

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Navin Fluorine Advanced Sciences Limited

Report on the Audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Navin Fluorine Advanced Sciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

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

We have nothing to report in this regard.



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INDEPENDENT AUDITOR'S REPORT

To the Members of Navin Fluorine Advanced Sciences Limited
Report on Audit of the Financial Statements for the year ended March 31, 2023
Page 2 of 10

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

5. 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 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.
6. 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

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Navin Fluorine Advanced Sciences Limited
Report on Audit of the Financial Statements for the year ended March 31, 2023
Page 3 of 10

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.
9. 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.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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 the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

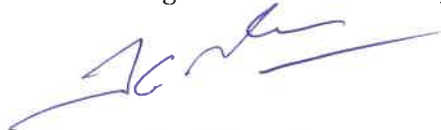
To the Members of Navin Fluorine Advanced Sciences Limited
Report on Audit of the Financial Statements for the year ended March 31, 2023
Page 4 of 10

- ii. The Company has long-term contracts as at March 31, 2023 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2023.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 40 to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 40 to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
12. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 23048125BGWQTL7885
Mumbai
May 12, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Navin Fluorine Advanced Sciences Limited on the financial statements for the year ended March 31, 2023
Page 5 of 10

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 Advanced Sciences Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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.



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Annexure A to Independent Auditor's Report

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Page 6 of 10

Meaning of Internal Financial Controls with reference to financial statements

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

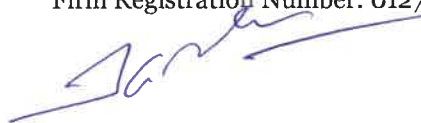
Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 23048125BGWQTL7885
Mumbai
May 12, 2023

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Annexure B to Independent Auditors' Report

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Page 7 of 10

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment (including Right of use 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 Property, Plant and Equipment 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee and self-constructed properties), as disclosed in Note 5A to the financial statements, are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of accounts.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Navin Fluorine Advanced Sciences Limited on the financial statements for the year ended March 31, 2023
Page 8 of 10

- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Therefore, the reporting under clause (ix)(e) and (ix)(f) of the Order are not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.



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Annexure B to Independent Auditors' Report

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Page 9 of 10

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Navin Fluorine Advanced Sciences Limited on the financial statements for the year ended March 31, 2023
Page 10 of 10

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 39 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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


Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 23048125BGWQTL7885
Mumbai
May 12, 2023

Navin Fluorine Advanced Sciences Limited
Balance sheet as at March 31, 2023
(Amount Rs. in lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a. Property, plant and equipment	5A	1,06,912.27	67.06
b. Right-of-use assets	5B	5,583.69	5,647.14
c. Capital work-in-progress	5C	12,498.82	72,422.87
d. Other intangible assets	5D	45.63	8.02
e. Financial Assets - Others	6	902.94	283.23
f. Non-current tax assets (net)	7	85.03	8.93
g. Deferred tax assets (Net)	8	-	33.82
h. Other non-current assets	9	5,979.43	-
Total non-current assets		1,32,007.81	78,471.07
Current assets			
a. Inventories	10	10,928.66	-
b. Financial Assets			
i. Investments	11	-	201.48
ii. Trade Receivables	12	18,974.29	-
iii. Cash and cash equivalents	13	120.89	6.84
iv. Other financial assets	14	348.88	0.54
c. Other current assets	15	29,684.12	15,933.60
Total current assets		60,056.84	16,142.46
Total assets		1,92,064.65	94,613.53
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	16	59,047.62	40,000.00
b. Other equity	17		
(i) Reserves and surplus		6,715.18	(46.89)
Total Equity		65,762.80	39,953.11
Non-current liabilities			
a. Financial liabilities - Borrowings	18	75,313.25	10,000.00
b. Provisions	19	164.43	47.82
c. Deferred tax liabilities (net)	8	1,354.20	-
Total non-current liabilities		76,831.88	10,047.82
Current liabilities			
a. Financial Liabilities			
i. Borrowings	18	26,956.86	29,300.00
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises.	20	1,326.55	10.46
b. Total outstanding dues other than (ii)(a) above		13,164.12	-
iii. Other financial liabilities	21	7,342.47	15,046.96
b. Provisions	19	160.06	57.50
c. Other current liabilities	22	519.91	197.68
Total current liabilities		49,469.97	44,612.60
Total liabilities		1,26,301.85	54,660.42
Total Equity and Liabilities		1,92,064.65	94,613.53
Significant Accounting Policies	2		
The above Balance Sheet should be read in conjunction with the accompanying notes			

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N-500016

Jeetendra Mirchandani

Partner

Membership No.048125

Place: Mumbai

Date: May 12, 2023

For and on behalf of the Board of Directors

Vishad P. Mafatlal

Chairman

DIN: 00011350

Radhesh R. Welling

Managing Director

DIN: 07279004

Anish Ganatra

Director and Chief Financial Officer

DIN: 10074681

Akshika Shah

Director and Company Secretary

DIN: 09542943

Place: Mumbai

Date: May 12, 2023

Navin Fluorine Advanced Sciences Limited
Statement of Profit or Loss for the year ended March 31, 2023
(Amount Rs. in lakhs unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	23	51,385.71	-
Other income	24	244.91	179.49
Total Income		51,630.62	179.49
Expenses			
Cost of materials consumed	25	28,601.58	-
Changes in Inventories of finished goods and work-in-progress	26	(2011.85)	-
Employee benefit expense	27	1,917.60	3.14
Finance costs	28	3,024.11	1.26
Depreciation and amortisation expense	29	1,750.83	23.65
Other Expenses	30	10,197.18	91.27
Total Expenses		43,479.45	119.32
Profit before tax		8,151.17	60.17
Tax expenses			
(1) Current tax	32	-	32.51
(2) Deferred tax	8	1388.02	(33.82)
Total Tax expenses		1388.02	(1.31)
Profit for the year		6,763.15	61.48
Other comprehensive income			
<u>Items that will not be reclassified to profit and loss</u>			
Remeasurement loss of the defined benefit obligations		(1.08)	(7.17)
Current tax relating to the above		-	1.80
Total other comprehensive income		(1.08)	(5.37)
Total comprehensive income for the year		6,762.07	56.11
Earnings per equity share (of face value of ₹ 10/- each)			
- Basic (in ₹)	33	1.24	0.02
- Diluted (in ₹)		1.24	0.02
Significant Accounting Policies	2		
The above 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/N-500016

