

# values enrich



PADMANABH  
MAFATLAL  
GROUP

Creating value. Sharing value.



Navin Fluorine International Limited  
ANNUAL REPORT 2016-17



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Revenue

₹ 701 crore

in FY2016-17



EBITDA

₹ 207 crore

in FY2016-17

PAT

₹ 134 crore

in FY2016-17

### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Mr. H. A. Mafatlal (DIN:00009872)	Chairman upto 19.8.2016
Mr. V. P. Mafatlal (DIN:00011350)	Chairman from 20.8.2016
Mr. T.M.M.Nambiar (DIN:00046857)	Director
Mr. P N. Kapadia (DIN:00078673)	Director
Mr. S. S. Lalbhai (DIN:00045590)	Director
Mr. S. M. Kulkarni (DIN:00003640)	Director
Mr. S. G. Mankad (DIN:00086077)	Director
Mr. H. H. Engineer (DIN:01843009)	Director
Ms. R.V. Haribhakti (DIN:02409519)	Director
Mr. A. K. Srivastava (DIN:00046776)	Director
Mr. S. S. Khanolkar (DIN:02202839)	Managing Director

### COMPANY SECRETARY

Mr. N. B. Mankad

### BANKERS

State Bank of Hyderabad  
AXIS Bank Limited  
HDFC Bank Limited

### AUDITORS

Messrs Deloitte Haskins & Sells  
Chartered Accountants

### SOLICITORS

Vigil Juris

### REGISTERED OFFICE:

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

### UNITS:

Navin Fluorine, Surat 395023 (Gujarat)  
Navin Fluorine, Dewas 455022 (M.P.)  
Navin Fluorine, Dahej 392130 (Gujarat)

### REGISTRAR & SHARE TRANSFER AGENT

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


### INVESTOR RELATIONS CENTRE

Karvy Computershare Private Limited  
24-B,Ground Floor, Rajabhadur Mansion,  
Ambalal Doshi Marg, Behind BSE, Fort,  
Mumbai 400 023.  
Tel: 022-66235454,  
Fax: 022-66331135.  
201, Shail Complex, Opp. Madhusudan House,  
Off: C.G. Road, Near Navrangpura Telephone Exchange,  
Ahmedabad 380 006.  
Tel. No.079-26400527, 65150009.  
E-mail: ahmedabad@karvy.com

### 19th ANNUAL GENERAL MEETING

On Thursday the 29th June, 2017  
At 3.00 p.m. at Rama & Sundri Watumull Auditorium,  
K. C. College, Dinshaw Wacha Road,  
Churchgate, Mumbai 400020

1. Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.
3. The Listing Fees for the year 2017-18 have been paid by the Company to BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed.



At Navin Fluorine International Limited, we have consistently believed that values enrich.

Excellence at work creates stakeholder value.

We share this value with partners in our journey.

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

We are fair with all our stakeholders.

We engage in honest communication.

The ferment of these values translated into our performance in F.Y.2016-17.



The company reported yet another year of superlative profitable growth:

Revenue increased  
**10%**

Profit after tax strengthened  
**55%**



## CHAIRMAN'S OVERVIEW

We believe that in business, as in life, there is no single owner. Value is created together and shared together, even if guided by a single custodian.

### Values enrich

At the Padmanabh Mafatlal Group, of which our company Navin Fluorine International Limited is the flagship, value-creation and value-sharing represent our foundation.

We believe that in business, as in life, there is no single owner. Value is created together and shared together, even if guided by a single custodian.

The promoter is the custodian of this value, which is created for all stakeholders - employees, vendors, shareholders and others.

Even as we seek excellence, fairness and transparency at the individual and team levels, our collective responsibility extends to society and the nation.

### Rebranding around values

Our new Group's visual identity reflects our philosophy of trusteeship and value sharing through the visual depiction of coins (small discs) that come together to form the letter 'P' of Padmanabh Mafatlal. The visual depicts that one disc exits the formation, indicating that the heart of the Group is reaching out to the world.

At our Group, these values were professed across the decades. They represent a rich legacy drawn from the same value-tree lineage of my late grandfather Arvind Mafatlal. The result is a value system serving as a consistent frame of reference for everyone at our company.

### The five principles

As a custodian of stakeholder interests, we enunciated five principal elements of this distinctive way of doing business.

#### **Principle one. Excellence at work = Creating value**

We must be the best-in-class. We must engage in excellence in whatever we do across levels and locations.

#### **Principle two. Partners in journey of the company = Sharing value.**

We believe that equitable value-sharing across internal stakeholders represents the first step in enhancing value for external stakeholders.

#### **Principle three. Sense of belonging = Our company's interest first.**

We believe that trust begets trust. We enhance loyalty and commitment when we treat our family and stakeholders in the same way.

#### **Principle four. Fairness towards all stakeholders.**

We believe that fairness across internal and external stakeholders translates into enduring mutual respect and trust.

#### **Principle five. Honest communication.**

We believe that we must communicate what we see - comprehensively and consistently - across all stakeholders at all times.

I believe these values are more than just a better way of doing business. They are a better way to live.

**Vishad Mafatlal**, *Chairman*



**Shekhar Khanolkar**  
*Managing Director*

*Dear Shareholders*

F.Y.2016-17 was one of the best years in the history of the Company. Navin Fluorine International Limited achieved most of its targets during the year. While revenues grew by 10%, EBITDA increased by 47%, PAT strengthened by 55% and EBITDA margin widened by 700 bps.

We reached such figures in the year under review because of our consistent performance over a considerable period of time. A decade ago, Navin Fluorine was a high-volume, low-value commodity player. The Company was faced with a challenge, competing in the areas where the global environment was not supportive. The given ultimatum was to evolve or perish.

The Company embarked on a strategic re-invention with the objective to grow its value chain, leveraging its inherent strength in fluorination chemistry. This was challenging for a number of reasons. What was required was a completely different organisation mindset, a different class of knowledge, customer engagements extending from transactions to relationships, changed customer profile and local benchmarks that migrated to the global.

The Navin Fluorine ecosystem responded by rising to the challenge under the able direction of our Board. Challenges were embraced. All the employees set stretched and specific targets for themselves. Learning curves declined. Continuous improvements were explored. New ways of working competencies were adopted. Internal standards for operations and supply chain were raised substantially.

Navin Fluorine International Limited evolved. The Company began to

emerge as a truly global player. The share of value-added products increased steadily. The proportion of revenue from top global companies increased every year. The investment in world-class research, development and technology assets coupled with team work started generating desired results.

Our CRAMS business model proved to be a game changer. When we entered this segment, we needed to create a global facility capable of handling the scrutiny of stringent international customer audits. These audits, over the years, inspired a proactive preparedness, compliance with evolving guidelines and customer expectations. We continuously invested in our Dewas facility as the customer traction continued to increase, reflecting growing revenues from this business. Our acquisition of Manchester Organics was an integral part of our CRAMS strategy. We integrated Manchester Organics operations

**47%**

EBITDA increased

**55%**

PAT strengthened

**700bps**

EBITDA margins widened.

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I am pleased to report that the Company's outlook appears more optimistic. The business enjoys scale, partnerships, profitability and growing product pipeline, which is likely to translate into a stronger business sustainability.

with our Dewas operations to create a robust global CRAMS delivery model extending from gram to tonne levels. Today we have effectively consolidated the capabilities of the two organisations in completely different geographies towards a superior customer experience.

We also believed that in addition to standalone product development projects, we needed to invest in joint ventures with large global companies. During the past few years, we entered into such relationships with a few companies. Our collaborative work with Piramal Group to develop, manufacture and sell certain specialty fluorochemicals is one such effort. During the year under review, we launched the Dahej plant and started commercial despatches to Piramal facility. Our recent partnership with Honeywell to develop a new refrigeration gas (R 1234yf) is another example of efforts in this direction. This illustrates the confidence of global giants on the technological capabilities of Navin.

