

# 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, 2024, 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 material accounting policy information 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, 2024, 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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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Navin Fluorine Advanced Sciences Limited  
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5. 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**

6. 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.
7. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. 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.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

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### Report on other legal and regulatory requirements

9. 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.
10. 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 except for the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.
  - (g) 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".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2024.
    - 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, 2024.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Navin Fluorine Advanced Sciences Limited  
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- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41 to the financial statements, 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;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41 to the financial statements, 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; 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. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has been operating throughout the year for all relevant transactions, except when certain privileged access are used, the audit log does not capture the pre-modified values for the changes and the audit trail has not been enabled at the database level for the accounting software to log any direct data changes that can be only made through certain privileged access. Further, during the course of our audit wherever audit trail is enabled, we did not notice any instance of audit trail feature being tampered with. In respect to software used for processing payroll records, which is operated by a third party software service provider, the ISAE 3402 Type 2 report is not available with the software service provider and accordingly we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year.
11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act

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



Jeetendra Mirchandani  
Partner  
Membership Number: 048125

UDIN: 24048125BKGOTW1756  
Mumbai  
May 06, 2024

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 10(g) 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, 2024  
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### 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, 2024 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.





# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 10(g) 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, 2024  
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### 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.

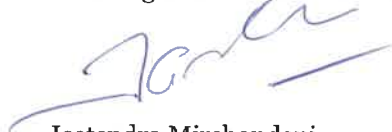
### Inherent Limitations of Internal Financial Controls with reference to financial statements

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, 2024, 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: 24048125BKGOTW1756  
Mumbai  
May 06, 2024

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Navin Fluorine Advanced Sciences Limited on the financial statements as of and for the year ended March 31, 2024  
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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- 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 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), 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 the 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 account.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 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, 2024  
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- 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.
- 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.
- 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. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) 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) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) 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) 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, 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 utilised 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. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.  
(f) 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. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.





# Price Waterhouse Chartered Accountants LLP

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Referred to in paragraph 9 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, 2024  
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- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, 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, 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 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 Section 188 of the Act. The details of 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, 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. In our opinion, 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.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 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, 2024  
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- (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 (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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



Jeetendra Mirchandani  
Partner  
Membership Number: 048125  
UDIN: 24048125BKGOTW1756

Mumbai  
May 06, 2024

**Navin Fluorine Advanced Sciences Limited**  
**Balance sheet as at March 31, 2024**  
(Amount Rs. in Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	5A	1,087.71	1,069.12
b. Right-of-use assets	5B	55.21	55.84
c. Capital work-in-progress	5C	670.03	124.99
d. Other intangible assets	5D	1.12	0.45
e. Financial Assets - Others	6	3.40	9.03
f. Non-current tax assets (net)	7	0.21	0.85
g. Other non-current assets	9	187.69	141.48
<b>Total non-current assets</b>		<b>2,005.37</b>	<b>1,401.76</b>
<b>Current assets</b>			
a. Inventories	10	126.00	109.29
b. Financial Assets			
i. Investments	11	30.03	-
ii. Trade Receivables	12	233.12	189.74
iii. Cash and cash equivalents	13	0.80	1.21
iv. Other financial assets	14	13.53	3.49
c. Other current assets	15	97.64	215.15
<b>Total current assets</b>		<b>501.12</b>	<b>518.88</b>
<b>Total assets</b>		<b>2,506.49</b>	<b>1,920.64</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	16	590.48	590.48
b. Other equity	17		
i. Reserves and surplus		102.40	67.15
<b>Total Equity</b>		<b>692.88</b>	<b>657.63</b>
<b>Non-current liabilities</b>			
a. Financial liabilities - Borrowings	18	1,022.86	753.13
b. Provisions	19	1.91	1.64
c. Deferred tax liabilities (net)	8	21.40	13.54
<b>Total non-current liabilities</b>		<b>1,046.17</b>	<b>768.31</b>
<b>Current liabilities</b>			
a. Financial Liabilities			
i. Borrowings	18	506.27	269.57
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises.	20	25.28	13.27
b. Total outstanding dues other than (ii)(a) above		83.13	131.63
iii. Other financial liabilities	21	59.17	73.43
b. Provisions	19	2.06	1.60
c. Current tax liabilities (Net)	7	0.02	-
d. Contract liabilities	23c	86.63	-
e. Other current liabilities	22	4.88	5.20
<b>Total current liabilities</b>		<b>767.44</b>	<b>494.70</b>
<b>Total liabilities</b>		<b>1,813.61</b>	<b>1,263.01</b>
<b>Total Equity and Liabilities</b>		<b>2,506.49</b>	<b>1,920.64</b>

Material 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 6, 2024

**For and Behalf of the Board of Directors**

**Vishad P. Mafatlal**

Chairman

DIN: 00011350

**Akshika Shah**

Director and Company Secretary

DIN: 09542943

Place: Mumbai

Date: May 6, 2024

**Anish Ganatra**

Director and Chief Financial Officer

DIN: 10074681

**Navin Fluorine Advanced Sciences Limited**  
**Statement of Profit or Loss for the year ended March 31, 2024**

(Amount Rs. in Crores unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>INCOME</b>			
Revenue from operations	23	762.73	513.86
Other income	24	3.92	2.45
<b>Total Income</b>		<b>766.65</b>	<b>516.31</b>
<b>Expenses</b>			
Cost of materials consumed	25	386.21	286.02
Changes in Inventories of finished goods and work-in-progress	26	3.30	(20.12)
Employee benefit expense	27	53.32	19.17
Finance costs	28	81.83	30.24
Depreciation and amortisation expense	29	37.00	17.51
Other Expenses	30	163.58	101.98
<b>Total Expenses</b>		<b>725.24</b>	<b>434.80</b>
<b>Profit before tax</b>		<b>41.41</b>	<b>81.51</b>
<b>Tax expenses</b>			
- Current tax	33	-	-
- Excess provision of tax for earlier years		(0.44)	-
- Deferred tax	8	7.64	13.88
<b>Total Tax expenses</b>		<b>7.20</b>	<b>13.88</b>
<b>Profit for the year</b>		<b>34.21</b>	<b>67.63</b>
<b>Other comprehensive income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
Remeasurement loss of the defined benefit obligations		1.26	(0.01)
Current tax relating to the above		(0.22)	-
<b>Total other comprehensive income</b>		<b>1.04</b>	<b>(0.01)</b>
<b>Total comprehensive income for the year</b>		<b>35.25</b>	<b>67.62</b>
Earnings per equity share (of face value of ₹ 10/- each)			
- Basic (in ₹)	34	0.58	1.24
- Diluted (in ₹)		0.58	1.24
Material 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