Jeetendra Mirchandani

Partner

Membership No.048125

Place: Mumbai

Date: May 12, 2023

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Director and Chief Financial Officer

DIN: 10074681

Akshika Shah

Director and Company Secretary

DIN: 09542943

Place: Mumbai

Date: May 12, 2023

Navin Fluorine Advanced Sciences Limited
Statement of Cash flows for the year ended March 31, 2023
(Amount Rs. in lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	8,151.17	60.17
Adjustments for:		
Depreciation and amortisation expense	1,750.83	23.65
Finance Costs	2,931.67	1.26
Interest on MSME	92.44	-
Interest income	(14.60)	(169.97)
Net gain on foreign currency transactions	(57.15)	-
Gain on sale of investments (Net)	(13.49)	(9.52)
Operating profit/(loss) before changes in operating assets and liabilities	12,840.87	(94.41)
Adjustments for:		
(Increase) in inventories	(10,928.66)	-
(Increase) in trade receivables	(18,917.14)	-
(Increase) in other assets	(18,922.99)	(9,275.03)
Increase in trade and other payables	15,572.17	189.25
Cash used in operations	(20,355.75)	(9,180.19)
Income taxes paid (net of refunds)	(76.10)	(77.81)
Net cash used in operating activities	(20,431.85)	(9,258.00)
Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(58,769.73)	(58,909.85)
Proceed from sale of investments	214.97	-
Payments for purchase of investments	-	(191.96)
Redemption of deposits with banks	-	8,596.07
Interest received	14.60	169.97
Net cash used in investing activities	(58,540.16)	(50,335.77)
Cash flows from financing activities		
Proceeds from non-current borrowings	65,055.91	10,000.00
Proceeds from Inter Corporate Deposit	32,800.00	29,300.00
Repayment of Inter Corporate Deposit	(44,500.00)	-
Proceeds from current borrowings	9,095.17	-
Proceeds from issue of shares	19,047.62	15,000.00
Interest paid	(2,412.64)	(1.26)
Net cash generated from financing activities	79,086.06	54,298.74
Net increase / (decrease) in cash and cash equivalents	114.05	(5,295.03)
Cash and cash equivalents at the beginning of the year	6.84	5,301.87
Cash and cash equivalents at the end of the year	120.89	6.84
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents [See note 13]	120.89	6.84
Balances as per statement of cash flows	120.89	6.84
Notes:		
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, "Statement of Cash Flows" as notified under Companies (Accounts) Rules, 2015.		

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N-500016

Jeetendra Mirchandani

Partner

Membership No.048125

Place: Mumbai

Date: May 12, 2023

For and on behalf of the Board of Directors

Vishad P. Mafatal

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Chairman

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Director and Chief Financial Officer

DIN: 10074681

Akshika Shah

Akshika Shah

Director and Company Secretary

DIN: 09542943

Place: Mumbai

Date: May 12, 2023

Navin Fluorine Advanced Sciences Limited
Statement of changes in equity for the year ended March 31, 2023
(Amount Rs. in lakhs unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at March 31, 2021	25,000.00
Shares issued during the year	15,000.00
Balance as at March 31, 2022	40,000.00
Shares issued during the year	19,047.62
Balance as at March 31, 2023	59,047.62

B. Other Equity

Particulars	Reserves & Surplus	Total Other equity
	Retained Earnings	
Balance as at March 31, 2021	(103.00)	(103.00)
Profit for the year	61.48	61.48
Other comprehensive income for the year, net of income tax	(5.37)	(5.37)
Total comprehensive income for the year	56.11	56.11
Balance as at March 31, 2022	(46.89)	(46.89)
Profit for the year	6,763.15	6,763.15
Other comprehensive income for the year, net of income tax	(1.08)	(1.08)
Total comprehensive income for the year	6,762.07	6,762.07
Balance as at March 31, 2023	6,715.18	6,715.18

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

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N-500016

Jeetendra Mirchandani

Partner

Membership No.048125

Place: Mumbai

Date: May 12, 2023

For and on behalf of the Board of Directors

Vishad P. Mafatlal

Chairman

DIN: 00011350

Radhesh R. Welling

Managing Director

DIN: 07279004

Anish Ganatra

Director and Chief Financial Officer

DIN: 10074681

Akshika Shah

Director and Company Secretary

DIN: 09542943

Place: Mumbai

Date: May 12, 2023

Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

1. Corporate Information

Navin Fluorine Advanced Sciences Limited ("the Company") is a public limited company, incorporated under the provisions of the Companies Act, 2013. Its registered office is located at Office No. 602, Natraj by Rustomjee, Near Western Express Highway, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069.

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 assets being measured at fair value

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 01, 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future reporting periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

(vi) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which consists of Chairman and Managing Director. The CODM assess the financial performance and position of the Company and makes strategic decisions. See Note 38 for segment information presented.

c) Revenue recognition

(i) Sale of Goods

Revenue is generated primarily from sale of chemicals. Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer in accordance with the terms of customer contracts. In case of domestic customers, generally revenue recognition take place when goods are dispatched and in case of export customers when goods are shipped onboard based on bill of lading as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the 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) Export Incentives

Export incentives are recognised for based on the eligibility and when there is no uncertainty in receiving the same.

d) Leases

(i) As a lessee

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



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

e) Income taxes

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

(i) Current Tax

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

(ii) Deferred Tax

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

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



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plan such as gratuity.
- (b) defined contribution plans such as family pension fund, and provident fund.



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

(a) Defined benefit plan –

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

(b) Defined contribution plans

The Company contributes towards provident fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

g) Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

The estimated useful life of the assets has been assessed based on external technical evaluation which considered the nature of the assets, estimated usage of the assets, the operating condition of the assets, anticipated technological changes, manufacturer warranties, experience of the management and group companies, maintenance support, etc as under:

Assets	Useful Life
Plant and Machinery	30 – 50 years
Building	50 years
Furniture and fixtures	7 years
Office equipments	3 – 5 years
Roads	50 years

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

h) 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.