With research-driven business specialty, CRAMS will continue to remain the focus of investments in the future. We realise and appreciate the contribution of two traditional businesses - refrigeration gases and inorganic fluorides. Both these businesses contribute to the profit growth of the Company substantially and we expect

to see their enhanced contribution to our business in future also.

The result is that Navin Fluorine International Limited is an evolved Company with sustained profitability.

### Outlook

I am pleased to report that the Company's outlook appears more optimistic. Its business enjoys scale, partnerships, profitability and a growing product pipeline, likely to translate into stronger business sustainability. Navin Fluorine finished F.Y.2016-17 with ₹748 Crore in consolidated revenues. Within the next few years, we will continue to invest in the business to maintain growth sustainability. We strongly believe that substantial holistic growth is indeed achievable since we enjoy an attractive order book, work with a large proportion of global customers from different sectors and enter into business-strengthening product development alliances with large technology-led innovators.

### Overview

We are thankful to our shareholders for supporting the challenging transition in our existence. We believe that our business initiatives will add significant value for every single member of our growing stakeholder family.

**Shekhar Khanolkar**  
*Managing Director*

# 5

## values at Navin Fluorine...



### Excellence at work = Creating value.

Excellence as a culture and not as a reaction; excellent in thought and action; excellence in everything we do



### Partners in journey of the company = Sharing value.

We create an overarching ecosystem; driven by relationships over transactions; leave adequate sustainable value for all partners; you grow when we grow – and not vice versa



### Sense of belonging = NFIL's interest first.

We delegate and empower; make people lead; focus on professional and personal growth; extend engagements from the financial to the emotional; create emotional buy-in among stakeholders



### Fairness towards all stakeholders.

We become the custodian of stakeholder interests; engage on the basis of fairness; live and demonstrate this philosophy; apply equally across all tiers, functions and geographies



### Honest communication.

We tell the truth as it is; truth is defined by accurate and comprehensive communication. We communicate consistently irrespective of market cycles and varying circumstances

...And how they enriched us in a sluggish global economy

**10%**

Revenue growth,  
F.Y.2016-17

**55%**

PAT growth,  
F.Y.2016-17

**400** bps

EBITDA (before  
exceptional items) margin  
growth, F.Y.2016-17

**200** bps

ROCE (before  
exceptional items)  
growth, F.Y.2016-17

Fluorine is virtually everywhere – and in growing proportion.

In the whitening agent of our toothpaste, in the medicines we consume, in refrigerant gases, in non-stick utensils, in aeroplanes, in agrochemicals, in widening applications of the automotive, chemical, electronics, architectural and engineering industries.

Navin Fluorine International Limited is one of the most competitive research-driven fluorine chemistry companies in the world. Working with large multinational customers in researching, developing and manufacturing cutting-edge products.



### Background

Navin Fluorine International Limited is the flagship of the Mumbai-based Padmanabh Mafatlal Group with an industrial lineage extending across the decades. It is headed by Vishad Mafatlal. The Business was established in 1967.

Navin Fluorine International Limited possesses more than 40 years of leadership in fluorine chemistry and refrigerant science. Navin Fluorine International Limited manufactures safe, high-performance and high-quality refrigerants for refrigeration and air-conditioning applications. The Company has also carved a niche in the inorganic fluoride space on account of its ability to promptly scale manufacturing capacities and develop customised products. Navin Fluorine International Limited possesses the distinctive capacity to manage complex chemistries and deliver quality products.

### **Vision**

To be a world-class, customer-focused, innovative organisation in the field of fine and specialty chemicals and emerge as the partner-of-choice to global refrigerant, chemical, crop and life science companies.

### **Mission**

- To provide customers with world-class specialty fluorochemicals at the most competitive prices
- To continue and grow by leveraging proven Research & Development capabilities
- To innovate, build and operate chemical plants in the most safe and environment-friendly manner
- To continuously enhance stakeholder value via the optimal utilisation of resources

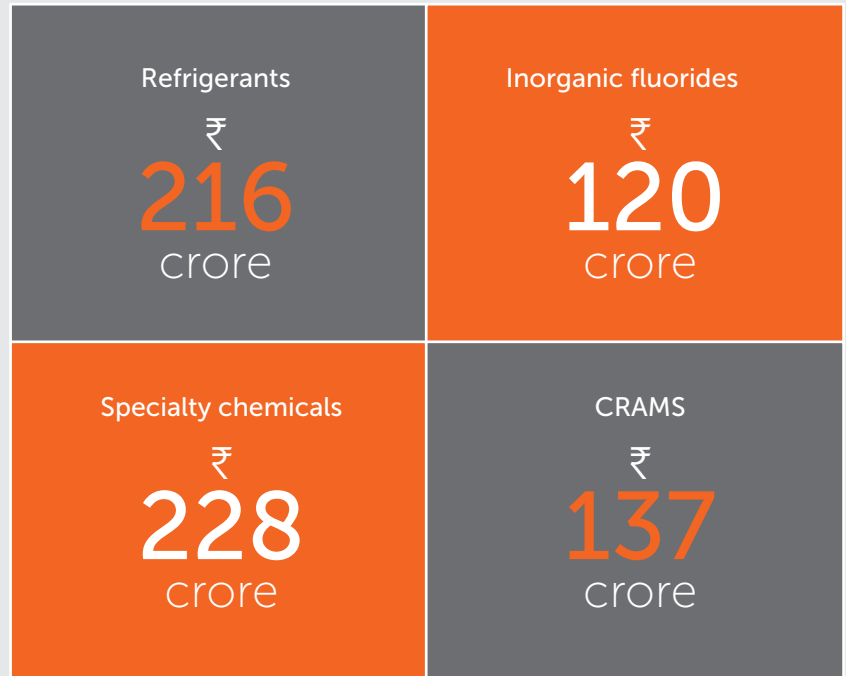


## This is what we do and for whom

<p>NFIL posted another year of strong growth – 10% increase in terms of revenues and 55% increase in PAT</p>	<p><b>Refrigerants</b> Among the first Indian companies to venture into the refrigerants space; presently, it manufactures HCFC-22 under the brand name of Mafron</p>	<p><b>Inorganic fluorides</b> One of the largest Anhydrous Hydrofluoric manufacturing capacities in India with a large product portfolio</p>	<p><b>Specialty chemicals</b> Strong presence in the value-added specialty fluoro intermediates segment with prominent clients from the pharma, agrochem and petrochem industries, among others</p>	<p><b>CRAMS</b> Proven research capabilities and a sophisticated cGMP-compliant plant for making advanced fluoro intermediates.</p>
<p>Contribution to total revenues</p>	<p>31%</p>	<p>17%</p>	<p>32%</p>	<p>20%</p>
<p><b>Financial highlights</b></p>	<p><b>Revenues</b> ₹216 crore</p>	<p><b>Revenues</b> ₹120 crore</p>	<p><b>Revenues</b> ₹228 crore</p>	<p><b>Revenues</b> ₹137 crore</p>
<p><b>Primary growth drivers</b></p>	<ul style="list-style-type: none"> <li>• Growing domestic demand</li> <li>• Proven credentials in the replacement market</li> <li>• Steady export demand</li> <li>• Growing alternate use in the life-sciences sector as feedstock</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced exports visibility</li> <li>• Introduction of new products</li> <li>• Enduring relationship with end-user segment</li> </ul>	<ul style="list-style-type: none"> <li>• Strong research team</li> <li>• Reputed clientele including world's largest pharma, crop protection and chemical companies</li> </ul>	<ul style="list-style-type: none"> <li>• Working with global innovators in pharma and life sciences sectors</li> <li>• State-of-the-art cGMP plant</li> </ul>