**For and Behalf of the Board of Directors**



**Jeetendra Mirchandani**  
Partner  
Membership No.048125  
Place: Mumbai  
Date: May 6, 2024



**Vishad P. Mafatlal**  
Chairman  
DIN: 00011350



**Anish Ganatra**  
Director and Chief Financial Officer  
DIN: 10074681



**Akshika Shah**  
Director and Company Secretary  
DIN: 09542943  
Place: Mumbai  
Date: May 6, 2024

**Navin Fluorine Advanced Sciences Limited**  
**Statement of Cash flows for the year ended March 31, 2024**

(Amount Rs. in Crores unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before tax	41.41	81.51
Adjustments for:		
Depreciation and amortisation expense	37.00	17.51
Loss on sale of Property, Plant and Equipment	0.46	-
Finance Costs	81.64	29.32
Interest on MSME	0.19	0.92
Interest income	(0.04)	(0.15)
Net gain on foreign currency transactions	(1.41)	(0.57)
Gain on sale of investments (Net)	(0.46)	(0.13)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>158.79</b>	<b>128.41</b>
Adjustments for:		
(Increase) in inventories	(16.72)	(109.29)
(Increase) in trade receivables	(42.02)	(189.17)
Decrease /(Increase) in other assets	48.02	(189.23)
Increase in trade and other payables	49.42	155.72
<b>Cash used in operations</b>	<b>197.49</b>	<b>(203.56)</b>
Income taxes paid (net of refunds)	1.10	(0.76)
<b>Net cash flow / (used) in operating activities</b>	<b>198.59</b>	<b>(204.32)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment, ROU and intangible assets	(594.26)	(587.70)
Payments for purchase of investments	(414.75)	-
Proceed from sale of investments	385.18	2.15
Interest received	0.04	0.15
<b>Net cash used in investing activities</b>	<b>(623.79)</b>	<b>(585.40)</b>
<b>Cash flows from financing activities</b>		
Proceeds from non-current borrowings	381.88	650.56
Proceeds from Inter Corporate Deposit	54.00	328.00
Repayment of Inter Corporate Deposit	-	(445.00)
Proceeds from current borrowings	70.39	90.95
Proceeds from issue of shares	-	190.48
Interest paid	(81.48)	(24.13)
<b>Net cash generated from financing activities</b>	<b>424.79</b>	<b>790.86</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(0.41)</b>	<b>1.14</b>
Cash and cash equivalents at the beginning of the year	1.21	0.07
<b>Cash and cash equivalents at the end of the year</b>	<b>0.80</b>	<b>1.21</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents [See note 13]	0.80	1.21
Balances as per statement of cash flows	0.80	1.21
<b>Notes:</b>		
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.		

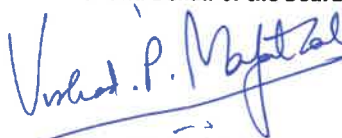
**As per our report of even date**

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



**Jeetendra Mirchandani**  
Partner  
Membership No.048125  
Place: Mumbai  
Date: May 6, 2024

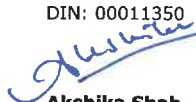
**For and Behalf of the Board of Directors**



**Vishad P. Mafatlal**  
Chairman  
DIN: 00011350



**Anish Ganatra**  
Director and Chief Financial Officer  
DIN: 10074681



**Akshika Shah**  
Director and Company Secretary  
DIN: 09542943  
Place: Mumbai  
Date: May 6, 2024



**Navin Fluorine Advanced Sciences Limited**  
**Statement of changes in equity for the year ended March 31, 2024**  
(Amount Rs. in Crores unless otherwise stated)

**A. Equity share capital**

Particulars	Amount
<b>Balance as at March 31, 2022</b>	<b>400.00</b>
Shares issued during the year	190.48
<b>Balance as at March 31, 2023</b>	<b>590.48</b>
Shares issued during the year	-
<b>Balance as at March 31, 2024</b>	<b>590.48</b>

**B. Other Equity**

Particulars	Reserves & Surplus	Total Other equity
	Retained Earnings	
<b>Balance as at March 31, 2022</b>	<b>(0.47)</b>	<b>(0.47)</b>
Profit for the year	67.63	67.63
Other comprehensive income for the year, net of income tax	(0.01)	(0.01)
<b>Total comprehensive income for the year</b>	<b>67.62</b>	<b>67.62</b>
<b>Balance as at March 31, 2023</b>	<b>67.15</b>	<b>67.15</b>
Profit for the year	34.21	34.21
Other comprehensive income for the year, net of income tax	1.04	1.04
<b>Total comprehensive income for the year</b>	<b>35.25</b>	<b>35.25</b>
<b>Balance as at March 31, 2024</b>	<b>102.40</b>	<b>102.40</b>

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  
Date: May 6, 2024

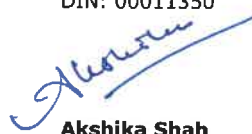
**For and Behalf of the Board of Directors**



**Vishad P. Mafatlal**  
Chairman  
DIN: 00011350



**Anish Ganatra**  
Director and Chief Financial Officer  
DIN: 10074681



**Akshika Shah**  
Director and Company Secretary  
DIN: 09542943  
Place: Mumbai  
Date: May 6, 2024

**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**

**1. Corporate Information**

Navin Fluorine Advanced Sciences Limited ("the Company") is a public limited company, incorporated under the provisions of the Companies Act, 1956. Its registered office is located at Office No. 602, Natraj by Rustomjee, Near Western Express Highway, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai 400069.

**2. Material Accounting Policies**

**a) Basis of Preparation**

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

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

**(ii) Historical Cost Convention**

The financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration are measured at fair value.
- defined benefit plans – plan assets are measured at fair value.
- 

**(iii) New and amended standards adopted by the Company**

The Ministry of Corporate Affairs had vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain accounting standards (see below), and are effective April 1, 2023:

- Disclosure of accounting policies – amendment to Ind AS 1.
- Disclosure of accounting estimates - amendment to Ind AS 8.
- Deferred tax related to assets and liabilities arising from a single transaction – amendment to Ind AS 12.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior period and are not expected to significantly affect the current or further periods. Specifically, no changes would be necessary as consequences of amendments made to Ind AS 12 as the Company's accounting policy already complies with now mandatory treatment.

**b) Revenue recognition**

**(i) Sale of Goods**

Revenue is generated primarily from sale of chemicals. Revenue is recognized 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.



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**

**(ii) Contract liability**

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 recognized 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.

**(iii) Export Incentives**

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

See note 42(c) for the other accounting policies relevant to Revenue recognition.

**c) Leases**

**(i) As a lessee**

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

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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.

See note 42(e) for the other accounting policies relevant to Leases.

**d) Income taxes**

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. 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.



**Navin Fluorine Advanced Sciences Limited****Notes to the Financial Statements as at and for the year ended March 31, 2024**

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

**e) 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**Leave Obligations:

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

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

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

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



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**

**(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 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.

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.

**(b) Defined contribution plans**

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

**f) Property, Plant and Equipment**

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

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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".





**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**

Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful life. The estimated useful life of the assets, mentioned in table below, has been assessed based on external technical evaluation which considered the nature of the assets, estimated usage of the assets, the operating condition of the assets, anticipated technological changes, manufacturer warranties, experience of the management and group companies, maintenance support, etc:

Assets	Useful Life
Plant and Machinery	30 – 50 years
Building	50 years
Furniture and fixtures	7 years
Office equipment	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.

See note 42(f) for the other accounting policies relevant to Property, Plant and Equipment.