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

i) 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.

j) 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.

k) Foreign currency transactions

(i) Functional and presentation currency

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

(ii) Transactions and balances

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



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

l) 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.

m) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are unsecured and presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

p) 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.

q) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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) Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

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.

t) Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the financial instruments. Financial assets (excluding trade receivables which do not contain a significant financing component) and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the Statement Profit and Loss.

a. Investment and other financial assets

Classification

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

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

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

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

Subsequent measurement

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.

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.



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

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.

b. Financial liabilities

Classification as debt or equity

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

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition

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

Offsetting financial instruments

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

3. Rounding off 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.



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023

4. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates or judgements are:

- (a) Estimation of current tax expense and current tax payable (Refer note 32)
- (b) Useful lives of property, plant and equipment and intangible assets (Refer note 5A and 5D)
- (c) Estimation of Defined benefits plan (Refer note 35)
- (d) Classification of lease and determination of lease term (Refer note 5A)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



5A Property, plant and equipment

Description of Assets	Office equipment	Furniture and fixture	Building	Plant and machinery	Total
I. Gross Block					
Balance as at March 31, 2021	28.27	61.59	-	-	89.86
Additions	1.50	-	-	-	1.50
Disposals/Adjustments	-	-	-	-	-
Balance as at March 31, 2022	29.77	61.59	-	-	91.36
II. Accumulated depreciation					
Balance as at March 31, 2021	1.93	2.93	-	-	4.86
Depreciation expense for the year	7.74	11.70	-	-	19.44
Disposals/Adjustments	-	-	-	-	-
Balance as at March 31, 2022	9.67	14.63	-	-	24.30
Net block (I-II)					
Balance as at March 31, 2022	20.10	46.96	-	-	67.06
I. Gross Block					
Balance as at March 31, 2022	29.77	61.59	-	-	91.36
Additions	317.89	609.59	13,228.64	94,391.99	1,08,548.11
Disposals/Adjustments	-	-	-	-	-
Balance as at March 31, 2023	347.66	671.18	13,228.64	94,391.99	1,08,639.47
II. Accumulated depreciation					
Balance as at March 31, 2022	9.67	14.63	-	-	24.30
Depreciation expense for the year	62.35	54.75	133.33	1,452.47	1,702.90
Disposals/Adjustments	-	-	-	-	-
Balance as at March 31, 2023	72.02	69.38	133.33	1,452.47	1,727.20
Net block (I-II)					
Balance as at March 31, 2023	275.64	601.80	13,095.31	92,939.52	1,06,912.27

Note:

- 1) Refer note 18 for information on charge on Property, plant and equipment as collateral security by the Company.
- 2) Refer note 37 for details of Capital commitment relating to Property, plant and equipment.
- 3) Property, plant and equipment includes gross amount of Rs. 43,018.49 lakhs (March 31, 2022: Nil) for capex associated with a dedicated supply contract meeting the criteria of operating lease under Ind AS 116.

5B Right-of-use assets

This note provides information for leases where the Company is a lessee. The Company has land on lease.

Description of Assets	Leasehold Land
I. Gross Block	
Balance as at March 31, 2021	5,710.59
Additions	-
Disposals/Adjustments	-
Balance as at March 31, 2022	5,710.59
II. Accumulated depreciation	
Balance as at March 31, 2021	-
Depreciation expense for the year	63.45
Disposals/Adjustments	-
Balance as at March 31, 2022	63.45
Net block (I-II)	
Balance as at March 31, 2022	5,647.14
I. Gross Block	
Balance as at March 31, 2022	5,710.59
Additions	-
Disposals/Adjustments	-
Balance as at March 31, 2023	5,710.59
II. Accumulated depreciation	
Balance as at March 31, 2022	63.45
Depreciation expense for the year	35.25
Disposals/Adjustments	28.20
Balance as at March 31, 2023	126.90
Net block (I-II)	
Balance as at March 31, 2023	5,583.69



5C Capital Work-in-Progress

(a) Movement of Capital Work-in-progress

Description	Total
Balance as at March 31, 2021	6,046.97
Additions	66,375.90
Disposals/Adjustments/Transfers	-
Balance as at March 31, 2022	72,422.87
Additions	48,674.35
Disposals/Adjustments/Transfers	(1,08,598.40)
Balance as at March 31, 2023	12,498.82

(b) Ageing of Capital Work-in-progress

Particulars	As at March 31, 2023				
	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	12,498.82	-	-	-	12,498.82
ii) Projects temporarily suspended	-	-	-	-	-
Total	12,498.82	-	-	-	12,498.82

Particulars	As at March 31, 2022				
	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	66,375.90	6,046.97	-	-	72,422.87
ii) Projects temporarily suspended	-	-	-	-	-
Total	66,375.90	6,046.97	-	-	72,422.87

(c) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	As at March 31, 2023				
	To be completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	-	-	-	-	-

Particulars	As at March 31, 2022				
	To be completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
i) Projects in Progress	72,422.87	-	-	-	72,422.87

Note: In previous year, there was delay in completion of the projects due to outbreak of Covid 19 in India and nation wide lockdown and travel related restrictions. However, with gradual relaxations given by the government, Company has resumed its operation for completion of the projects and expects to complete the same in above said time period.