NFIL enjoys a strong presence in the value-added specialty fluoro intermediates segment with prominent clients hailing from pharma, agrochem and petrochem industries, among others

### Revenues by business units



### Revenues by geography

Domestic

₹ **391** crore

Exports

₹ **310** crore



## NOTICE

NOTICE IS HEREBY GIVEN THAT the 19th Annual General Meeting of the Members of the Company will be held on Thursday, the 29th June, 2017 at 3.00 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, the Audited Financial Statements including the Statement of Profit and Loss for the year ended 31st March, 2017 and the Balance Sheet as at that date and the Auditors' Report thereon as also Consolidated Financial Statements for that Financial Year.
2. To confirm the payment of Interim Dividend on equity shares for the year 2016-17 and to declare final dividend on equity shares for the year 2016-17
3. To appoint a Director in place of Mr. A.K. Srivastava (DIN 00046776) who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 24th Annual General Meeting (subject to ratification of the appointment by the Members at every AGM held after this AGM) on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modifications, the following Resolution, as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Members be and is hereby accorded to the appointment of Mr. Vishad P. Mafatlal

(DIN 00011350) as Executive Chairman, designated as Chairman of the Company, for a period of 5 (Five) years with effect from 20th August 2016 on the terms and conditions and remuneration as set out in the Letter of Appointment dated 31st August, 2016 as modified by letter dated 28th April, 2017 laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to Mr. V.P. Mafatlal within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications, re-enactments thereof in force from time to time in this behalf."

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 61(1)(d), 64 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 Memorandum and Articles of Association of the Company and subject to such other approvals, consents and clearances as may be required, each of the equity share of the Company having a face value of ₹10/- (Rupees Ten only) be sub-divided into 5 equity shares having a face value of ₹2/- (Rupees two only) each."

"RESOLVED FURTHER THAT upon the sub-division of the equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the face value of ₹10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date (as determined by the Board) and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and dispatch the new Share Certificate(s) in lieu of such existing issued Share Certificate(s) and in the case of equity shares held in dematerialised form, the number of sub-divided equity shares be credited to the respective beneficiary accounts of the shareholders

with the Depository Participants, in lieu of the existing credits representing the equity shares of the Company before sub-division.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) thereof) be and is hereby authorised to make appropriate adjustments due to the sub-division of shares as aforesaid, to the outstanding options granted to the employees of the Company under the Employees Stock Option Scheme, 2007 of the Company, being administered by the Company pursuant to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and/or the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any amendments thereto from time to time, such that the exercise price for all outstanding options (vested and unvested options, including lapsed and forfeited options) as on the ‘Record Date’ (as determined by the Board) shall be proportionately adjusted and the number of options which are available for grant and those already granted but not exercised as on the ‘Record Date’ (as determined by the Board) shall be appropriately adjusted.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the Record Date for the purpose of sub-division and to do all such acts, deeds, matters and things and to take steps as may be necessary including issuance of new share certificates, the delegation of all or any of the powers herein conferred, to any Director(s), Company Secretary or any other Officer(s) of the Company, or to the Company’s Registrars and Share Transfer Agents, for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all such deeds, applications, documents, undertakings and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 61(1)(d) 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), Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following:

“V The Authorised Share Capital of the Company is ₹35,00,00,000/- (Rupees Thirty Five Crores) divided into 17,50,00,000 (Seventeen Crores Fifty Lacs) equity shares of ₹2/- each (Rupees Two only) with powers to increase or reduce the capital of the Company or to decrease the number of shares or to increase or decrease the face value of the shares in accordance with the Act in force from time to time and with a power to the Board of Directors to divide the shares in the capital for the time being into equity and/or preference and/or classify or reclassify the shares into equity and/or preference shares and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such a manner as may be for the time being provided by the Regulations of the Company and the Legislative provisions for the time being.”

8. To consider and if thought fit, to pass with or without modifications, the following Resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company and in accordance with the provisions

of any other applicable laws or regulations and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority/ies while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination & Remuneration Committee ("NRC") and/or any other Committee constituted by the Board for this purpose), to create, offer, issue and allot equity shares under one or more Employee Stock Option Schemes (ESOS), from time to time, to the eligible employees whether working in India or out of India and to Directors of the Company (excluding Promoters, Independent Directors and Directors holding directly or indirectly more than 10% of the prevailing outstanding equity shares of the Company) and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time (all such persons are hereinafter referred to as "Eligible Employees") on the terms and conditions as detailed in the Explanatory Statement annexed hereto or on such other terms and conditions and at such price and in such number of tranches as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT the maximum number of stock options to be granted to Eligible Employees of both the company and its subsidiaries under one or more Employee Stock Option Schemes shall not exceed 5% of the issued & paid up share capital of the Company from time to time (excluding 1,18,002 options which are at present in force under the Employees Stock Option Scheme, 2007).

RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari passu with all the existing equity shares of the Company for all purposes.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, regarding creation, offer, issue, allotment and listing of such shares, the Board be and is hereby authorised to evolve, decide upon and bring into effect one or more Employee Stock Option Schemes and to make any modifications,

changes, variation, alteration or revisions in it or to suspend, withdraw or revive the same from time to time in accordance with applicable laws and/or as may be specified by any appropriate authority and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may, in its absolute discretion deem necessary, desirable, usual or proper in relation there to with the liberty to the Board on behalf of the Company to settle any question, difficulties or doubts whatsoever that may arise with regard to such creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, restructuring or such other similar event, the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure that fair and equitable benefits under the Employee Stock Option Schemes are passed on to the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the shares allotted under the Employee Stock Option Schemes on the Stock Exchanges as per the provisions of SEBI LODR Regulations, SEBI Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or any Officer(s) of the Company."

9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association

of the Company and in accordance with the provisions of any other applicable laws or regulations and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority/ies while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination & Remuneration Committee ("NRC") and/or any other Committee constituted by the Board for this purpose), to create, offer, issue and allot equity shares one or more Employee Stock Option Schemes (ESOS), from time to time, to the eligible employees of the subsidiary(ies) Companies whether working in India or out of India, and to Directors of the subsidiaries (Present & future), (excluding Promoters, Independent Directors and Directors holding directly or Indirectly more than 10% of the prevailing outstanding equity shares of the Company/Subsidiary Companies) and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time (all such persons are hereinafter referred to as "Eligible Employees") on the terms and conditions as detailed in the Explanatory Statement annexed hereto or on such other terms and conditions and at such price and in such number of tranches as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT the maximum number of stock options granted to Eligible Employees of both, the employees of the Company and its subsidiaries under one or more Employee Stock Option Schemes shall not cumulatively exceed 5% of the issued & paid up share capital of the Company from time to time (excluding 1,18,002 options which are at present in force under the Employees Stock Option Scheme, 2007).

RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari passu with all the existing equity shares of the Company for all purposes.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, regarding creation, offer, issue, allotment and listing of such shares, the Board be and is hereby authorised to evolve, decide upon and

bring into effect one or more Employee Stock Option Schemes and to make any modifications, changes, variation, alteration or revisions in it or to suspend, withdraw or revive the same from time to time in accordance with applicable laws and/or as may be specified by any appropriate authority and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary, desirable, usual or proper in relation thereto with the liberty to the Board on behalf of the Company to settle any question, difficulties or doubts whatsoever may arise with regard to such creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, restructuring or such other similar event, the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure that fair and equitable benefits under the Employee Stock Option Schemes are passed on to the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the shares allotted under the Employee Stock Option Schemes on the Stock Exchanges as per the provisions of the SEBI LODR Regulations, the SEBI Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or any Officer(s) of the Company."

10. To consider and if thought fit, to pass with or without modifications, the following Resolution, as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section 197 of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Company be and is hereby accorded for the payment to the Non-Executive Directors of the Company, commission, as may be decided by the Board of Directors from time to time, at the rate not exceeding 1% of the net profits

of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, for a period of 5 years commencing from 1st April, 2018."

