



## Navin Fluorine International Limited

2<sup>nd</sup> Floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle East, Mumbai 400 057.  
Tel.: 022- 6650 9999, Fax: 022- 6650 9800.  
E mail: info@nfil.in, Website: www.nfil.in CIN No: L24110MH1998PLC115499.



### POSTAL BALLOT NOTICE

Dear Member(s),

**NOTICE** is hereby given, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), to transact the following business by passing the special resolution set out below through Postal Ballot including voting through electronic means.

The Company is desirous of seeking your consent to the proposal contained in the Resolution set out below. A statement under Section 102 of the Companies Act, 2013, giving all material facts and the reasons for the Special Resolution is also annexed.

The Board of Directors, at its meeting held on 28<sup>th</sup> April, 2017, has appointed Mr. Dharmesh Zaveri of D.M. Zaveri & Co. as the Scrutinizer for conducting the postal ballot voting process (physical & e-voting) in a fair and transparent manner.

You are requested to read carefully the instructions given in the Postal Ballot Form, vote either for or against the Resolution and return the said Form duly completed and signed, in the postage prepaid self-addressed envelope so as to reach the Scrutinizer not later than 5.00 p.m. on 5<sup>th</sup> July, 2017 at the following address: Karvy Computershare Pvt Ltd, Unit Navin Fluorine International Limited, Karvy Selenium Tower B, Plot No 31 & 32, Financial District, Gachibowli, Hyderabad 500 032. In accordance with Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has engaged M/s. Karvy Computershare Private Limited (RTA), an agency authorised by the Ministry of Corporate Affairs, to provide remote electronic voting facility to its members. The procedure for electronic voting is mentioned on the reverse of the Postal Ballot Form which is attached separately. The results of the voting by postal ballot will be announced by the Chairman of the Company or in his absence, any person authorized by him, on 6<sup>th</sup> July, 2017 at the registered Office of the Company situated at 2<sup>nd</sup> Floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle (East) Mumbai-400057 and will be displayed on the notice board at the registered office of the Company. The results of the postal ballot will also be posted on the Company's website www.nfil.in and website of RTA i.e. www.karvycomputershare.com besides communicating to the stock exchanges where the Company's shares are listed. The resolution, if approved, will be taken as passed effectively on 5<sup>th</sup> July, 2017. Members requiring any clarifications on e-voting may contact RTA on toll free number 1-800-3454-001 or by email einward.ris@karvy.com / navin.ris@karvy.com.

#### Item of business requiring consent of shareholders through Postal Ballot/e-voting:

##### To sell the Undertaking of the Company at Dahej, Gujarat :

To consider and, if thought fit, to give assent/dissent to the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force) and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, consents and clearances as may be required, consent of the Members of the Company be and is hereby granted to the Board of Directors for sale/transfer/ hiving off of the entire business relating to the manufacture and sale of specialty fluorochemical having application in healthcare, being conducted at the Dahej facility of the Company, as a going concern, together with all the identified assets, liabilities, consents, permissions, employees etc. to Convergence Chemicals Pvt. Ltd., a Joint Venture between the Company and Piramal Enterprises Ltd. on a slump sale basis, at the net book value of that business undertaking.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to finalize and execute all necessary agreements, documents, undertakings, representations as may be necessary with power to do all such acts, deeds, matters and things including settling any questions or difficulties that may arise in implementation of this Resolution.”

**By Order of the Board,**

Place: Mumbai  
Date: 28<sup>th</sup> April, 2017

N. B. Mankad  
Vice-President Legal & Company Secretary

#### Regd. Office:

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Section 180(1)(a) of the Companies Act, 2013 ("the Act"), inter alia, prescribes that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company subject to consent of the members by a Special Resolution. Explanation to the said Section 180(1)(a) defines the terms "undertaking" and "substantially the whole of the undertaking".

As the Members are aware, the Company has entered into a joint venture arrangement with Piramal Enterprises Ltd. ("PEL") for development, manufacture and sale of specialty fluorochemical for application in healthcare. Accordingly, a company by the name of Convergence Chemicals Pvt. Ltd. ("CCPL") was incorporated on 19<sup>th</sup> November, 2014. The shareholding of the Company and PEL in CCPL is in the ratio of 49:51. This strategic Joint Venture will leverage the Company's fluorochemicals capabilities and PEL's strong presence in the healthcare sector. With the increasing importance of fluorine in life sciences, there is a considerable potential to exploit the synergies between the Company and PEL. It was agreed with PEL that the manufacturing plant for the Joint Venture will be set up at Dahej, Gujarat. With a view to expedite the process of setting up the plant, it was agreed that the Company will set it up on its land at Dahej at the cost of the Joint Venture and commence the commercial production and then transfer it to the Joint Venture Company viz. CCPL.