(d) In current year, the Company has included Rs. 10,255.03 lakhs in Capital work-in-progress as Pre-operative expenses (Previous year: Rs. 2,578.68 lakhs)



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023
(Amount Rs. in lakhs unless otherwise stated)

5D Other intangible assets

Particulars	Software
Balance at March 31, 2021	13.28
Additions	-
Deduction/Adjustment	-
Balance at March 31, 2022	13.28
Accumulated amortisation	
Balance at March 31, 2021	1.05
Amortisation expense for the year	4.21
Deduction/Adjustment	-
Balance at March 31, 2022	5.26
Net carrying amount as at March 31, 2022	8.02
Balance at March 31, 2022	13.28
Additions	50.29
Deduction/Adjustment	-
Balance at March 31, 2023	63.57
Accumulated amortisation	
Balance at March 31, 2022	5.26
Amortisation expense for the year	12.68
Deduction/Adjustment	-
Balance at March 31, 2023	17.94
Net carrying amount as at March 31, 2023	45.63

6 Other financial assets (Non-Current)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	492.88	283.23
Balances with bank held as margin money*	410.06	-
Total	902.94	283.23

*Current year ₹ 410.06 Lakhs held as lien by bank against bank guarantees given in the normal course of business

7 Non Current Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Tax Assets [net of provision ₹ 86.10 Lakhs, Previous year: ₹ 86.10 Lakhs]	85.03	8.93
Total	85.03	8.93



8 Deferred Tax Assets / Deferred Tax Liabilities - (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (Net)	-	33.82
Deferred tax liabilities (Net)	1,354.20	-
Total	1,354.20	33.82

8.1 Movement of Deferred Tax assets / liabilities

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2023

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Closing balance
Deferred tax liabilities in relation to:			
Property, plant and equipment and intangible assets	(0.58)	1,706.51	1,705.93
Total deferred tax liabilities (A)	(0.58)	1,706.51	1,705.93
Deferred tax assets in relation to:			
Provision for Compensated absences	-	29.79	29.79
Provision for Gratuity	-	25.91	25.91
Allowance for doubtful balance with government authority	-	26.89	26.89
Provision for inventory	-	36.97	36.97
Preliminary expenses u/s. 35D	33.24	(10.39)	22.85
Carry forward losses	-	209.32	209.32
Total deferred tax assets (B)	33.24	318.49	351.73
Net deferred tax (assets) / liabilities (A - B)	(33.82)	1,388.02	1,354.20

(ii) Deferred tax assets/ liabilities in relation to the year ended March 31, 2022

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Closing balance
Deferred tax liabilities in relation to:			
Property, plant and equipment and intangible assets	-	-	-
Total deferred tax liabilities (A)	-	-	-
Deferred tax assets in relation to:			
Property, plant and equipment and intangible assets	-	0.58	0.58
Preliminary expenses u/s. 35D	-	33.24	33.24
Total deferred tax assets (B)	-	33.82	33.82
Net deferred tax (assets) / liabilities (A - B)	-	(33.82)	(33.82)

9 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with government authorities	5,979.43	-
Total	5,979.43	-

10 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	7,596.35	-
Work-in-progress	1,806.90	-
Finished goods	206.71	-
Stores and Spares	1,318.70	-
Total	10,928.66	-



11 Investments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
INVESTMENT- measured at fair value through profit or loss				
(a) Investments in mutual funds (unquoted)				
- HDFC Overnight Fund	-	-	6,425	201.48
Total		-		201.48
Of the above:				
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	-	-	-	201.48
Aggregate amount of impairment in value of investments	-	-	-	-

12 Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables from Other parties	18,970.07	-
Trade Receivables from related parties (refer Note 36)	4.22	-
Less: Loss allowance	-	-
Total Receivables	18,974.29	-

Break up of Security details

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	18,974.29	-
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Total	18,974.29	-
Loss allowance	-	-
Total	18,974.29	-

Ageing of trade receivables:

Particulars	As at March 31, 2023						
	Outstanding for following periods from the due date						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
a) Considered good	18,974.29	-	-	-	-	-	18,974.29
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed trade receivables	18,974.29	-	-	-	-	-	18,974.29
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed trade receivables	-	-	-	-	-	-	-
Total Trade Receivables	18,974.29	-	-	-	-	-	18,974.29

Particulars	As at March 31, 2022						
	Outstanding for following periods from the due date						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total Undisputed trade receivables	-	-	-	-	-	-	-
Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
Total disputed trade receivables	-	-	-	-	-	-	-
Total Trade Receivables	-	-	-	-	-	-	-

13 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	115.81	6.84
Deposits with original maturity of less than or equal to 3 months	5.08	-
Total	120.89	6.84

14 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Other assets	-	0.54
Export Incentive receivables	348.88	-
Total	348.88	0.54

15 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	8,169.70	6,394.68
Prepaid Insurance	160.51	29.75
Balances with government authorities	14,990.11	9,509.17
Advances to Suppliers	6,363.80	-
Total	29,684.12	15,933.60



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023
(Amount Rs. in lakhs unless otherwise stated)

16 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Shares 1,000,000,000 (Previous year: 680,000,000) equity shares of ₹ 10/- each	1,00,000.00	68,000.00
Issued, subscribed and fully Paid shares 590,476,182 (Previous period 399,999,996) equity shares of ₹ 10/- each	59,047.62	40,000.00
Total	59,047.62	40,000.00

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

Particulars	Number of shares	Amount
Balance as at March 2021	25,00,00,000	25,000.00
Add: Shares issued during the year	14,99,99,996	15,000.00
Balance as at March, 2022	39,99,99,996	40,000.00
Add: Shares issued during the year	19,04,76,186	19,047.62
Balance as at March 31, 2023	59,04,76,182	59,047.62

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10.00 per share. Each equity shareholder is entitled to one vote per share. 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) Details of shareholders holding more than 5% shares in the Company:

Particulars	No. of fully paid shares	% of Holding
As at March 31, 2023		
Navin Fluorine International Limited*	59,04,76,182	100.00%
As at March 31, 2022		
Navin Fluorine International Limited*	39,99,99,996	100.00%

* It includes shares held by nominees on behalf of Navin Fluorine International Limited.

(d) Details of shareholders holding of promoter:

Shareholding of promoters as on March 31, 2023

Particulars	Number of shares	% of total number of shares
Navin Fluorine International Limited*	59,04,76,182	100.00%

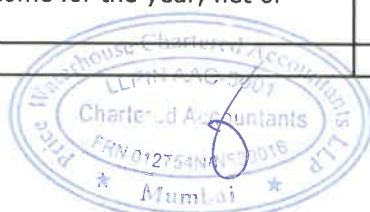
Shareholding of promoters as on March 31, 2022

Particulars	Number of shares	% of total number of shares
Navin Fluorine International Limited*	39,99,99,996	100.00%

* It includes shares held by nominees on behalf of Navin Fluorine International Limited.