11. To consider and if thought fit, to pass with or without modifications, the following Resolution, as an **ORDINARY RESOLUTION:**

"RESOLVED THAT in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any, of the Companies Act, 2013, payment of Remuneration of ₹3,50,000/- (Rupees Three Lacs Fifty Thousand only) (apart from reimbursement of out-of-pocket expenses incurred for the purpose of Audit) to Mr. B. C. Desai, Cost Auditor (Membership Number

M-1077) for conducting the audit of Cost Records relating to the chemical products manufactured by the Company for the year 1st April, 2017 to 31st March, 2018, be and is hereby approved and ratified."

By Order of the Board,

**Place: Mumbai**

**N.B. Mankad**

**Dated: 28th April, 2017**

*Company Secretary*

**Regd. Office:**

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

## NOTES:

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

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

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Numbers 5 to 11 mentioned in the above Notice is annexed hereto.
3. In terms of Section 152 of the Companies Act, 2013, Mr. A.K. Srivastava (DIN 00046776), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The details of the director seeking

appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government is annexed hereto.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 20th June, 2017 to Friday, the 23rd June, 2017 (both days inclusive) for the purpose of determining the eligibility of Shareholders entitled for payment of dividend, if any.
5. The final dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on 4th July, 2017.

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

- a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.
- b) Shareholders holding shares in physical form are requested to provide the following details along with an authorisation letter allowing the Company to directly credit the dividend in their bank accounts:

Name of first account holder (as appearing in the bank account records), Bank name, branch name, branch

- address, Account type and account number, IFSC code and MICR code and a copy of cancelled cheque.
6. Members are requested to note that pursuant to the provisions of Section 125(c) of the Companies Act, 2013, the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The Company has already transferred the unclaimed / unpaid dividend declared for the year 2009 to the said fund. Members who have so far not claimed the dividends declared for any subsequent financial year(s) are requested to make claim with the Company immediately.
  7. **The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices / documents including annual report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.**
  8. Route map and prominent land mark for easy location of venue of the AGM is provided in the Annual Report and the same shall also be available on the Company's website [www.nfil.in](http://www.nfil.in)
  9. All documents referred to in the accompanying notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturday & Sunday during business hours up to the date of the 19th Annual General Meeting.
  10. Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorising their representatives to attend and vote at the AGM.
  11. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details/update E-mail ID/mandates/nominations/power of attorney/change of name/change of address/contact numbers etc. to their Depository Participants (hereinafter referred to as "DP") with whom they are maintaining their demat accounts. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agents M/s. Karvy Computershare Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to advise such changes to RTA.
  12. **Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and ease of portfolio management. Members can contact the Company or M/s. Karvy Computershare Private Limited (RTA) for assistance in this regard.**
  13. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/DP, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
  14. In terms of Section 108 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. Details of the e-voting process and other relevant details are being sent to all the Members along with the Notice.

### ANNEXURE TO NOTICE

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

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos.5 to 11:

#### In respect of Item No. 5:

Mr. H.A. Mafatlal stepped aside as the Chairman and Director of the Company with effect from close of office hours on

19th August, 2016. His resignation was accepted by the Board of Directors at their meeting held on 19th August, 2016. At the aforesaid Meeting, the Board of Directors, based on the recommendations of Nomination and Remuneration Committee approved the appointment of Mr. V.P. Mafatlal (who was Non-Executive Promoter Director) as the Executive Chairman, designated as Chairman of the Company, for a period of 5 years from 20th August, 2016, subject to approval of the Members of the Company on the following terms and conditions:

- I. (a) Basic Salary: ₹1,08,00,000 /- p.a.
- (b) Perquisites :
  - (i) Fully furnished house or House Rent Allowance of ₹53,84,000/- per annum ( subject to ceiling of 50% of annual basic salary) in lieu thereof.
  - (ii) Actual Expenditure incurred on gas, electricity, water, servants etc.
  - (iii) Medi Claim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the Rules of the Company.

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

- (c) Mr. V.P. Mafatlal will be also entitled to the following:
  - i. Contribution to provident fund or annuity fund to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961 and contribution to superannuation fund.
  - ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
  - iii. Encashment of leave at the end of the tenure as per Rules of the Company.
- (d) Apart from remuneration, Mr. V.P. Mafatlal will be entitled to:
  - (i) Free use of the Company's car for the business of the Company with reimbursement of driver's salary.
  - (ii) Free telephone facility at residence and use of mobile phone facility.

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

- II. Commission on the annual net profits of the Company as may be decided by the Board at the end of each financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013, subject to the ceiling laid down in Section 197 of the Companies Act, 2013 on the total remuneration.
- III. In case of absence or inadequacy of profits in any financial year of the Company during 20th August, 2016 – 19th August, 2019, he will be entitled to salary, perquisites and allowances as the minimum remuneration, subject to the maximum limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013. The perquisites mentioned in Para I (c) above shall not be included in the computation of the ceiling on minimum remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- IV. The Board may alter or vary the above referred terms of appointment, salary, perquisites and commission including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and is acceptable to Mr V.P. Mafatlal provided that such alterations are within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications or re-enactments thereof in force from time to time.
- V. Mr. V.P. Mafatlal shall not be liable to retire by rotation. He shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

Based on the recommendations of the Nomination and Remuneration Committee, and subject to the approval of the Members of the Company, the Board of Directors at their meeting held on 28th April, 2017 revised the remuneration of Mr. V.P. Mafatlal, w.e.f. 1st April, 2017 as under :

- a) Basic Salary ₹1,24,08,000/- p.a
- b) Fully furnished house or house rent allowance (HRA) of ₹62,00,000/- p.a. (subject to ceiling of 50% of annual basic salary) in lieu thereof.

A copy of the Letter of Appointment issued to Mr. V.P. Mafatlal, subject to approval of the Members, recording his terms of appointment for a period of 5 years from 20th August, 2016 and letter of modification dated 28th April, 2017 as referred to in the said Resolution is available for inspection by the Members at the Registered Office of the Company, during normal business hours on any working day excluding Saturday and Sunday.

Other particulars pertaining to the Company, which are required to be disclosed as per Section II of Part II of Schedule V to the Companies Act, 2013 and also Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, are given in Annexure A to this Explanatory Statement.

The Board of Directors recommend passing of the Special Resolution at Item No.5 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives except Mr. V.P. Mafatlal is concerned or interested in the resolution.

#### **In respect of Item No. 6:**

In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to small investors, the split of face value of equity shares is proposed. Accordingly, the Board of Directors of the Company ("the Board") at their meeting held on 28th April, 2017, considered it desirable to recommend the sub-division of 3,50,00,000 Equity Shares of ₹10/- each in the Authorised Share Capital of the Company into 17,50,00,000 Equity Shares of ₹2/- each, subject to approval of the Members and such other authorities as may be necessary.

The Board of Directors recommend passing of the Ordinary Resolution at Item No.6 of the Notice.

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.

#### **In respect of Item No.7:**

The proposed sub-division of the face value of the equity shares of the Company of ₹10/- each into denomination of ₹2/- each as provided in the resolution at item No. 6 requires amendment to Clause V of the Memorandum of Association of the Company. The amendment or alteration in the Capital Clause (Clause V) in Memorandum of Association requires passing of a resolution in the General Meeting as provided in Section 61(1)(d) of the Companies Act, 2013.

The Board of Directors recommend passing of the Ordinary Resolution at Item No. 7 of the Notice.

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.

#### **In respect of Item Nos. 8 & 9:**

The employees of the company play a critical and important role in the growth of every company. In order to ensure alignment of employees interest in the growth of the company and to reward them in a suitable manner, the company had introduced Employees Stock Option Scheme in 2007.