**g) 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.

**h) 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. Bank overdrafts are shown within borrowings in the current liabilities in the balance sheet.

**i) 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.

The Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**j) 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 recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**

**k) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

**l) 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.

**m) Provisions and contingencies**

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

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

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

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

**n) Investment and other financial assets**

**(i) 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.



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**

**(ii) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

**(iii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Standalone Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Profit or Loss are expensed in the Statement of Standalone Profit and Loss.

Equity instruments:

The Company subsequently measures all equity investments other than investment in subsidiary companies and joint venture at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in Statement of Standalone Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Standalone Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iv) Income recognition**

Interest income:

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the Statement of Standalone Profit and Loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend:

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

**o) Exceptional items**

If the management believes that losses are material and is relevant to an understanding of the entity's financial performance, it discloses the same as an exceptional item.



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**

**3. 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 company'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:33]
- (b) Useful lives of property, plant and equipment and intangible assets. [Refer note:5A and 5D]
- (c) Estimation of Defined benefits plan [Refer note:36]
- (d) Estimation of contingent liabilities [Refer note:38]

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.

**4. Rounding off amounts**

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





**5A Property, plant and equipment**

Description of Assets	Office equipment	Furniture and fixture	Building	Plant and machinery	Total
<b>I. Gross Block</b>					
Balance as at March 31, 2022	0.29	0.62	-	-	0.91
Additions	3.18	6.10	132.28	943.92	1,085.48
Disposals/Adjustments	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>3.47</b>	<b>6.72</b>	<b>132.28</b>	<b>943.92</b>	<b>1,086.39</b>
<b>II. Accumulated depreciation</b>					
Balance as at March 31, 2022	0.09	0.15	-	-	0.24
Depreciation expense for the year	0.62	0.55	1.33	14.53	17.03
Disposals/Adjustments	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>0.71</b>	<b>0.70</b>	<b>1.33</b>	<b>14.53</b>	<b>17.27</b>
<b>Net block (I-II)</b>					
<b>Balance as at March 31, 2023</b>	<b>2.76</b>	<b>6.02</b>	<b>130.95</b>	<b>929.39</b>	<b>1,069.12</b>
<b>I. Gross Block</b>					
Balance as at March 31, 2023	3.47	6.72	132.28	943.92	1,086.39
Additions	1.04	1.35	23.24	29.47	55.10
Disposals/Adjustments	-	-	-	0.42	0.42
<b>Balance as at Mar 31, 2024</b>	<b>4.51</b>	<b>8.07</b>	<b>155.52</b>	<b>972.97</b>	<b>1,141.07</b>
<b>II. Accumulated depreciation</b>					
Balance as at March 31, 2023	0.71	0.70	1.33	14.53	17.27
Depreciation expense for the year	1.36	1.18	2.86	30.71	36.11
Disposals/Adjustments	-	-	-	0.02	0.02
<b>Balance as at March 31, 2024</b>	<b>2.07</b>	<b>1.88</b>	<b>4.19</b>	<b>45.22</b>	<b>53.36</b>
<b>Net block (I-II)</b>					
<b>Balance as at March 31, 2024</b>	<b>2.44</b>	<b>6.19</b>	<b>151.33</b>	<b>927.75</b>	<b>1,087.71</b>

**Note:**

- 1) Refer note 18 for information on charge on Property, plant and equipment as collateral security by the Company.
- 2) Refer note 38 for details of Capital commitment relating to Property, plant and equipment.
- 3) Property, plant and equipment includes gross amount of Rs. 443.45 Crores (March 31, 2023: 430.18 Crores) 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
<b>I. Gross Block</b>	
Balance as at March 31, 2022	57.11
Additions	-
Disposals/Adjustments	-
<b>Balance as at March 31, 2023</b>	<b>57.11</b>
<b>II. Accumulated depreciation</b>	
Balance as at March 31, 2022	0.63
Depreciation expense for the year	0.35
Disposals/Adjustments	0.28
<b>Balance as at March 31, 2023</b>	<b>1.27</b>
<b>Net block (I-II)</b>	
<b>Balance as at March 31, 2023</b>	<b>55.84</b>
<b>I. Gross Block</b>	
Balance as at March 31, 2023	57.11
Additions	-
Disposals/Adjustments	-
<b>Balance as at March 31, 2024</b>	<b>57.11</b>
<b>II. Accumulated depreciation</b>	
Balance as at March 31, 2023	1.27
Depreciation expense for the year	0.63
Disposals/Adjustments	-
<b>Balance as at March 31, 2024</b>	<b>1.90</b>
<b>Net block (I-II)</b>	
<b>Balance as at March 31, 2024</b>	<b>55.21</b>





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**5C Capital Work-in-Progress**

**(a) Movement of Capital Work-in-progress**

Description	Total
Balance as at March 31, 2022	724.23
Additions	486.74
Disposals/Adjustments/Transfers	(1,085.98)
Balance as at March 31, 2023	124.99
Additions	601.05
Disposals/Adjustments/Transfers	(56.01)
Balance as at March 31, 2024	670.03

**(b) Ageing of Capital Work-in-progress**

Particulars	As at March 31, 2024			
	Amounts in capital work-in-progress for			
	Less than one year	1 - 2 years	2 - 3 years	More than 3 years
i) Projects in Progress	589.62	75.07	5.34	-
ii) Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>589.62</b>	<b>75.07</b>	<b>5.34</b>	<b>670.03</b>

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
i) Projects in Progress	119.65	5.34	-	-
ii) Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>119.65</b>	<b>5.34</b>	<b>-</b>	<b>124.99</b>

**(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, 2024			
	To be completed in			
	Less than one year	1 - 2 years	2 - 3 years	More than 3 years
i) Projects in Progress	577.94	-	-	-
<b>Total</b>	<b>577.94</b>	<b>-</b>	<b>-</b>	<b>577.94</b>

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

**(d) In current year, the Company has included Rs. 63.59 Crores in Capital work-in-progress as Pre-operative expenses (Previous year: Rs. 102.55 Crores).**



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**5D Other intangible assets**

Particulars	Software
Balance at March 31, 2022	0.13
Additions	0.50
Deduction/Adjustment	-
<b>Balance at March 31, 2023</b>	<b>0.63</b>
<b>Accumulated amortisation</b>	
Balance at March 31, 2022	<b>0.05</b>
Amortisation expense for the year	0.13
Deduction/Adjustment	-
<b>Balance at March 31, 2023</b>	<b>0.18</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>0.45</b>
Balance at March 31, 2023	0.63
Additions	0.93
Deduction/Adjustment	-
<b>Balance at March 31, 2024</b>	<b>1.56</b>
<b>Accumulated amortisation</b>	
Balance at March 31, 2023	<b>0.18</b>
Amortisation expense for the year	0.26
Deduction/Adjustment	-
<b>Balance at March 31, 2024</b>	<b>0.44</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>1.12</b>

**6 Other financial assets (Non-Current)**

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	3.40	4.93
Balances with bank held as margin money*	-	4.10
<b>Total</b>	<b>3.40</b>	<b>9.03</b>

\*Previous year ₹ 4.10 crores held as lien by bank against bank guarantees given in the normal course of business