The said manufacturing facility established by the Company is proposed to be transferred to CCPL after obtaining all requisite approvals. The said facility is proposed to be transferred as a going concern on slump sale basis together with all the identified assets, liabilities, consents, permissions, services of employees etc. at net book value. Since the said facility will tantamount to an undertaking of the Company as contemplated under Section 180(1) of the Act, it is proposed to pass this resolution as a Special Resolution.

As the Company holds 49% of the issued and paid-up share capital in CCPL (the balance 51% being held by PEL), the said CCPL is technically a related party as contemplated in Section 188 read with Section 2(76) of the Act, though the Promoters of the Company and/or Key Managerial Personnel ("KMP") of the Company or their relatives have no direct or indirect personal interest (except as the shareholders of the Company) in the said transaction. It is therefore proposed to pass this resolution also as required by Section 188 of the Act seeking approval of the members.

The said undertaking will be transferred after obtaining the requisite approvals from various authorities to facilitate this transfer, subject to the approval of Gujarat Industrial Development Corporation Ltd. ("GIDC"). It is proposed to give 45,258 sq. mtrs. out of 3,43,330 sq. mtrs. land at Dahej to CCPL taken on lease by the Company from GIDC by way of sub-lease. The sub-lease to CCPL will be for a period of 25 years on rent not being less than the pro rata rent which the Company has to pay.

The establishment of this Joint Venture will further benefit the Company as the Company will be able to supply hydrogen fluoride to CCPL on arm's length basis.

Accordingly, the approval of the Members is sought under the provisions of Sections 180(1)(a) and Section 188 and other applicable provisions of the Act including Rules framed thereunder since, as explained above, it will be considered as a related party transaction. Approval of the Members by passing a resolution is also required under Regulation 23(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Section 180 of the Act requires passing of a Special Resolution.

The other requisite disclosures as required by the corresponding Rules under Section 188 are as under:

(a)	Name of the Related Party	Convergence Chemicals Pvt. Ltd. ("CCPL") (CIN:U24100GJ2014PTC081290)
(b)	Name of the Director or Key Managerial Personnel who is related, if any	None
(c)	Nature of Relationship	CCPL is a Joint Venture Company established by the Company with Piramal Enterprises Ltd. (CIN:L24110MH1947PLC005719). The Company and PEL hold the entire issued and paid-up share capital of CCPL of Rs.70,01,00,000/- divided into 7,00,10,000 equity shares of Rs.10/- each and issued for cash at par, in the ratio of 49:51.
(d)	Nature, material terms, monetary value and particulars of the contract or arrangement	Transfer of the undertaking established in Dahej, Gujarat for manufacture and sale of specialty fluorochemical for application in health care, on a going concern basis as slump sale at the net book value on the date of transfer. The net book value of the said undertaking as on 31.3.2017 is Rs.16962.52 lacs. Subject to the requisite approval of GIDC, sub-lease of 45,258 sq. mtrs. of industrial land at Dahej for a period of 25 years to be given to CCPL at rent on pro-rata basis to the rent required to be paid by the Company to the Lessors. All costs and expenses for the transfer of the undertaking including stamp duty, registration charges, premium, if any, payable to any person and taxes shall be borne and paid by CCPL.
(e)	Any other information relevant or important for the Members to take a decision on the proposed resolution	This Joint Venture will further benefit the Company as the Company will be able to supply hydrogen fluoride to CCPL on arm's length basis.

The Board of Directors recommend passing of the Special Resolution as set out in the Postal Ballot Notice for approval by the Members.

None of the Directors, key managerial personnel and/or their relatives is concerned or interested in the Resolution, except to the extent of their shareholding in the Company.

**By Order of the Board,**

N. B. Mankad  
Vice-President Legal & Company Secretary

Place: Mumbai  
Date: 28<sup>th</sup> April, 2017

**Regd. Office:**

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