It is now proposed to adopt new Employee Stock Option Scheme under the SEBI (Share Based Employee Benefits) Regulations 2014 ("SEBI Regulations") for the purposes of granting options to the eligible Employees/Directors of the Company and its subsidiaries, as applicable.

The Resolutions contained at Item Nos. 8 and 9 seek to obtain the Members' approval to authorise the Board of Directors of the Company to create, issue, offer and allot equity shares, from time to time, to eligible employees/Directors of the Company and its subsidiaries (Present & future) under this Scheme.

As per Regulation 6 and Regulation 14 of the SEBI Regulations, the key details of the aforesaid Scheme are set out below:

#### **a. Brief description of the Scheme**

The objective of the Employee Stock Option Scheme is to reward the Employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and reward talent and performance in the organisation. The Company views employee stock options as instruments that would enable the Employees to share the value they would create and contribute for the Company in the years to come.

#### **b. Total number of options to be granted**

Each Option would entitle an employee to acquire one equity share of the Company. The Nomination & Remuneration Committee ("NRC") shall determine the Options to be granted to the employees of the Company and its subsidiaries, as applicable, under an ESOS. However, allotment of such number of

equity shares pursuant to exercise of the Options by employees, shall not exceed in aggregate 5% of the issued and paid up capital of the Company from time to time.

**c. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme**

All the employees and Directors, as defined under the SEBI Regulations, of the Company and its subsidiary companies (Present & future), as applicable, whether working in India or outside India, will be entitled to participate in ESOSs, subject to fulfilment of such eligibility criteria(s) as may be specified in the SEBI Regulations and/or as may be determined by NRC from time to time.

The appraisal process for determining the eligibility of the employee will be specified by the NRC in its absolute discretion, and may be based on criteria such as seniority of employee, length of service, performance record, merit of the employee, future potential contribution by the employee and/or such other criteria that may be determined by the NRC at its sole discretion. The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

**d. Requirements of vesting and period of vesting**

The vesting of an option would also be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to satisfactory performance of the employees, their continued employment with the Company/its subsidiaries, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 5 years from the date of the grant of the options. The options could vest in tranches. The number of stock options and terms of the same made available to employees (including the vesting period) could vary at the discretion of the NRC.

**e. Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options shall be vested**

Five years from the date of the grant.

**f. Exercise price or pricing formula**

The exercise price shall be as decided by the NRC and shall not be less than the face value per share per option.

**g. Exercise period and process of exercise**

The Employee Stock Options granted shall be capable of being exercised immediately on vesting within 10 years from the date of Grant. The options cancelled or lapsed without being exercised shall be available for further grant under any Employee Stock Option Scheme of the Company.

The Option Grantee may, at any time during the Exercise Period, and subject to fulfilment of conditions of Vesting, exercise the Options by submitting Exercise Application to the Company accompanied by payment of an amount equivalent to the Exercise Price and applicable tax amount, in respect of such Shares. The Exercise Application shall be in such form as may be prescribed in this regard and the NRC may determine the procedure for Exercise from time to time.

**h. The appraisal process for determining the eligibility of employees for the Scheme**

The specific Employees to whom the Options would be Granted and their eligibility criteria (including but not limited to performance, merit, grade, conduct and length of service of the Employee) would be determined by the NRC, at its absolute discretion. This power of NRC can be delegated by NRC to any official of the Company.

**i. Maximum number of options to be issued per employee and in aggregate**

The number of options that may be granted to employees under the Scheme shall be determined by the Board/Committee thereof from time to time in compliance with the applicable regulations. In aggregate, ESOS can be granted not exceeding 5% of the issued & paid up capital of the Company from time to time.

**j. Maximum quantum of benefits to be provided per employee under a Scheme**

As per applicable SEBI Regulations.

**k. Whether the Scheme is to be implemented and administered directly by the Company or through a trust**

Scheme is to be implemented and administered directly by the Company.

**l. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both**

Scheme involves new issue of shares by the Company.

**m. The amount of loan to be provided for implementation of the Scheme by the company to the trust, its tenure, utilisation, repayment terms, etc.**

NIL

**n. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme**

Not Applicable

**o. A statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15**

The Company shall comply with the accounting policies specified in the requirements on the guidance note on accounting for employees share based payments ('Guidance Note') or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including disclosure requirements prescribed therein.

**p. The method which the Company shall use to value its options**

The Company shall follow the 'fair value' method for computing the compensation cost for the Options Granted.

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share of the company shall also be disclosed in the Directors' report.'

It will be disclosed in the Boards' Report, when applicable.

**q. Listing of shares**

Subject to the approval of the Stock Exchanges the relevant equity shares issued and allotted on exercise

of the Options shall be listed on the Stock Exchanges on which the securities of the Company are listed.

Pursuant to the SEBI Regulations, a separate resolution is required to be passed, if the grant of Option is made to the employees/Directors of subsidiaries. Accordingly, Special Resolution at Sr. No. 9 is proposed.

The Board of Directors accordingly recommend passing of the Special Resolutions at item nos. 8 & 9 of the Notice.

The Directors, KMPs or their relatives may be deemed to be concerned or interested in these resolutions to the extent of the ESOPs granted to them under the Scheme and to the extent of their shareholding as Members.

**In respect of Item No.10:**

Section 197 of the Companies Act, 2013, inter alia, provides that, the Directors who are neither Managing Directors nor Whole-time Directors or Managers of the Company, may be paid remuneration not exceeding 1% of net profit of the company if there is a managing director or whole-time director or a manager, in addition to the fees for attending the meetings of the Board or any Committees thereof. The profit related commission payable to non-executive directors including independent directors requires approval of the members in general meeting under Section 197 of the Companies Act, 2013 and/or under Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At the 15th Annual General Meeting of the Company held on 24th June, 2013, a Special Resolution was passed authorising payment of commission to Non-Executive Directors at the rate not exceeding 1% of the net profits computed in the manner laid down under the erstwhile Companies Act, 1956, for a period of 5 years commencing from 1st April, 2013.

It is proposed to authorise the payment of commission up to 1% of the net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013 in each year to the Non-Executive Directors of the Company for a further period of 5 years with effect from 1st April, 2018 as permissible under Section 197 of the Companies Act, 2013 and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..

All the Non-Executive Directors including independent directors of the Company are interested in the Resolution to the extent commission is payable to them in accordance with the proposed resolution. None of the other Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the resolution.

The Board of Directors recommend passing of the Ordinary Resolution at Item No. 10 of the Notice.

**In respect of Item No. 11:**

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

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of Mr. B. C. Desai, as the Cost Auditor for Cost Audit of chemical products for the Year 1st April, 2017, to 31st March, 2018 on a remuneration of ₹3,50,000/- (Rupees Three lacs fifty thousand only) (apart from reimbursement of out-of-pocket expenses incurred for the purpose of Audit) subject to approval of remuneration by the Members.

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

The Board of Directors recommend passing of the Ordinary Resolution at Item No. 11 of the Notice.

None of the Directors, key managerial personnel and/or their relatives is concerned or interested in the Resolution.

By Order of the Board,

Place: Mumbai  
Dated: 28th April, 2017

**N.B. Mankad**  
*Company Secretary*

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

## Annexure A to the Explanatory Statement

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment of Mr. V.P. Mafatlal as Executive Chairman, designated as Chairman of the Company.

### I. General Information:

**1. Nature of Industry:**

Chemical Industry

**2. Date of commencement of Commercial Production:**

The Company started its commercial production in the year 2002-03.

