50	17.50
Shri S. M. Kulkarni	19.50	17.50
Shri S. G. Mankad	19.50	17.50
Shri H. H. Engineer	19.50	17.50
Shri A. K. Srivastava	19.50	17.50
Smt R. V. Haribhakti	19.50	17.50
Amounts due from		
Convergence Chemicals Private Limited	501.13	533.31
Corporate Guarantee given		
Convergence Chemicals Private Limited	3,632.37	4,410.00

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, 2020, the Group has not recorded any loss allowances for trade receivables from related parties.

2. 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, 2020 : ₹325.00 lakhs (March 31, 2019: ₹325.00 lakhs). These loans are unsecured and carry an interest rate of 10.50% (March 31, 2019: 10.50%) 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.

46. Capital and other commitments

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,509.67	5,926.40
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	24.37	17.96

47. Contingent liabilities

₹ in lakhs

(i).

Particulars	As at March 31, 2020	As at March 31, 2019
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.	358.72	726.14
b. Excise duty matters	118.57	119.33
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	3,632.37	4,410.00
f. Other Bank guarantees	14.59	14.59
g. Share in the contingent liabilities of Joint Venture Company	87.68	87.68

Note : It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(ii). 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 ₹2,380.81 lakhs (as at March 31, 2019: ₹1,920.82 lakhs) included in the figures reported under notes 5A, 7 and 32 to 37 are as under:

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital Expenditure	228.44	232.17
Revenue Expenditure	2,152.37	1,688.65
	2,380.81	**1,920.82**
The details of revenue expenditure incurred on research and development are as under :		
Salaries / Wages	1,130.29	925.12
Material / Consumable / Spares	515.87	323.83
Utilities	125.16	119.66
Other expenditure	225.59	195.96
Depreciation	155.46	124.08
	2,152.37	**1,688.65**

49. Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers have asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Group pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

50. Before transfer of assets to Sulakshana Securities Limited (SSL) by Mafatlal Industries Limited (MIL) pursuant to its sanctioned scheme of rehabilitation, MIL had initiated steps for revision in rent/recovery of expenses and filed legal proceedings for eviction of some of its tenants/ (now) ex-tenants who were occupying at that time some of the premises in its building at Nariman Point, Mumbai. Pending resolution of those legal cases, rent of ₹ Nil, previous year, ₹ Nil, (aggregate to date, ₹66.43 lakhs, as at March 31, 2019, ₹66.43 lakhs) and recovery of expenses, of ₹ Nil, previous year, ₹ Nil (aggregate to date, ₹42.40 lakhs, as at March 31, 2019 ₹42.40 lakhs), have not been accounted, on legal advice. The ex-tenants have filed Civil Revision Application and secured a stay from the Hon'ble Bombay High Court in April 2013 against the Order of the appeal bench of Hon'ble Small Causes Court awarding an increased amount to SSL. During

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

50. *(contd.)*

the year 2014-15, pursuant to the directions of the Hon'ble Bombay High Court and the Undertakings provided by SSL, SSL received ₹655.58 lakhs deposited by the ex- tenants, which is subject to final disposal of the matter. SSL is liable to refund the amount if the final decision goes against it. Pending final decision on the matter, the aforesaid amount has been kept in Term deposit account and the interest thereon is not considered as an Income.

51. Note on COVID-19 Impact

The outbreak of COVID -19 has severely impacted many businesses around the world. In view of the various directives of Central Government /Concerned State Governments relating to lockdown, the Company, on March 24, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Company has since re-commenced its operations from April 14, 2020 in a phased manner, after obtaining requisite permissions, as applicable, from concerned Government authorities. Currently, all the plants manufacturing products for life science and crop science sectors are running to optimum capacities, whereas those for industrial sectors continue to operate at sub-optimum levels.

Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, for the next one year from the date of approval of the consolidated financial results, including Property, Plant and Equipment, Trade receivables, Inventory, Investments and Deferred tax assets and has concluded that there are no significant impact on its consolidated financial results or position as at March 31, 2020. Management believes that, in the preparation of the consolidated financial results, it has taken into account all known events arising from COVID-19 pandemic. However, the Company will continue to monitor any material changes to future economic conditions.

52A. Details of the Subsidiaries/Step down subsidiary

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at March 31, 2020	As at March 31, 2019
Sulakshana Securities Limited - SSL	Lease rental of investment property	India	100%	100%
Navin Fluorine Advanced Sciences Limited - w.e.f. February 6, 2020	Chemical Business	India	100%	-
Manchester Organics Limited - MOL	Chemical Business	U.K	100%	100%
Navin Fluorine (Shanghai) Co. Ltd	Chemical Business	China	100%	100%
NFIL (UK) Limited	Chemical Business	U.K	100%	100%
NFIL (USA) Inc - Step down subsidiary	Chemical Business	USA	100%	100%