**7 Non Current Tax Assets / Current tax liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current Tax Assets [net of provision ₹ Nil, Previous year: ₹ 0.86 Crores]	0.21	0.85
Current tax liabilities [net of Advance tax ₹ Nil, Previous year: ₹ Nil]	0.02	-
<b>Total</b>	<b>0.19</b>	<b>0.85</b>



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

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	38.41	17.06
Less: Deferred tax assets	(17.01)	(3.52)
<b>Total</b>	<b>21.40</b>	<b>13.54</b>

**8.1 Movement of Deferred Tax assets / liabilities**

(i) Deferred tax assets/ liabilities in relation to the year ended March 31, 2024

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities in relation to:</b>				
Property, plant and equipment and intangible assets	17.06	21.35	-	38.41
<b>Total deferred tax liabilities (A)</b>	<b>17.06</b>	<b>21.35</b>	<b>-</b>	<b>38.41</b>
<b>Deferred tax assets in relation to:</b>				
Provision for Compensated absences	0.30	0.10	-	0.40
Provision for Gratuity	0.26	0.02	(0.22)	0.06
Allowance for doubtful balance with government authority	0.27	(0.27)	-	-
Provision for inventory	0.37	(0.37)	-	-
Preliminary expenses u/s. 35D	0.23	(0.11)	-	0.12
Carry forward losses	2.09	14.34	-	16.43
<b>Total deferred tax assets (B)</b>	<b>3.52</b>	<b>13.71</b>	<b>(0.22)</b>	<b>17.01</b>
<b>Net deferred tax (assets) / liabilities (A - B)</b>	<b>13.54</b>	<b>7.64</b>	<b>0.22</b>	<b>21.40</b>

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

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities in relation to:</b>				
Property, plant and equipment and intangible assets	(0.01)	17.07	-	17.06
<b>Total deferred tax liabilities (A)</b>	<b>(0.01)</b>	<b>17.07</b>	<b>-</b>	<b>17.06</b>
<b>Deferred tax assets in relation to:</b>				
Provision for Compensated absences	-	0.30	-	0.30
Provision for Gratuity	-	0.26	-	0.26
Allowance for doubtful balance with government authority	-	0.27	-	0.27
Provision for inventory	-	0.37	-	0.37
Preliminary expenses u/s. 35D	0.33	(0.10)	-	0.23
Carry forward losses	-	2.09	-	2.09
<b>Total deferred tax assets (B)</b>	<b>0.33</b>	<b>3.19</b>	<b>-</b>	<b>3.52</b>
<b>Net deferred tax (assets) / liabilities (A - B)</b>	<b>(0.34)</b>	<b>13.88</b>	<b>-</b>	<b>13.54</b>

**9 Other non-current assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with government authorities	124.87	59.78
Capital advances	62.82	81.70
<b>Total</b>	<b>187.69</b>	<b>141.48</b>

**10 Inventories**

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	70.18	75.96
Work-in-progress	16.77	18.07
Finished goods	0.05	2.07
Stores and Spares	39.00	13.19
<b>Total</b>	<b>126.00</b>	<b>109.29</b>

Write-downs of inventories to net realisable value amounted to Rs. Nil (March 31, 2023: Rs. 2.15 crore). These were recognised as an expense during the year and included in "Cost of materials consumed" and in "Changes in Inventories of finished goods and work-in-progress" in the Statement of Profit and Loss.



# 11 Investments

Particulars	As at March 31, 2024		As at March 31, 2023	
	Quantity	Amount	Quantity	Amount
INVESTMENT- measured at fair value through profit or loss				
Investments in mutual funds (unquoted)				
- HDFC Overnight Fund	28,410	10.01	-	-
- UTI Overnight Fund	30,848	10.01	-	-
- Axis Overnight Fund	79,238	10.01	-	-
<b>Total</b>	-	<b>30.03</b>	-	-
Of the above:				
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	-	30.03	-	-
Aggregate amount of impairment in value of investments	-	-	-	-

# 12 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables from Other parties	230.31	189.70
Trade Receivables from related parties (refer Note 37)	2.81	0.04
Less: Loss allowance	-	-
<b>Total Receivables</b>	<b>233.12</b>	<b>189.74</b>

## Break up of Security details

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	233.12	189.74
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
<b>Total</b>	<b>233.12</b>	<b>189.74</b>
Loss allowance	-	-
<b>Total</b>	<b>233.12</b>	<b>189.74</b>

## Ageing of trade receivables:

Particulars	As at March 31, 2024						
	Outstanding for following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
a) Considered good	233.12	-	-	-	-	-	233.12
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
<b>Total Undisputed trade receivables</b>	<b>233.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233.12</b>
<b>Disputed trade receivables</b>							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
<b>Total disputed trade receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Trade Receivables</b>	<b>233.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233.12</b>

Particulars	As at March 31, 2023						
	Outstanding for following periods from the due date						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
a) Considered good	189.74	-	-	-	-	-	189.74
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
<b>Total Undisputed trade receivables</b>	<b>189.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189.74</b>
<b>Disputed trade receivables</b>							
a) Considered good	-	-	-	-	-	-	-
b) which have significant increase in credit risk	-	-	-	-	-	-	-
c) credit impaired	-	-	-	-	-	-	-
<b>Total disputed trade receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Trade Receivables</b>	<b>189.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189.74</b>

# 13 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks	0.75	1.16
Deposits with original maturity of less than or equal to 3 months	0.05	0.05
<b>Total</b>	<b>0.80</b>	<b>1.21</b>

# 14 Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Derivative assets	0.02	-
Lease Receivable	9.96	-
Export Incentive receivables	3.55	3.49
<b>Total</b>	<b>13.53</b>	<b>3.49</b>

# 15 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Insurance	2.05	1.61
Balances with government authorities	86.36	149.90
Advances to Suppliers	9.23	63.64
<b>Total</b>	<b>97.64</b>	<b>215.15</b>



**Navin Fluorine Advanced Sciences Limited**  
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(Amount Rs. in Crores unless otherwise stated)

**16 Equity share capital**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised Shares</b> 1,000,000,000 (Previous year: 1,000,000,000) equity shares of ₹ 10/- each	1,000.00	1,000.00
<b>Issued, subscribed and fully Paid shares</b> 590,476,182 (Previous period 590,476,182) equity shares of ₹ 10/- each	590.48	590.48
<b>Total</b>	<b>590.48</b>	<b>590.48</b>

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

Particulars	Number of shares	Amount
<b>Balance as at March, 2022</b>	39,99,99,996	400.00
Add: Shares issued during the year	19,04,76,186	190.48
<b>Balance as at March 31, 2023</b>	<b>59,04,76,182</b>	<b>590.48</b>
Add: Shares issued during the year	-	-
<b>Balance as at March 31, 2024</b>	<b>59,04,76,182</b>	<b>590.48</b>

**(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
<b>As at March 31, 2024</b>		
Navin Fluorine International Limited*	59,04,76,182	100.00%
<b>As at March 31, 2023</b>		
Navin Fluorine International Limited*	59,04,76,182	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, 2024**