**3. In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus:**

N. A.

**4. Financial Performance based on given indicators:**  
(₹ in Lacs)

	Current Year	Previous Year
Total revenue	73112	66093
Profit after Tax	13401	8647

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

NIL

### II. Information about the appointee:

**1. Background details:**

Mr. V.P. Mafatlal is B.Sc ( Economics) University of Pennsylvania, Wharton School, U.S.A

**2. Past remuneration:**

Upto 19th August 2016, Mr. V.P. Mafatlal was Non – Executive Promoter Director of the Company and was paid sitting fees for attending the meetings of the Board of Directors and the Committees thereof and Profit based Commission. The remuneration paid to Mr. Mafatlal in the Financial Year 2015-16 was as under:

Particulars	Amount (₹ in Lacs )
Sittings fees	2.35
Commission	9.00
Total	11.35

Till 19th August, 2016 Mr. V.P. Mafatlal was executive Vice Chairman of Mafatlal Industries Limited (MIL). He was paid aggregate remuneration of ₹ 126.15 lacs from MIL

for the year 2015-16 and ₹53.22 lacs (excluding gratuity and leave encashment at the end of the tenure) for the period 1st April 2016 to 19th August 2016.

**3. Recognition or award:** Nil

**4. Job Profile and his suitability:**

Mr. V.P. Mafatlal is a Promoter-Director and overall in-charge of the affairs of the Company. Looking at the overall exposure and rich experience of Mr. V.P. Mafatlal in diversified areas and responsibilities to be shouldered by him, it is in the interest of the Company to avail his business expertise and hence his suitability for the position.

**5. Remuneration proposed :**

As mentioned in Explanatory Statement.

**6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of his origin):**

Considering the size of the Company, the industry benchmarks, experience of and the responsibilities shouldered by the appointee, the proposed remuneration payable to Mr. V.P. Mafatlal is commensurate with the remuneration paid to similar appointee in other companies.

**7. Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Except for the proposed remuneration, Mr. V.P. Mafatlal does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the company.

### III. Other information:

- Reasons for inadequacy of profits : Not Applicable
- Steps taken or proposed to be taken for improvement : Not Applicable
- Expected increase in productivity and profits in measurable terms : Not Applicable

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

<b>Name</b>	<b>Mr. V.P. Mafatlal (DIN: 00011350)</b>	<b>Mr. A. K. Srivastava (DIN: 00046776)</b>
Age	43 years	65 Years
Date of Appointment/ Re-appointment	20th August 2016	21st January, 2003
Brief Resume - Qualification	B.Sc (Economics), University of Pennsylvania, Wharton School, U.S.A	B.Sc. (Hons.) F.C.A.
Expertise in Specific Functional Areas	He is the Executive Chairman designated as Chairman of the Company. He is an industrialist having varied experience of over 20 Years in the field of Textiles and Chemicals.	Expertise of over 40 years in large corporates in the areas of finance, accounting, taxation and commerce.
Terms and Conditions of Appointment/ Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	As per the Policy on Directors Appointment and Remuneration (Annexure 7 of the Annual Report)	As per the Policy on Directors Appointment and Remuneration (Annexure 7 of the Annual Report)
Directorship held in other listed entities	None.	Mafatlal Industries Ltd.
Other Directorship	<ol style="list-style-type: none"> <li>1. Tropical Clothing Company Private Limited</li> <li>2. Mafatlal Services Limited</li> <li>3. Cebon Apparel Private Limited</li> <li>4. Adenium Ventures Private Limited</li> <li>5. Avatar Impex Private Limited</li> <li>6. Aspen Impex Private Limited</li> <li>7. Mafatlal Impex Private Limited</li> <li>8. Manchester Organics Limited, UK</li> <li>9. VAP Agricultural Products (Bombay) Pvt.Ltd.</li> </ol>	None
Membership / Chairmanship of Committees	Navin Fluorine International Limited Member: Stakeholders Relationship Committee Corporate Social Responsibility Committee	Navin Fluorine International Limited Member: Stakeholders Relationship Committee Mafatlal Industries Ltd. Chairman: Stakeholders Relationship Committee Member CSR Committee-Member
Disclosure of relationship	He is not related to any of the Director or Key Managerial Personnel of the Company	He is not related to any of the Director or Key Managerial Personnel of the Company
Shareholding in the Company	4,67,255 Equity Shares	2,200 equity shares
Number of Board Meetings Attended	8	8

By Order of the Board,

Place: Mumbai

Dated: 28th April, 2017

**Regd. Office:** 2nd floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057.

**N.B. Mankad**

*Company Secretary*

## SUMMARISED FINANCIAL DATA

(₹ in lacs)

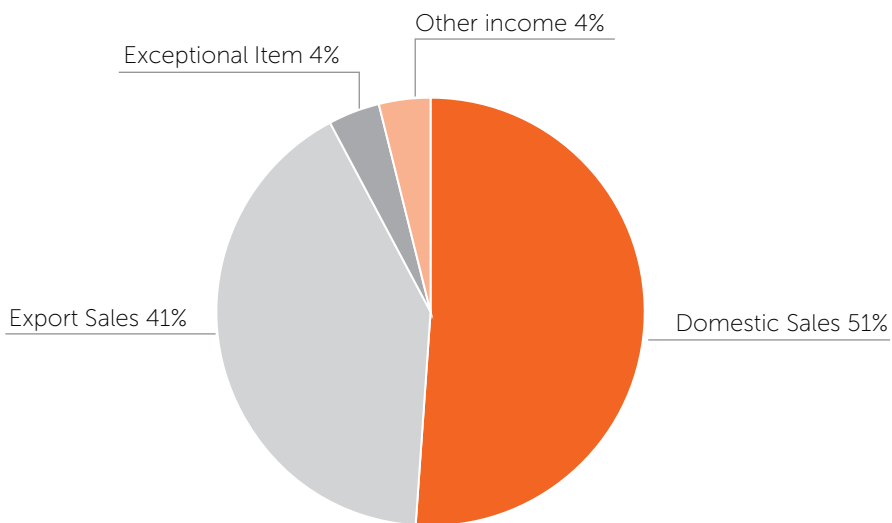
	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Total revenue	29544	42262	43723	44113	79486	53855	47850	57276	66093	73112
2	Profit before depreciation, interest, exceptional items and tax	4058	10178	13589	12313	34071	9428	9007	8996	14084	17963
3	Exceptional items	(506)	(757)	-	-	-	-	-	-	-	2733
4	Finance costs	(890)	(863)	(249)	(360)	(354)	(610)	(540)	(324)	(320)	(50)
5	Depreciation, amortisation and impairment	(1148)	(1718)	(1107)	(1354)	(1773)	(1961)	(2055)	(1864)	(2092)	(2835)
6	Profit before tax	1514	7309	12233	10599	31944	6857	6413	6808	11672	17811
7	Profit after tax	788	4529	7436	7164	23124	4316	5066	4938	8647	13402
8	Dividend (₹ per share)	4.00	10.00	14.00	15.00	75.00 *	15.00	16.00	16.00	21.00	31.5 **
9	Earning per share (EPS) ₹	7.81	44.84	73.63	71.11	236.90	44.22	51.90	50.57	88.44	136.91
BALANCE SHEET											
10	Net fixed assets	18312	17396	17793	20491	24168	23918	23127	27029	28169	42765
11	Investments	1625	1625	85	4776	20494	24664	26294	23447	26598	29224
12	Current assets (net)	9942	10860	14455	14734	15873	13945	13779	14315	15131	7017
13	Capital employed	29879	29881	32333	40002	60536	62527	63201	64791	69898	79006
14	Borrowings	9175	5264	1136	4907	9334	8324	5700	4489	2990	-
15	Net worth	19239	22902	29098	33180	48337	50946	54186	57113	63354	74805
16	*Book value of share of ₹10 each (₹) (15 / no. of shares)*	190.48	226.75	288.10	339.92	495.20	521.93	555.12	584.59	647.31	763.99
17	Debt/ equity ratio (14 / 15)	0.48	0.23	0.04	0.15	0.19	0.16	0.11	0.08	0.05	-
18	EBITDA (%) (2 / 1)	14%	25%	31%	28%	43%	18%	19%	16%	21%	25% #
19	Profit after tax (%) (7 / 1)	3%	11%	17%	16%	29%	8%	11%	9%	13%	18%
20	Return on net worth (%) (PAT / Avg of opening & closing net worth)	4%	21%	29%	23%	57%	9%	10%	9%	14%	19%
21	Return on Capital Employed (%) ((PBT + finance costs) / Avg opening & closing capital employed)	8%	27%	40%	30%	64%	12%	11%	11%	18%	20% #
22	Total Number of Shares	10099889	10099889	10099889	9761097	9761097	9761097	9761097	9769797	9787297	9791297
23	Number of Shareholders	110168	109709	110448	107354	102616	104184	100904	94061	93047	93838