17 Other Equity
Reserves & Surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
Opening balance	(46.89)	(103.00)
Profit for the year	6,763.15	61.48
Other comprehensive income for the year, net of income tax	(1.08)	(5.37)
Closing balance	6,715.18	(46.89)



Navin Fluorine Advanced Sciences Limited
Notes to the Financial Statements as at and for the year ended March 31, 2023
(Amount Rs. in lakhs unless otherwise stated)

18 Borrowings

Particulars	Non- Current	Current	Non- Current	Current
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
Secured *				
Term Loan from banks (refer note a)	75,313.25	-	10,000.00	-
Cash Credit (refer note b)	-	8,195.17	-	-
Working Capital Loan from banks (refer note b)	-	900.00	-	-
Unsecured *				
From related parties (Refer Note 36) :				
Inter Corporate Deposit from holding company (Refer note c)	-	17,861.69	-	29,300.00
Total	75,313.25	26,956.86	10,000.00	29,300.00

* interest accrued on borrowings are included in the respective amounts.

Terms of Borrowings:

- a. Term Loan from banks
 - (i) The term Loan carries interest rate of 5.55% - 8.92% (Previous year: 5.55%). Interest rate is derived from base rate/ 3m TBill plus spread.
 - (ii) The loan is repayable in 16 quarterly installment after 24 months of disbursement.
 - (iii) The loan is secured by way of:
 - Unconditional and irrevocable corporate guarantee from Navin Fluorine International Limited (Holding Company).
 - First pari passu charge on fixed assets of the Company both present and future.
 - Second pari passu charge on current assets of the Company both present and future.
- b. Cash Credit and Working Capital Loans
 - (i) The Cash credit and Working capital loans carry interest rate of 7.50% - 8.50% (Previous year: Nil). Interest rate is derived from base rate/ MCLR / MIBOR plus margin.
 - (ii) Cash credit and Working capital loan is repayable on demand
 - (iii) The loan is secured by way of:
 - Unconditional and irrevocable corporate guarantee from Navin Fluorine International Limited (Holding Company).
 - First pari passu charge on current assets of the Company both present and future.
 - Second pari passu charge on fixed assets of the Company both present and future, excluding land.
- c. Inter Corporate Deposit from Holding Company is unsecured and carries interest rate of 6.70% pa. (March 31, 2022: 5.00% pa). It is repayable within 1 year, which can be rolled over based on mutually agreed terms.
- d. The Company was in its pre-operative stage in previous year. It had been sanctioned term loan from banks amounting Rs. 500 crores and had received Rs. 208 crores till the date of signing of previous year's balance sheet. It had utilised short term loan (i.e. intercorporate deposit taken for the purpose from holding company) to finance the capital expenditure.



e. **Net debt reconciliation:**

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	120.89	6.84
Liquid Investments	-	201.48
Borrowings	(1,02,270.11)	(39,300.00)
Total	(1,02,149.22)	(39,091.68)

Particulars	Other assets		Liabilities from financing activities	Total
	Cash and bank overdraft	Liquid investments	Borrowings	
Net debt as at 31 March 2021	5,301.87	-	-	5,301.87
Cash flows	(5,295.03)	201.00	(39,300.00)	(44,394.03)
Interest expense	-	-	-	-
Interest paid	-	-	-	-
Fair value adjustments	-	0.48	-	0.48
Net debt as at 31 March 2022	6.84	201.48	(39,300.00)	(39,091.68)
Cash flows	114.05	(201.48)	(62,451.08)	(62,538.51)
Interest expense	-	-	(2,931.67)	(2,931.67)
Interest paid	-	-	2,412.64	2,412.64
Fair value adjustments	-	-	-	-
Net debt as at 31 March 2023	120.89	-	(1,02,270.11)	(1,02,149.22)

19 Provisions

Particulars	Non- Current	Current	Non- Current	Current
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
Provision of Compensated absences	164.43	9.09	47.82	9.69
Gratuity Payable (refer note 35)	-	150.97	-	47.81
Total	164.43	160.06	47.82	57.50



Navin Fluorine Advanced Sciences Limited**Notes to the Financial Statements as at and for the year ended March 31, 2023**

(Amount Rs. in lakhs unless otherwise stated)

20 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
Trade payables: micro enterprises and small enterprises	1,326.55	10.46
Trade payables - related parties (refer Note 36)	2,350.30	-
Trade payables: others	10,813.82	-
Total	14,490.67	10.46

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). It includes amount payable to capital creditors:

Particulars	As at March 31, 2023	As at March 31, 2022
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,234.11	10.46
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	92.44	-
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	10,639.12	-
d. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
g. Interest accrued and remaining unpaid at the end of the accounting year	92.44	-
h. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	92.44	-

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.

21 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditor	6,529.74	14,878.30
Payable to holding company (Refer Note 36)	812.73	168.66
Total	7,342.47	15,046.96

22 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	194.63	195.42
Deposit from Vendors	1.00	0.75
Payables to Employees	319.50	1.51
Other advances	4.78	-
Total	519.91	197.68



Navin Fluorine Advanced Sciences Limited

Notes to the Financial Statements as at and for the year ended March 31, 2023

(Amount Rs. in lakhs unless otherwise stated)

Ageing of Trade Payables:

Particulars	Outstanding for following periods from the due date					
March 31, 2023	Unbilled	Not Due	Less than 1 Year	1 - 2 years	2-3 years	More than 3 years
Undisputed trade Payables						
a) Micro enterprises and small enterprises	92.44	1,204.85	29.26	-	-	-
b) Others	4,763.59	7,761.49	639.04	-	-	-
Total Undisputed Trade Payables	4,856.03	8,966.34	668.30	-	-	-
Disputed trade Payables						
a) Micro enterprises and small enterprises	-	-	-	-	-	-
b) Others	-	-	-	-	-	-
Total disputed Trade Payables	-	-	-	-	-	-
Total Trade Payables	4,856.03	8,966.34	668.30	-	-	-
						14,490.67

Particulars	Outstanding for following periods from the due date					
March 31, 2022	Unbilled	Not Due	Less than 1 Year	1 - 2 years	2-3 years	More than 3 years
Undisputed trade Payables						
a) Micro enterprises and small enterprises	-	10.46	-	-	-	-
b) Others	-	-	-	-	-	-
Total Undisputed Trade Payables	-	10.46	-	-	-	-
Disputed trade Payables						
a) Micro enterprises and small enterprises	-	-	-	-	-	-
b) Others	-	-	-	-	-	-
Total disputed Trade Payables	-	-	-	-	-	-
Total Trade Payables	-	10.46	-	-	-	-
						10.46