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, 2023**

Particulars	Number of shares	% of total number of shares
Navin Fluorine International Limited*	59,04,76,182	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, 2024	As at March 31, 2023
<b>Retained Earnings</b>		
Opening balance	67.15	(0.46)
Profit for the year	34.21	67.62
Other comprehensive income for the year, net of income tax	1.04	(0.01)
<b>Closing balance</b>	<b>102.40</b>	<b>67.15</b>





# 18 Borrowings

Particulars	Non- Current	Current	Non- Current	Current
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
<b>Secured *</b>				
Term Loan from banks (refer note a)	1,022.86	-	753.13	-
Cash Credit (refer note b)	-	77.36	-	81.95
Working Capital Loan from banks (refer note b)	-	84.22	-	9.00
Current maturities of long term borrowings	-	111.12	-	-
<b>Unsecured *</b>				
From related parties (Refer Note 37) :	-	-	-	-
Inter Corporate Deposit from holding company (Refer note c)	-	233.57	-	178.62
<b>Total</b>	<b>1,022.86</b>	<b>506.27</b>	<b>753.13</b>	<b>269.57</b>

\* 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 8.23% - 8.86% (Previous year: 5.55% - 8.92%). Interest rate is derived from base rate/ 3m TBill plus spread.

(ii) Axis Bank Term loan of Rs. 195 crores is repayable in 17 quarterly installments after 30 months of disbursement. The other term loans are 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, Working capital loans, Buyers credit and Packing credit in Foreign currency carry interest rate of 4.95% - 9.20% (Previous year: 7.50% - 8.50%). Interest rate is derived from base rate/ Tbill/ MCLR / SOFR / EURIBOR 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 7.02% - 7.35% pa. (Previous year: 6.70% pa). It is repayable within 1 year, which can be rolled over based on mutually agreed terms.

### d. Net debt reconciliation:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	0.80	1.21
Liquid Investments	30.03	-
Borrowings	(1,529.13)	(1,022.70)
<b>Total</b>	<b>(1,498.30)</b>	<b>(1,021.49)</b>

Particulars	Other assets		Liabilities from financing activities	Total
	Cash and bank overdraft	Liquid investments	Borrowings	
<b>Net debt as at 31 March 2023</b>	<b>0.07</b>	<b>2.01</b>	<b>(393.00)</b>	<b>(390.92)</b>
Cash flows	1.14	(2.01)	(624.51)	(625.38)
Interest expense	-	-	(29.32)	(29.32)
Interest paid	-	-	24.13	24.13
<b>Net debt as at 31 March 2023</b>	<b>1.21</b>	<b>-</b>	<b>(1,022.70)</b>	<b>(1,021.49)</b>
Cash flows	(0.41)	30.03	(506.27)	(476.65)
Interest expense	-	-	(76.42)	(76.42)
Interest paid	-	-	76.26	76.26
<b>Net debt as at 31 Mar 2024</b>	<b>0.80</b>	<b>30.03</b>	<b>(1,529.13)</b>	<b>(1,498.30)</b>



**19 Provisions**

Particulars	Non- Current	Current	Non- Current	Current
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Provision of Compensated absences (refer note 36.3)	1.91	0.43	1.64	0.09
Gratuity Payable (refer note 36.2)	-	1.63	-	1.51
<b>Total</b>	<b>1.91</b>	<b>2.06</b>	<b>1.64</b>	<b>1.60</b>

**20 Trade payables**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade payables</b>		
Trade payables: micro enterprises and small enterprises	25.28	13.27
Trade payables: related parties (refer note 37)	44.84	23.50
Trade payables: others	38.29	108.13
<b>Total</b>	<b>108.41</b>	<b>144.90</b>

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, 2024	As at March 31, 2023
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	25.09	12.34
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.19	0.92
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.32	106.39
d. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	0.93
g. Interest accrued and remaining unpaid at the end of the accounting year	0.19	0.93
h. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	0.19	0.93

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.

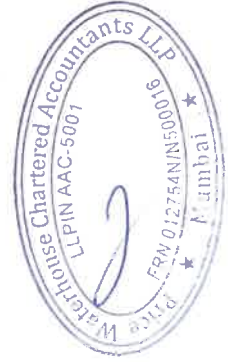


**Navin Fluorine Advanced Sciences Limited**  
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(Amount Rs. in Crores unless otherwise stated)

**Ageing of Trade Payables:**

Particulars	Outstanding for following periods from the due date					
March 31, 2024	Unbilled	Not Due	Less than 1 Year	1 - 2 years	2-3 years	More than 3 years
<b>Undisputed trade Payables</b>						
a) Micro enterprises and small enterprises	0.19	25.04	0.05	-	-	-
b) Others	11.78	59.39	11.96	-	-	-
<b>Total Undisputed Trade Payables</b>	<b>11.97</b>	<b>84.43</b>	<b>12.01</b>	-	-	-
<b>Disputed trade Payables</b>						
a) Micro enterprises and small enterprises	-	-	-	-	-	-
b) Others	-	-	-	-	-	-
<b>Total disputed Trade Payables</b>	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>11.97</b>	<b>84.43</b>	<b>12.01</b>	-	-	-
						<b>108.41</b>

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
<b>Undisputed trade Payables</b>						
a) Micro enterprises and small enterprises	0.92	12.06	0.29	-	-	-
b) Others	47.64	77.60	6.39	-	-	-
<b>Total Undisputed Trade Payables</b>	<b>48.56</b>	<b>89.66</b>	<b>6.68</b>	-	-	-
<b>Disputed trade Payables</b>						
a) Micro enterprises and small enterprises	-	-	-	-	-	-
b) Others	-	-	-	-	-	-
<b>Total disputed Trade Payables</b>	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>48.56</b>	<b>89.66</b>	<b>6.68</b>	-	-	-
						<b>144.90</b>



**Navin Fluorine Advanced Sciences Limited****Notes to the Financial Statements as at and for the year ended March 31, 2024**

(Amount Rs. in Crores unless otherwise stated)

**21 Other financial liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Capital creditor	53.30	65.30
Derivative Liabilities	0.30	-
Payable to holding company (Refer note 37)	5.57	8.13
<b>Total</b>	<b>59.17</b>	<b>73.43</b>

**22 Other current liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	2.54	1.95
Deposit from Vendors	0.07	0.01
Payables to Employees	2.26	3.20
Other advances	0.01	0.04
<b>Total</b>	<b>4.88</b>	<b>5.20</b>



**23 Revenue from operations**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products (refer note b)	754.00	506.40
Other operating revenues		
- Scrap Sales / By products	1.13	1.02
- Export Incentives	7.60	6.44
<b>Total</b>	<b>762.73</b>	<b>513.86</b>

**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. 50.50 Crores (March 31, 2023: Rs. 45.78 Crores).

**c) Contract liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Contract liabilities	86.63	-
<b>Total</b>	<b>86.63</b>	<b>-</b>

d) Management expects that 17.63% of the contract liabilities as of March 31, 2024 will be recognised as revenue during the next reporting period (Rs. 15.27 crores). The remaining 82.37% (Rs. 71.36 crores) will be recognised in the financial year 2025-26 onwards.

e) Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract price	717.21	468.08
Adjustments for:		
- Contract liabilities	(4.98)	-
<b>Revenue from operations</b>	<b>712.23</b>	<b>468.08</b>

f) Revenue recognised in relation to contract liabilities:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	-	-

**24 Other Income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<u>Interest Income</u>		
- on banks deposits	0.04	0.15
- on income tax refund	0.07	0.02
<u>Other gains and losses</u>		
- Net gain on foreign currency transactions	0.68	2.15
- Net gain arising on sale of mutual funds	0.46	0.13
Miscellaneous income	2.67	-
<b>Total</b>	<b>3.92</b>	<b>2.45</b>





**25 Cost of Material consumed**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material consumed	385.16	285.78
Packing material consumed	1.05	0.24
<b>Total</b>	<b>386.21</b>	<b>286.02</b>

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Inventories at the end of the year</b>		
Finished goods	0.05	2.07
Work-in-progress	16.77	18.05
	16.82	20.12
<b>Inventories at the beginning of the year</b>		
Finished goods	2.07	-
Work-in-progress	18.05	-
	20.12	-
<b>Total changes in Inventories of finished goods and work-in-progress</b>	<b>3.30</b>	<b>(20.12)</b>

**27 Employee benefit expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	47.60	17.13
Contribution to provident and other funds	2.18	0.54
Staff welfare expenses	2.26	0.75
Gratuity expenses (refer note 36.2)	1.28	0.75
<b>Total</b>	<b>53.32</b>	<b>19.17</b>

**28 Finance Costs**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Term Loan	57.62	18.38
Interest on Inter corporate deposit	12.80	4.77
Interest on Working Capital Loan	4.08	0.79
Interest on others	7.33	6.30
<b>Total</b>	<b>81.83</b>	<b>30.24</b>

**29 Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 5A)	36.11	17.03
Depreciation of right-of-use assets (refer note 5B)	0.63	0.35
Amortisation of intangible assets (refer note 5D)	0.26	0.13
<b>Total</b>	<b>37.00</b>	<b>17.51</b>



**30 Other expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	62.59	48.36
Rent expense	0.81	0.07
Freight & forwarding expenses	9.84	6.92
Repairs and Maintenance		
- Plant and Machinery	4.82	0.01
Consumption of stores and spares	16.44	4.35
Labour contract charges	9.11	13.77
Legal and Professional Charges	1.98	1.61
Payment to Auditors (Refer note 31)	0.31	0.16
Water Charges	3.25	1.94
Rates & Taxes	2.05	2.33
Insurance	5.37	2.04
Directors Sitting Fees	0.39	0.02
Effluent Treatment Expense	23.06	9.35
Loss on sale of assets	0.46	-
Corporate social responsibility expenses (Refer note 32)	0.54	-
Miscellaneous expenses	22.56	11.05
<b>Total</b>	<b>163.58</b>	<b>101.98</b>

**31 Payments to auditors**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditors		
a) Statutory audit	0.22	0.13
b) Other audit Services	0.08	0.03
c) Re-imbursement of expenses	0.01	0.00
<b>Total</b>	<b>0.31</b>	<b>0.16</b>

**32 Corporate social responsibility**

Particulars	For the year ended March 31, 2024
a) Gross amount required to be spent by the company during the year	0.54
b) Amount spent during the year on:	0.54
<b>For the year March 31, 2024</b>	
i) Construction/ acquisition of any asset	-
ii) On purposes other than (i) above	0.54
<b>For the year March 31, 2023</b>	
i) Construction/ acquisition of any asset	-
ii) On purposes other than (i) above	-



**Navin Fluorine Advanced Sciences Limited****Notes to the Financial Statements as at and for the year ended March 31, 2024**

(Amount Rs. in Crores unless otherwise stated)

**30 Other expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	62.59	48.36
Rent expense	0.81	0.07
Freight & forwarding expenses	9.84	6.92
Repairs and Maintenance		
- Plant and Machinery	4.82	0.01
Consumption of stores and spares	16.44	4.35
Labour contract charges	9.11	13.77
Legal and Professional Charges	1.98	1.61
Payment to Auditors (Refer note 31)	0.31	0.16
Water Charges	3.25	1.94
Rates & Taxes	2.05	2.33
Insurance	5.37	2.04
Directors Sitting Fees including commission	0.39	0.02
Effluent Treatment Expense	23.06	9.35
Loss on sale of assets	0.46	-
Corporate social responsibility expenses (Refer note 32)	0.54	-
Miscellaneous expenses	22.56	11.05
<b>Total</b>	<b>163.58</b>	<b>101.98</b>

**31 Payments to auditors**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditors		
a) Statutory audit	0.22	0.13
b) Other audit Services	0.08	0.03
c) Re-imbursement of expenses	0.01	0.00
<b>Total</b>	<b>0.31</b>	<b>0.16</b>

**32 Corporate social responsibility**

Particulars	For the year ended March 31, 2024
a) Gross amount required to be spent by the company during the year	0.54
b) Amount spent during the year on:	0.54
<b>For the year March 31, 2024</b>	
i) Construction/ acquisition of any asset	-
ii) On purposes other than (i) above	0.54
<b>For the year March 31, 2023</b>	
i) Construction/ acquisition of any asset	-
ii) On purposes other than (i) above	-



**33 Income taxes**

**33.1 Income tax expenses recognised**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>In respect of the current year</b>		
- Current tax recognised in Statement of Profit and Loss	-	-
- Excess provision of tax for earlier years	(0.44)	-
- Deferred tax	7.64	13.88
	<b>7.20</b>	<b>13.88</b>
<b>In respect of the current year</b>		
- Current tax recognised in other comprehensive income	(0.22)	-
	<b>(0.22)</b>	-
<b>Total income tax expense recognised in the current year</b>	<b>6.98</b>	<b>13.88</b>

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Profit Before tax</b>	<b>41.41</b>	<b>81.51</b>
Income tax expense calculated at 17.16%	7.11	13.99
<u>Effect of:</u>		
Expenses that are not deductible in determining taxable profit	0.22	0.17
Adjustment for current tax of prior periods	(0.44)	-
Others	0.31	(0.28)
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>7.20</b>	<b>13.88</b>



### 34 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, 2024	As at March 31, 2023
Profit for the year attributable to equity shareholders - A	34.21	67.63
Weighted average number of equity shares outstanding during the year - B	59.05	54.56
Basic earnings per share - ₹ (A/B)	0.58	1.24
Nominal value per share - ₹	10.00	10.00

### 35 Financial Instruments and Risk Review

#### 35.1 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, 2024	As at March 31, 2023
Net Debt	1,498.30	1,021.49
Total equity	692.88	657.63
<b>Net debt to equity ratio</b>	<b>216.24%</b>	<b>155.33%</b>

The net debt to equity ratio for the current year has increased from 155.33% to 216.24% as a result of increase in current and non current borrowings.

#### 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 (Group):** not below 1.30 times
- Current ratio (Group):** not below 1.30 times
- Fixed Asset Coverage Ratio (Standalone):** Not below 1.5 times
- Net Debt / EBITDA (Group):** Not to exceed 3 times

The Company has complied with the above covenants throughout the year.