\* including special dividend of ₹ 60 /-

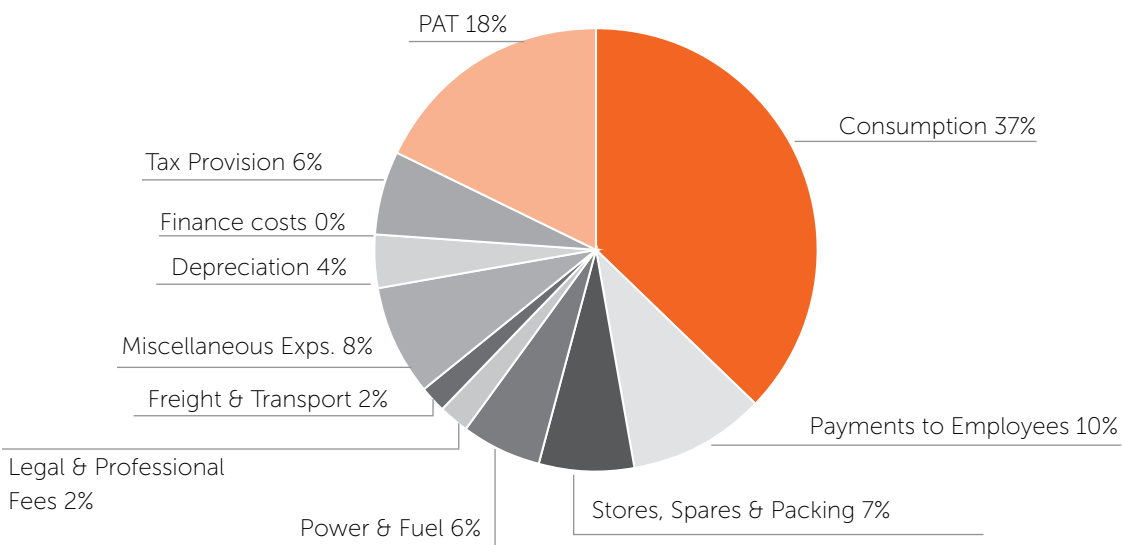
\*\* including special dividend of ₹7.50 /-

# excludes exceptional items of ₹2733 lacs

### Rupee Earned (%)



### Rupee Spent (%)



# DIRECTORS' REPORT

To,  
The Members  
Navin Fluorine International Limited

Your Directors are pleased to present the Nineteenth Annual Report together with the audited accounts for the year ended 31st March 2017.

## 1. FINANCIAL RESULTS:

	(₹ in lacs)	
	Current Year	Previous Year
Operating Income	70123	63624
Other income (including non-recurring income)	2988	2469
EBITDA before exceptional items	<b>17962</b>	<b>14084</b>
add: Exceptional Items	2733	-
less: Depreciation	2835	2092
Interest	50	320
Tax	4409	3025
Profit After Tax	<b>13401</b>	<b>8647</b>
add: Surplus brought forward from the previous year	39001	32827
Amount available for appropriation	<b>52402</b>	<b>41474</b>
Appropriation:		
Interim dividend	1077	978
Special dividend	734	-
Proposed final dividend	-	1077
Corporate dividend tax	368	418
Surplus carried to Balance Sheet	<b>50223</b>	<b>39001</b>

Note: Figures are regrouped wherever necessary to make the information comparable.

## 2. DIVIDEND

The Company paid an interim dividend of ₹11.00 per share as well as a special dividend of ₹7.50 per share on 97,91,297 equity shares of nominal value of ₹10/- each, aggregating to ₹1810.65 lacs in the month of October 2016. The Board of Directors is pleased to recommend a final dividend for the year of ₹13/- per share on 97,91,297 equity shares of nominal value of ₹10/- each, aggregating to ₹1272.88 lacs.

## 3. RESTRUCTURING OF PROMOTER'S SHAREHOLDING:

During the year, Mr. H.A. Mafatlal, Mr. V.P. Mafatlal, their family members, family trusts and companies including the three listed entities viz. the Company, Mafatlal Industries Ltd. and NOCIL Ltd. entered into an agreement to amicably restructure the shareholding of the three listed companies and other group companies such that the Management

of the Company resided with Mr. V.P. Mafatlal and the Management of Mafatlal Industries Ltd. and NOCIL Ltd. resided with Mr. H.A. Mafatlal. The restructuring is part of a family settlement and succession plan between Mr. H.A. Mafatlal and Mr. V.P. Mafatlal.

## 4. SUB-DIVISION OF FACE VALUE OF EQUITY SHARES:

Subject to the approval of the Members, the Board of Directors have approved the proposal for sub-division of the face value of each equity share of the Company of ₹10/- into 5 equity shares of the face value of ₹2/- each. Necessary resolutions for approval of the same together with consequential changes in the Memorandum of Association are being placed for approval of the Members at the ensuing 19th Annual General Meeting.

## 5. YEAR IN RETROSPECT

The Company has recorded a Revenue of ₹70123 Lacs during the year vs. ₹63624 Lacs achieved during F.Y 2015-16 i.e. a growth of 10% year on year. The growth in Top Line is principally driven by Contract Research & Manufacturing (CRAMS) & Inorganic Fluorides Businesses.

Domestic Sales achieved a growth of 12% year on year, from ₹34873 Lacs in F.Y.2015-16 to ₹39123 Lacs in the current year, driven by Inorganic Fluorides, Refrigerant Gases & Specialty Fluorochemicals Businesses. Exports Turnover clocked a growth of 8% year on year, from ₹28751 Lacs in F.Y. 2015-16 to ₹31000 Lacs during the current year, predominantly driven by CRAMS Business.

CRAMS business continued its journey of gaining momentum, by achieving a turnover of ₹13743 Lacs during the year vs. ₹8654 Lacs in F.Y. 2015-16 ; i.e. a growth of 59% year-on-year. It contributed roughly 20% of overall Turnover for the year. Successful delivery of a variety of orders across a range of scales from Innovator Pharma Majors, through effective utilisation of the new cGMP manufacturing plant at Dewas has underpinned such growth during the year. Numerous Customer Audits have been successfully completed during the year, which reinforced Business's confidence in the capability to build and operate a world class cGMP facility.

Refrigerant Gases business remained stable at ₹21557 Lacs during the year vs. ₹21696 Lacs in F.Y. 2015-16. It contributed around 31% of overall Turnover; of which, exports contributed approximately 33%. Despite the seasonal nature of the product, Refrigerants BU fared well on the domestic front on account of prolonged summers & steady growth in underlying demand in the refrigeration & air conditioning sectors. However, this was partially offset by some headwinds in exports side of the business on account of price softening due to Chinese supplies, quota renewal challenges as well as Foreign Exchange constraints for imports into some of the Middle East countries.

Inorganic Fluorides business registered a significant growth from ₹9399 Lacs in F.Y. 2015-16 to ₹12031 Lacs during the current year , i.e. a growth of 28% year on year. It contributed around 17% of overall Turnover. The growth has been predominantly fuelled by positive traction in the domestic sector across key product portfolios.