52B. Investments in Joint Ventures

Aggregate information of Joint Ventures that are not individually material

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
The Group's share of profit /(loss) from continuing operations	722.03	167.58
The Group's share of post-tax profit/(loss) from discontinued operations	-	-
The Group's share of other comprehensive income	(1.01)	-
The Group's share of profit / (loss) in total comprehensive income/(loss)	721.02	167.58

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate carrying amount of the Group's interests in the Joint Ventures	4,046.92	3,325.90

There is no change in the group's ownership interest in Joint Ventures during the year. 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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

53. The Board of Directors has recommended final dividend of ₹3.00 per share on the face value of ₹2.00 each (150%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

54. Additional disclosure required by Schedule III

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of Consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated comprehensive income	Amount (₹ in lakhs)
Parent								
Navin Fluorine International Limited	90.09%	1,27,214.92	98.03%	40,051.53	101.95%	52.96	98.04%	40,104.49
Subsidiaries								
Indian								
Sulakshana Securities Limited - SSL	0.42%	599.67	0.66%	270.51	-	-	0.66%	270.51
Navin Fluorine Advanced Sciences Limited- NFASL	0.32%	449.57	(0.12%)	(50.43)	-	-	(0.12%)	(50.43)
Foreign								
Manchester Organics Limited - MOL	1.92%	2,717.92	(0.07%)	(28.89)	-	-	(0.07%)	(28.89)
Navin Fluorine (Shanghai) Co. Ltd	0.01%	18.82	(0.24%)	(97.23)	-	-	(0.24%)	(97.23)
NFIL (UK) Limited	4.31%	6,082.26	(0.03%)	(10.26)	-	-	(0.03%)	(10.26)
NFIL (USA) Inc	0.06%	87.63	0.00%	1.30	-	-	0.00%	1.30
Joint Ventures (as per equity method)								
Indian								
Swarnim Gujarat Fluorspar Private Limited – SGFPL	0.06%	77.89	0.00%	(0.97)	-	-	0.00%	(0.97)
Convergence Chemicals Private Limited – CCPL	2.81%	3,969.03	1.77%	723.00	(1.95%)	(1.01)	1.76%	721.99
Total March 31, 2020	**100.00%**	**1,41,217.71**	**100.00%**	**40,858.56**	**100.00%**	**51.94**	**100%**	**40,910.50**

55. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Jeetendra Mirchandani
Partner
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

Pune, June 16, 2020

Mumbai, June 16, 2020

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 share	Reporting currency and Exchange rate	Share capital	Other Equity	Total assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Dividend
1	Sulakshana Securities Limited	1st April, 2019 - 31st March, 2020	100%	₹	15.00	584.67	2,756.95	2,157.28	130.05	-	251.46	(19.05)	270.51	-
2	Manchester Organics Limited	1st April, 2019 - 31st March, 2020	*100%	GBP 1 GBP = ₹93.5025	0.09	2,736.56	4,035.83	1,299.18	-	4,064.93	(8.23)	2.08	(10.31)	-
3	NFIL (UK) Limited	1st April, 2019 - 31st March, 2020	**100%	GBP 1 GBP = ₹93.5025	6,030.91	131.19	5,969.44	3.68	5,991.01	-	(10.43)	-	(10.43)	-
4	NFIL (USA) Inc	1st April, 2018 - 31st March, 2019	100%	USD 1 USD = ₹75.6650	75.67	11.97	91.88	4.24	-	-	5.17	(3.81)	1.36	-
5	Navin Fluorine (Shanghai) Co. Ltd	1st April, 2019 - 31st March, 2020	100%	RMB 1 RMB = ₹10.6450	422.48	(403.65)	19.84	1.01	-	-	(98.90)	-	(98.90)	-
6	Navin Fluorine Advanced Sciences Ltd	6th February, 2020 - 31st March, 2020	100%	₹	500.00	(50.43)	500.00	50.43	-	-	(50.43)	-	(50.43)	-

* Navin Fluorine International Limited holds 51% and NFIL (UK) Limited holds 49% in Manchester Organics Limited

** NFIL (UK) Limited holds 100% in NFIL (USA) Inc

1 Names of subsidiaries which are yet to commence operations: None

2 Names of subsidiaries which have been liquidated or sold during the year: None

Part "B" Joint Ventures

Statement pursuant to section 129 (3) of the companies Act 2013 related to Joint Ventures

Sr. No.	Name of the Joint Venture/Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures/Associate held by the Company on the year end			Net worth attributable to share as per latest audited Balance Sheet	Profit/Loss for the year	
			No. of Shares	Amount of investment in Joint Venture	Extend of %		Considered in Consolidation	Not Considered in Consolidation
1	Swarnim Gujarat Fluorspar Private Limited – SGFPL	31st March, 2020	11,82,500	118.25	49.48%	77.87	(0.97)	-
2	Convergence Chemicals Private Limited – CCPL	31st March, 2020	3,43,04,900	3,430.49	49.00%	3,960.43	721.99	-

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

www.nfil.in