Navin Fluorine Advanced Sciences Limited**Notes to the Financial Statements as at and for the year ended March 31, 2023**

(Amount Rs. in lakhs unless otherwise stated)

23 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products (refer note b)	50,639.86	-
Other operating revenues		
- Scrap Sales / By products	101.67	-
- Export Incentives	644.18	-
Total	51,385.71	-

Note:

a) The Company is primarily engaged in the business of manufacture and sale of fluorine chemistry products and revenue from such products is derived from transfer at a point in time which is shown under sale of products as above.

b) Includes sale of products associated under a dedicated supply contract meeting the criteria of operating lease under Ind AS 116. Estimated operating lease income under Ind AS 116 is Rs. 4,578.42 lakhs (March 31, 2022: Nil).

24 Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
- on banks deposits	14.60	169.97
- on income tax refund	2.09	-
Other gains and losses		
- Net gain on foreign currency transactions	214.73	-
- Net gain arising on sale of mutual funds	13.49	9.52
Total	244.91	179.49

25 Cost of Material consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material consumed	28,577.61	-
Packing material consumed	23.97	-
Total	28,601.58	-

26 Changes in Inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	206.71	-
Work-in-progress	1,805.14	-
	2,011.85	-
Inventories at the beginning of the year		
Finished goods	-	-
Work-in-progress	-	-
	-	-
Net Increase	(2,011.85)	-

27 Employee benefit expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	1,712.78	3.14
Contribution to provident and other funds	54.50	-
Staff welfare expenses	75.03	-
Gratuity expenses (refer note 35)	75.29	-
Total	1,917.60	3.14



Navin Fluorine Advanced Sciences Limited**Notes to the Financial Statements as at and for the year ended March 31, 2023**

(Amount Rs. in lakhs unless otherwise stated)

28 Finance Costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Term Loan	1,838.06	1.26
Interest on Inter corporate deposit	477.21	-
Interest on Working Capital Loan	78.64	-
Interest on others	630.20	-
Total	3,024.11	1.26

29 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 5A)	1,702.90	19.44
Depreciation of right-of-use assets (refer note 5B)	35.25	-
Amortisation of intangible assets (refer note 5D)	12.68	4.21
Total	1,750.83	23.65

30 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	4,835.82	-
Rent expense	6.89	-
Freight & forwarding expenses	692.18	-
Repairs and Maintenance		
- Plant and Machinery	0.81	-
- Buildings	0.03	-
Consumption of stores and spares	435.24	-
Labour contract charges	1,376.76	-
Legal and Professional Charges	161.33	-
Payment to Auditors (Refer note 31)	16.18	16.00
Water Charges	194.36	-
Rates & Taxes	233.46	75.27
Insurance	204.10	-
Directors Sitting Fees	1.82	-
Miscellaneous expenses	2,038.20	-
Total	10,197.18	91.27

31 Payments to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors		
a) Statutory audit	13.00	13.00
b) Other audit Services	3.00	3.00
c) Re-imbursement of expenses	0.18	-
Total	16.18	16.00



32 Income taxes**32.1 Income tax expenses recognised**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
In respect of the current year		
- Current tax recognised in Statement of Profit and Loss	-	32.51
- Deferred tax	1,388.02	(33.82)
	1,388.02	(1.31)
In respect of the current year		
- Current tax recognised in other comprehensive income	-	1.80
	-	1.80
Total income tax expense recognised in the current year	1,388.02	0.49

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit Before tax	8,151.17	60.17
Income tax expense calculated at 17.16% (March 31, 2022: 25.168%)	1,398.74	15.14
<u>Effect of:</u>		
Expenses that are not deductible in determining taxable profit	(10.72)	(16.45)
Income tax expense recognised in Statement of Profit and Loss	1388.02	(1.31)



33 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	As at March 31, 2023	As at March 31, 2022
Profit for the year attributable to equity shareholders - A	6,762.07	56.11
Weighted average number of equity shares outstanding during the year - B	5,455.97	3,506.85
Basic earnings per share - ₹ (A/B)	1.24	0.02
Nominal value per share - ₹	10.00	10.00

34 Financial Instruments and Risk Review**34.1 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.

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt	1,02,270.11	39,300.00
Total equity	65,762.80	39,953.11
Net debt to equity ratio	155.51%	98.37%

The net debt to equity ratio for the current year increased from 98.37% to 155.51% as a result of term loan taken from banks and intercorporate deposit taken from holding company.

Loan covenants

The below financial covenants shall be tested by bank on annual basis starting from F.Y. 2023-24 onwards, based on audited financial statements of the Company:

- Debt service Coverage ratio (Consolidated): not below 1.30 times
- Current ratio (Standalone): not below 1.30 times
- Fixed Asset Coverage Ration (Standalone): Not below 1.5 times
- Long term Debt / EBITDA (Consolidated): Not to exceed 3 times

34.2 Fair value measurements**(i) Categories of financial instruments**

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at Amortised Cost		
– Cash and Bank Balances	120.89	6.84
– Trade Receivables	18,974.29	-
– Other financial assets	1,251.82	283.77
Measured at fair value through profit and loss (FVTPL)		
– Investments in mutual funds / Other funds	-	201.48
Financial liabilities		
Measured at Amortised Cost		
– Borrowing	1,02,270.11	39,300.00
– Trade payable	14,490.68	10.46
– Other financial liabilities	7,342.47	15,046.96



(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				
Financial Investments at FVTPL:				
Investments in mutual funds / Other funds				
As at March 31, 2023	-	-	-	-
As at March 31, 2022	201.48	-	-	201.48

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.

(iv) Fair value of Financial assets and liabilities measured at amortised cost

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, capital creditors, other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates (borrowings) are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

34.3 Financial risk management

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.