#### 35.2 Fair value measurements

##### (i) Categories of financial instruments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
- Cash and Bank Balances	0.80	1.21
- Trade Receivables	233.12	189.74
- Other financial assets	16.91	12.52
<b>Measured at fair value through profit and loss (FVTPL)</b>		
- Investments in mutual funds / Other funds	30.03	-
- Derivative assets	0.02	-
<b>Financial liabilities</b>		
<b>Measured at Amortised Cost</b>		
- Borrowing	1,529.13	1,022.70
- Trade payable	108.41	144.91
- Other financial liabilities	58.87	73.42
<b>Measured at fair value through profit and loss (FVTPL)</b>		
- Derivative liabilities	0.30	-





(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
<b>Financial assets</b>				
Financial Investments at FVTPL:				
Investments in mutual funds / Other funds				
As at March 31, 2024	30.03	-	-	30.03
As at March 31, 2023	-	-	-	-
Derivative assets				
As at March 31, 2024	-	0.02	-	0.02
As at March 31, 2023	-	-	-	-
<b>Financial liabilities</b>				
Derivative liabilities				
As at March 31, 2024	-	0.30	-	0.30
As at March 31, 2023	-	-	-	-

**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.

**35.3 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. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.



### 35.4 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, 2024 and March 31, 2023. 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
<u>As at March 31, 2024</u>				
- Borrowing	1,529.13	506.27	1,022.86	1,529.13
- Trade payable	108.41	108.41	-	108.41
- Other financial liabilities	58.87	58.87	-	58.87
<u>As at March 31, 2023</u>				
- Borrowing	1,022.70	269.57	753.13	1,022.70
- Trade payable	144.91	144.91	-	144.91
- Other financial liabilities	73.42	73.42	-	73.42

### 35.5 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.

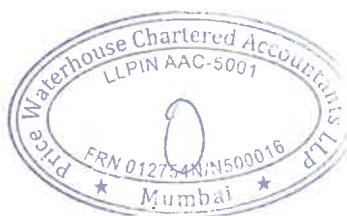
The Company has exposure arising out of export, import and other transactions other than functional risks. The Company hedges its foreign exchange risk using foreign exchange forward contracts. The same is within the guidelines laid down by Risk Management Policy of the Company.

(ii) Foreign exchange risk management:

To manage the foreign exchange risk arising from recognized assets and liabilities, Company use spot transactions, foreign exchange forward contracts, according to the Company's foreign exchange risk policy. Company's treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions. The Company's foreign exchange risk management policy is to selectively hedge net transaction exposures in major foreign currencies.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	(₹ in Crores)	(Foreign Currency In Crores)	(₹ in Crs)	(Foreign Currency In Crores)
<u>Amount receivable</u>				
USD	122.99	1.47	168.15	2.05
<u>Amount payable</u>				
USD	4.38	0.05	41.20	0.50



iii) Forward foreign exchange contracts :

The following table contains the details of forward foreign currency contracts outstanding at the end of the reporting period:

Particulars	Exposure to buy / sell	As at March 31, 2024	
		(₹ in Crores)	(Foreign Currency In Crores)
US Dollars			
March 31, 2024	Sell	83.42	1.00
March 31, 2023	Sell	-	-
US Dollars			
March 31, 2024	Buy	13.79	0.17
March 31, 2023	Buy	-	-
Euro			
March 31, 2024	Buy	6.38	0.06
March 31, 2023	Buy	-	-

iv) 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, 2024		For year ended March 31, 2024	
	3% strengthen	3% weakening	3% strengthen	3% weakening
USD	3.56	(3.56)	3.81	(3.81)

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.

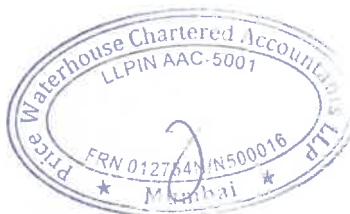
Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings bearing floating rate of interest	1,529.13	844.08

(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, 2024	As at March 31, 2023
50 bps increase - decrease in profits *	7.65	4.22
50 bps decrease - increase in profits *	(7.65)	(4.22)

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



### **35.6 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

a) Trade receivable: The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 233.12 crores (March 31, 2023 - ₹ 189.74 crores).

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, 2024 and there being no history of write off, 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.



### 36 Employee benefit plans

#### 36.1 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, 2024	As at March 31, 2023
Contribution to Provident Fund	1.02	0.35
Contribution to Family Pension Fund	0.56	0.19
Contribution to NPS	0.57	-
Contribution to Employees' Deposits Linked Insurance Scheme	0.03	0.01
<b>Total</b>	<b>2.18</b>	<b>0.55</b>

#### 36.2 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, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	(1.63)	(1.51)

- (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, 2024	As at March 31, 2023
<b>A. Components of expense recognised in the Statement of Profit and Loss</b>		
Current service cost	1.28	0.99
Net interest expenses	0.11	0.04
<b>Total (A)</b>	<b>1.39</b>	<b>1.03</b>
<b>B. Components of defined benefit costs recognised in other Comprehensive Income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from changes in demographic assumptions	(1.34)	-
- Actuarial gains and losses arising from changes in financial assumptions	0.04	(0.03)
- Actuarial gains and losses arising from experience adjustments	0.04	0.04
<b>Total (B)</b>	<b>(1.26)</b>	<b>0.01</b>
<b>C. Movements in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	1.51	0.48
Current service cost	1.28	0.99
Interest cost	0.11	0.04
Liabilities assumed for employee transferred from other entity	-	-
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in demographic assumptions	(1.34)	-
- Actuarial gains and losses arising from changes in financial assumptions	0.04	(0.03)
- Actuarial gains and losses arising from experience adjustments	0.04	0.04
Benefits paid	-	-
<b>Closing defined benefit obligation (C)</b>	<b>1.64</b>	<b>1.52</b>





(c) **Significant estimates: Actuarial assumptions**

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
1. Discount rate	7.17%	7.50%
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, 2024	As at March 31, 2023
Effect of +0.5% Change in Rate of Discounting	(0.06)	(0.12)
Effect of -0.5% Change in Rate of Discounting	0.06	0.14
Effect of +0.5% Change in Rate of Salary Increase	0.06	0.13
Effect of -0.5% Change in Rate of Salary Increase	(0.06)	(0.12)
Effect of +0.5% Change in Rate of Employee Turnover	(0.03)	(0.05)
Effect of -0.5% Change in Rate of Employee Turnover	0.03	0.05

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, 2024	*	0.56	2.57
As at March 31, 2023	*	0.06	6.97

\* Amount below rounding off norms

(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.

**36.3 Other Long term Employee Benefits:**

The liability for Compensated absences as determined by Independent actuary as at the balance sheet date is ₹ 2.34 crores (March 31, 2023: ₹ 1.74 crores).