34.4 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

(i) Liquidity risk tables

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from financing activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Carrying amount	Less than 1 year	More than 1 year	Total
As at March 31, 2023				
– Borrowing	1,02,270.11	26,956.86	75,313.25	1,02,270.11
– Trade payable	14,490.68	14,490.68	-	14,490.68
– Other financial liabilities	7,342.47	7,342.47	-	7,342.47
As at March 31, 2022				
– Borrowing	39,300.00	29,300.00	10,000.00	39,300.00
– Trade payable	10.46	10.46	-	10.46
– Other financial liabilities	15,046.96	15,046.96	-	15,046.96

34.5 Market Risks

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, change in credit risks and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, payables and loans and borrowings.

a. Foreign exchange risk**(i) Exposure to foreign exchange risk:**

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency of the entity in the Company. The risk also includes highly probable foreign currency cash flows.

The Company has exposure arising out of export, import and other transactions other than functional risks. During the year the Company started commercial production and as on 31st March 2023 the Company was in the process of formulating its hedge policies. Subsequent to the year end the Board has approved the foreign exchange risk management policy.

(ii) Foreign exchange risk management:

During the year the Company started commercial production and as on 31st March 2023 the Company was in the process of formulating its hedge policies. Subsequent to the year end the Board has approved the foreign exchange risk management policy. As per the approved policy, to manage the foreign exchange risk arising from recognized assets and liabilities, Company will use spot transactions, foreign exchange forward contracts, etc. Company's treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	(₹ in lakhs)	(Foreign Currency In lakhs)	(₹ in lakhs)	(Foreign Currency In lakhs)
Amount receivable				
USD	16,815.41	204.64	-	-
Amount payable				
USD	4,119.92	49.83	-	-



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:

Foreign currency	For year ended March 31, 2023		For year ended March 31, 2022	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	380.86	(380.86)	-	-

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.

b. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The Company monitors fluctuations in interest rate continuously to minimise impact of interest rate risk.

(i) Exposure to interest rate risk related to borrowings with floating rate of interest.

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings bearing floating rate of interest	84,408.42	10,000.00

(ii) Interest rate sensitivity:

A change of 50 bps in interest rates would have following Impact on profit before tax:

Particulars	As at March 31, 2023	As at March 31, 2022
50 bp increase- decrease in profits *	422.04	50.00
50 bp decrease- Increase in profits *	(422.04)	(50.00)

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.



34.6 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 ₹ 18,974.29 lakhs (March 31, 2022 - Nil).

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.

As the entire amount of trade receivables is not due as on March 31, 2023, no expected credit loss allowance has been recognized. (Also refer note 12)

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.



35 Employee benefit plans**35.1 Defined Contribution Plan**

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to Provident Fund	34.72	-
Contribution to Family Pension Fund	18.83	-
Contribution to Employees' Deposits Linked Insurance Scheme	0.95	-
Total	54.50	-

35.2 Defined Benefit Plans**(i) Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in other comprehensive income in the year in which they arise.

- (a) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan (gratuity) is as follows:

Balances of defined benefit plan

Particular	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	(150.97)	(47.81)
Net Liability arising from gratuity	(150.97)	(47.81)



(b) Expenses recognised and movement for defined benefit plan

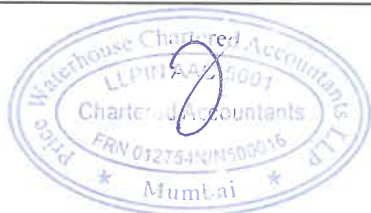
Following is the amount recognised in Statement of Profit and Loss, other comprehensive income, movement in defined benefit plan:

Particulars	As at March 31, 2023	As at March 31, 2022
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	98.55	11.02
Net interest expenses	3.53	1.82
Total (A)	102.08	12.84
B. Components of defined benefit costs recognised in other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from changes in demographic assumptions	-	8.37
- Actuarial gains and losses arising from changes in financial assumptions	(3.40)	(3.97)
- Actuarial gains and losses arising from experience adjustments	4.48	2.77
Total (B)	1.08	7.17
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	47.81	26.65
Current service cost	98.55	11.02
Interest cost	3.53	1.82
Liabilities assumed for employee transferred from other entity	-	1.15
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in demographic assumptions	-	8.37
- Actuarial gains and losses arising from changes in financial assumptions	(3.40)	(3.97)
- Actuarial gains and losses arising from experience adjustments	4.48	2.77
Benefits paid	-	-
Closing defined benefit obligation (C)	150.97	47.81

(c) Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
1. Discount rate	7.50%	7.37%
2. Salary escalation	10.00%	10.00%
3. Mortality rate	Indian Assured Lives Mortality (2012 - 14) Urban	Indian Assured Lives Mortality (2012 - 14) Urban
4. Attrition rate	2.00%	2.00%



(d) 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, 2023	As at March 31, 2022
Effect of +1% Change in Rate of Discounting	(12.21)	(3.52)
Effect of -1% Change in Rate of Discounting	13.65	3.89
Effect of +1% Change in Rate of Salary Increase	13.26	3.78
Effect of -1% Change in Rate of Salary Increase	(12.00)	(3.46)
Effect of +1% Change in Rate of Employee Turnover	(4.80)	(1.34)
Effect of -1% Change in Rate of Employee Turnover	5.10	1.41

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 prior years.

- (e) The weighted average duration of the defined benefit obligation is 19 years (Previous period: 18 years). The expected maturity analysis of gratuity is as follows:

Particulars	Within 1 year	1-5 years	Above 5 years
As at March 31, 2023	0.28	6.34	697.27
As at March 31, 2022	0.20	2.21	182.02

(ii) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

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.

35.3 Other Long term Employee Benefits:

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹ 173.53 lakhs (March 31, 2022: ₹ 57.51 lakhs).