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(Amount Rs. in Crores unless otherwise stated)

**37. Related party transactions**

Following are the names and relationships of related parties with whom the Company has transactions/ balances:

**a. Holding Company**

Navin Fluorine International Limited

**b. Key Management personnel**

Mr. Vishad P. Mafatlal, Chairman

Mr. Radhesh R. Welling, Managing Director (up to December 15, 2023)

Mr. Niraj B. Mankad, Director

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

Mr. Sujal A. Shah, Independent Non-Executive Director

Mr. Pradip N Kapadia, Independent Non-Executive Director (w.e.f. 30.10.2023)

Mr. G. C. Jain, Director

Mr. Anish Ganatra, Director and Chief financial officer

Ms. Akshika Shah, Director and Company Secretary

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

Transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Sales</b>		
Navin Fluorine International Limited	4.06	0.04
<b>Rental Expenses</b>		
Navin Fluorine International Limited	0.08	0.08
<b>Purchases</b>		
Navin Fluorine International Limited	149.72	119.71
<b>Corporate Guarantee Commission</b>		
Navin Fluorine International Limited	7.72	3.87
<b>Interest on ICD</b>		
Navin Fluorine International Limited	13.39	8.49
<b>Reimbursement of expenses paid</b>		
Navin Fluorine International Limited	19.21	7.54
<b>Investment in equity shares by holding company</b>		
Navin Fluorine International Limited	-	190.48
<b>Inter corporate deposit taken</b>		
Navin Fluorine International Limited	54.00	328.00
<b>Repayment of ICD and interest on ICD</b>		
Navin Fluorine International Limited	12.43	452.56
<b>Director Sitting fees and Commission*</b>	0.36	0.12

\* Commission payable to Independent Non-executive directors of ₹ 0.30 crores for the year ended March 31, 2024 is subject to approval of shareholders.



**37.2 Disclosures of closing balances:**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Amounts due to</b>		
Navin Fluorine International Limited		
Inter Corporate Deposit	230.00	176.00
Interest on Inter Corporate Deposit	3.57	2.62
Trade payables	44.84	23.50
Others payables	5.57	8.13
<b>Amount due to Directors</b>		
Mr. Atul K. Srivastava	0.12	0.06
Mr. Sujal A. Shah	0.12	0.02
Mr. Pradip N Kapadia	0.06	-
<b>Amounts due from</b>		
Navin Fluorine International Limited	2.81	0.04
<b>Corporate Guarantee taken</b>		
Navin Fluorine International Limited	1,811.00	1,338.00

**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, 2024, 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, 2024 is ₹ 230.00 crs (March 31, 2023: ₹ 176.00 crs). Rate of interest charged is between 7.02% - 7.35% pa. (March 31, 2023: 6.7% pa.)

**4. Guarantees taken from Holding Company**

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



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(Amount Rs. in Crores unless otherwise stated)

**38. Capital and other commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i. Capital commitments for Property, Plant and Equipment:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances of Rs. 62.82 crores, March 31, 2023: Rs. 76.58 crores)	132.90	276.30

**39 Segment Information**

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

(i) Company wide disclosure for Segment information:

Particulars	As at and for the year ended March 31, 2024			As at and for the year ended March 31, 2023		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues *	91.10	671.63	762.73	55.37	458.49	513.86
Carrying cost of non current assets @	2,001.97	-	2,001.97	1,311.05	-	1,311.05
Cost incurred on acquisition of Property, plant and equipment	601.07	-	601.07	486.74	-	469.59

\* 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 ended	
	March 31, 2024	March 31, 2023
Customer A	379.93	360.37
Customer B	169.23	80.65



**Navin Fluorine Advanced Sciences Limited**  
**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(Amount Rs. in Crores unless otherwise stated)

**40 Analytical Ratios**

Ratio	Numerator	Denominator	Current year	Previous Year	% Variance	Reason for Variance
(a) Current Ratio	Current Assets	Current Liabilities	0.65	1.21	-46.21%	Due to increase in contract liabilities and short term borrowings
(b) Debt-Equity	Total Debt	Shareholders' Equity	2.21	1.56	41.91%	Due to increase in borrowings
(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)	0.25	0.37	-32.49%	Due to increase in borrowings
(d) Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	5.07%	12.79%	-60.40%	Due to lower net profits after taxes as compared to previous year
(e) Inventory turnover Ratio	Cost of goods sold	Average Inventory	3.31	4.87	-31.96%	Variation is on account of full year operations in current year
(f) Trade Receivables turnover Ratio	Net Credit Sales	Average Accounts Receivable	3.57	5.35	-33.22%	Variation is on account of full year operations in current year
(g) Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	3.60	4.99	-27.82%	Variation is on account of full year operations in current year
(h) Net capital turnover Ratio	Net Sales	Working Capital	-2.84	4.79	-159.16%	Due to increase in contract liabilities and short term borrowings
(i) Net profit Ratio	Net Profit	Net Sales	4.53%	13.33%	-66.01%	Due to lower net profits after taxes as compared to previous year
(j) Return on Capital Employed	Earning before interest and taxes	Capital Employed	5.49%	6.60%	-16.74%	NA
(k) Return on investment	Earning before interest and taxes	Closing total assets	4.92%	5.82%	-15.50%	NA





**41 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.



**42. Summary of other accounting policies:**

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in Note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of Preparation: Current and non-current classification**

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

**b) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which consists of Chairman and Managing Director. The CODM assess the financial performance and position of the Company and makes strategic decisions. See Note 39 for segment information presented.

**c) Revenue recognition**

Company's material accounting policies about revenue recognition are explained in Note 2(b).

**Sale of Services:**

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

**d) Government Grants**

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

**e) Leases**

Company's material accounting policies about Leases as a lessee are explained in Note 2(c).

**As a lessor:**

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



**f) Property, Plant and Equipment**

Company's material accounting policies about Property, Plant and Equipment are explained in Note 2(f).

All other repairs and maintenance expenses (Subsequent costs) of which it is not probable that future economic benefits associated with the item will flow to the Company 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.

**g) Intangible assets**

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

**h) 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.

Investment in subsidiaries, property, plant and equipment, intangible assets and other assets are tested for impairment at least annually and when event occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value.

**i) Foreign currency transactions**

**(i) Functional and presentation currency**

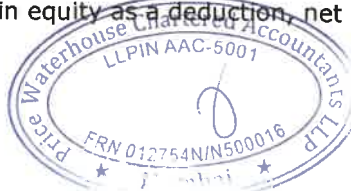
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements of the Company are presented in Indian Rupees ('₹'), which is the functional and presentation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

**j) 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.



**k) 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.

**l) Research and development expenses**

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

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**As per our report of even date**

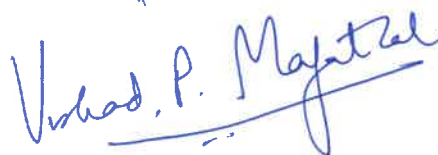
For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N-500016



**Jeetendra Mirchandani**  
Partner  
Membership No.048125  
Place: Mumbai

Date: May 6, 2024

**For and Behalf of the Board of Directors**



**Vishad P. Mafatlal**  
Chairman  
DIN: 00011350



**Anish Ganatra**  
Director and Chief Financial Officer  
DIN: 10074681



**Akshika Shah**  
Director and Company Secretary  
DIN: 09542943

Place: Mumbai  
Date: May 6, 2024