36. Related party transactions

Following are the name and relationship of related parties with whom Company have transactions/ balances:

a. Holding Company

Navin Fluorine International Limited

b. Key Management personnel

Mr. Vishad P. Mafatlal, Chairman (w.e.f. 01.09.2022)

Mr. Radhesh R. Welling, Managing Director

Mr. Niraj B. Mankad, Director

Mr. Atul K. Srivastava, Independent Non-Executive Director

Mr. Sujal A. Shah, Independent Non-Executive Director (w.e.f. 14.12.2022)

Mr. G. C. Jain, Director

Mr. Anish Ganatra, Director and Chief financial officer (w.e.f. 18.03.2023)

Ms. Akshika Shah, Director and Company Secretary

36.1 Disclosures in respect of significant transactions with related parties during the year:

Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales		
Navin Fluorine International Limited	3.57	-
Rental Expenses		
Navin Fluorine International Limited	8.00	3.00
Purchases		
Navin Fluorine International Limited	11,971.01	0.65
Corporate Guarantee Commission		
Navin Fluorine International Limited	387.11	-
Interest on ICD		
Navin Fluorine International Limited	849.13	372.33
Reimbursement of expenses paid		
Navin Fluorine International Limited	754.19	179.13
Investment in equity shares by holding company		
Navin Fluorine International Limited	19,047.62	15,000.00
Inter corporate deposit taken		
Navin Fluorine International Limited	32,800.00	39,300.00
Repayment of ICD and interest on ICD		
Navin Fluorine International Limited	45,256.10	10,203.67
Director Sitting fees and Commission*	11.50	1.40

* Commission payable to Independent Non-executive directors of ₹ 8.00 lakhs for the year ended March 31, 2023 is subject to approval of shareholders.



36.2 Disclosures of closing balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts due to		
Navin Fluorine International Limited		
Inter Corporate Deposit	17,600.00	29,300.00
Interest on Inter Corporate Deposit	261.69	168.66
Trade payables	2,350.30	-
Others payables	812.73	-
Amount due to Directors		
Mr. Atul K. Srivastava	6.00	-
Mr. Sujal A. Shah	2.00	-
Amounts due from		
Navin Fluorine International Limited	4.22	-
Corporate Guarantee taken		
Navin Fluorine International Limited	1,33,800.00	2,614.04

Terms and Condition:**1. Sales**

The sales to related parties are in the ordinary course of business. Sales transactions are based on arms length basis. For the year ended March 31, 2023, the Company has not recorded any loss allowances for trade receivables from related parties.

2. Purchases

The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and at market rates.

3. Loan from Holding Company

Company had taken Inter Corporate Deposit from Holding Company. Amount lying as at March 31, 2023 is ₹ 17,600.00 lakhs (March 31, 2022: ₹ 29,300.00 lakhs). Rate of interest charged is 6.70% pa. (March 31, 2022: 5% pa.)

4. Guarantees taken from Holding Company

Guarantees taken from the Holding Company for availing term loan and other borrowing facilities from lender banks.



37. Capital and other commitments

Particulars	As at March 31, 2023	As at March 31, 2022
i. Capital commitments for Property, Plant and Equipment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances of Rs. 7,658.42 lakhs, March 31, 2022: Rs. 3,613.81 lakhs)	27,630.05	18,820.81

38 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Chairman and Managing Director of the Company are the chief operating decision makers. The Company operates only in one Business Segment i.e. 'Chemical Business' which constitutes a single

(i) Company wide disclosure for Segment information:

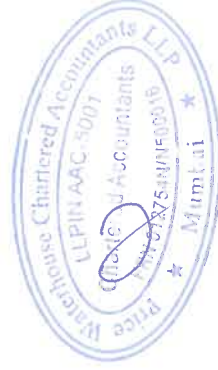
Particulars	As at and for the year ended March 31, 2023			As at and for the year ended March 31, 2022		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues *	5,537.18	45,848.53	51,385.71	-	-	-
Carrying cost of non current assets @	1,31,104.87	-	1,31,104.87	78,187.84	-	78,187.84
Cost incurred on acquisition of Property, plant and equipment	46,958.76	-	46,958.76	66,353.75	-	66,353.75

* Timing of revenue recognition is at a point in time.

@ Excluding financial assets.

(ii) Revenue from customers of the Company which is individually more than 10 percent of the Company's total revenue:

Particulars	For the year March 31, 2023	For the year March 31, 2022
Customer A	36,037.39	-
Customer B	8,064.68	-



Navin Fluorine Advanced Sciences Limited

Notes to the Financial Statements as at and for the year ended March 31, 2023

(Amount Rs. in lakhs unless otherwise stated)

39 Analytical Ratios

Ratio	Numerator	Denominator	Current year	Previous Year	% Variance
(a) Current Ratio	Current Assets	Current Liabilities	1.21	0.36	235.51%
(b) Debt-Equity	Total Debt	Shareholders' Equity	1.56	0.98	58.10%
(c) Debt Service Coverage Ratio	Earnings available for debt service (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest & Lease Payments + Principal Repayments)	0.37	0.00	12504.73%
(d) Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	12.79%	0.19%	6647.66%
(e) Inventory turnover Ratio	Cost of goods sold	Average Inventory	4.87	NA	NA
(f) Trade Receivables turnover Ratio	Net Credit Sales	Average Accounts Receivable	5.35	NA	NA
(g) Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	4.99	NA	NA
(h) Net capital turnover Ratio	Net Sales	Working Capital	4.79	NA	NA
(i) Net profit Ratio	Net Profit	Net Sales	13.33%	NA	NA
(j) Return on Capital Employed	Earning before interest and taxes	Capital Employed	6.60%	0.08%	8411.67%
(k) Return on investment	Earning before interest and taxes	Closing total assets	5.82%	0.06%	8861.58%

Reason for variance:

The Company has began its commercial productions during the current year. Accordingly variation has been noted in the above ratios as compared to previous year.



40 Additional regulatory information required by Schedule III

i. Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

iii Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or any lender.

iv Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

v Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

vi Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.



x **Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

xi **Title deeds of immovable properties not held in name of the Company**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee and self-constructed properties), as disclosed in Notes 5A to the financial statements, are held in the name of the Company.

xii **Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N-500016


Jeetendra Mirchandani

Partner

Membership No.048125

Place: Mumbai

Date: May 12, 2023

For and on behalf of the Board of Directors


Vishad P. Mafatlal

Chairman

DIN: 00011350


Radhesh R. Welling

Managing Director

DIN: 07279004


Anish Ganatra

Director and Chief Financial Officer

DIN: 10074681


Akshika Shah

Director and Company Secretary

DIN: 09542943

Place: Mumbai

Date: May 12, 2023