Specialty Chemicals business remained more or less flat with a turnover of ₹22792 Lacs in the current year vs. ₹23875 Lacs in F.Y. 2015-16. It contributed around 32% of overall Turnover of which, exports contribute roughly 43%. This BU continued to experience headwinds in terms of demand downturn

from both global agrochemical majors as well as domestic pharma companies. However, ongoing efforts on creating a diversified portfolio of innovative products, winning new customers and penetration into new markets enabled to offset such impact to a significant extent. Here, the focus remains on investing in research & development towards building strong product offerings in niche fluorochemicals,

EBITDA before exceptional item for the year is ₹17962 Lacs, up from ₹14084 Lacs in F.Y. 2015-16, a growth of 28% year on year. EBITDA Margin for the year is 25%, up from 21% in F.Y. 2015-16, i.e. an expansion of 400 basis points.

Profit before Tax (PBT) before Exceptional Items grew by 29% year on year, to ₹15078 Lacs in the current year, from ₹11672 Lacs in F.Y. 2015-16. PBT Margin recorded a growth of 300 basis points, i.e. from 18% in F.Y. 2015-16 to 21% in the current year.

As part of an agreement executed amongst Mr. H. A. Mafatlal, Mr. V. P. Mafatlal, their family members, family trusts & companies including the three listed entities, viz. the Company, Mafatlal Industries Ltd and NOCIL Ltd and approved by the Board of Directors on 6th August 2016, the Company has divested part of its shareholding in Mafatlal Industries Ltd and in NOCIL Ltd during the year. The profit arising out of divestment of such Long Term investments amounting to ₹2733.18 lacs has been shown under "Exceptional Items" in the Statement of Profit and Loss.

Profit after Tax (PAT) for the year stands at ₹13401 Lacs, up from ₹8647 Lacs in F.Y. 2015-16 i.e. a growth of 55% year on year. PAT margin for the current year is 18% vs. 13% in F.Y. 2015-16 i.e. a growth of 500 basis points year on year.

Cost of key Raw Materials like Sulphur, Fluorspar, Chloroform & Boric Acid exhibited a downward trend during the year. Chloroform prices continue to be subject to volatility due to supply fluctuations. Price of Bromine has, however, shown a marginal uptrend during the year. The Company pursues a Supply Chain strategy of importing Fluorspar from diverse regions to de-risk dependence on a single source / geography.

On the energy cost front, cost of Power has gone down marginally by around 4% year on year. Non-availability of exchange traded power from other states to Southern Gujarat, continues to be a challenge. Prices of Natural Gas has shown a downturn of around 11% year on year, on account of weak global demand.

Indian Rupee has recorded some appreciation vs. key Foreign Currencies during the year, by around 2% vs. US Dollar, 15% vs. GBP & 8% vs. Euro. However, the Company being

Net Exporter, with Exports predominantly executed in US Dollars; the strengthening Indian Rupee has in fact resulted into a headwind for Export realisations during the year. The Exchange Loss of ₹37 Lacs shown under Other Expenses, is on account of timing difference of foreign exchange transactions and their realisation and/or restatement.

Net Working Capital management continues to be a key focus for the Company and the levels of Net Working Capital are in line with the scope & scale of operations and well within acceptable industry benchmark.

The Company has reinforced focus on improving Free Cash Flow Efficiency on the enterprise on a sustainable basis and has a commendable Treasury Income. The Company has been successful to maintain its Credit Rating at "CARE AA" for borrowings with a tenure of more than one year and fund based facilities during the year, signifying high degree of safety regarding timely servicing of financial obligations and very low credit risk;. The rating for short term facilities with a tenure of less than a year is maintained at "CARE A1+", indicating very strong degree of safety regarding timely servicing of financial obligations and lowest credit risk. During the year, the Company has also maintained "CARE A1+" rating for issuance of Standalone Commercial Papers, to the extent of ₹3000 Lacs.

During the year, MSCI (Morgan Stanley Capital International) has announced changes to the constituents for the MSCI India domestic small cap index and as a part of the change, the Company has been included in the said index

During the year, the company has commissioned the Pilot Plant for the new generation refrigerant gas HFO 1234yf, in line with the Technology Transfer & Joint Process Development Agreement entered into with Honeywell during last year. HFO-1234yf is a next-generation hydrofluoro-olefin (HFO) refrigerant with GWP less than 1 and is a near drop-in replacement for R-134a, a hydrofluorocarbon (HFC), for use in vehicle air conditioning systems globally. This agreement depicts Honeywell's confidence in company's capabilities in developing new generation Fluoro intermediates.

The Company has secured Product validation from Customer & subsequently commenced commercial production & shipment of the Fluoro intermediate product from its Production Facility at Dahej, during Q IV of the year. Subject to certain preconditions and regulatory approvals, the facility producing this product will be transferred from the Company to the Joint Venture Company with Piramal Enterprises Ltd, by way of a Business Transfer Arrangement through Slump Sales, during the coming financial year.

The Company continues to maintain its focus on improving operating efficiencies across its manufacturing and supply chain applications, which helped the Company improve its margins and secure deeper penetration in the market. During the year these initiatives were further reinforced. The top-line growth helped a better absorption of overheads contributing to improvements in the operating margins.

The R&D and Technology functions pursued its agenda of excellence through the year for improvement in productivity, quality and costs of various products to enable Businesses with a competitive offering on one hand and flexibility of sourcing to the supply chain function on the other.

The Company is fully committed towards its responsibilities in health, safety and environmental (HSE) management and has continued to make sizable investments in HSE during the year, across all its locations. The Company is amongst very few Corporates in the country who has 'Responsible Care' accreditation from the Indian Chemical Council. 'Responsible Care' is the chemical industry's unique global initiative that drives continuous improvement in health, safety & environment performance together with open and transparent communications with stakeholders. The logo is awarded in recognition of a company's commitment to sustainability. During the year, the Company has been declared a Winner in the Category of "Operational Excellence in Safety" for its Responsible Care Initiatives in Distribution at the Manufacturing & Supply Chain Summit Awards 2017; which exemplifies the Company's commitment towards safety. The Surat & Dewas Plants of the Company have secured Certificates of Appreciation for Safety in Operations from the National Safety Council during the year.

## 6. SUBSIDIARIES AND JOINT VENTURES

The Company has four subsidiaries and two Joint Ventures:

- (i) Sulakshana Securities Limited (SSL), an entity created to settle dues of the term lenders of Mafatlal Industries Limited (MIL), remained a wholly-owned subsidiary of the Company. After settling all the third-party dues, SSL was left with 1,455 Sq. Mtrs. of commercial floor space in Mafatlal Centre, Nariman Point, Mumbai and a significant portion of this property has been leased out on contemporary terms. SSL is utilising its current cash flows to repay its debt to the Company. During the year, ₹192.90 lacs has been repaid by SSL and its current outstanding to the Company is ₹1906 lacs.
- (ii) The Company now owns 100% of Manchester Organics Limited (M.O.L.), a specialised chemicals research company in Runcorn, U.K., holding 51% of the ordinary

voting shares of M.O.L. directly and the balance 49% through NFIL (UK) Ltd., a 100% step-down subsidiary created for the purpose.

During the year M.O.L. reported excellent performance with a turnover of ₹ 5.581 M, i.e. a growth of 17% over F.Y. 2015-16 turnover of ₹ 4.773 M and a Profit after Tax of ₹ 778 K, which is a five times improvement over F.Y. 2015-16 PAT of ₹ 153 K. During the year, M.O.L. has paid a Dividend of ₹ 291 K (₹234 Lacs) to the Company.

- (iii) A 100% step-down subsidiary by the name of NFIL (UK) Ltd was formed in the U.K. last year to acquire the balance shareholding of 49% from the shareholders of Manchester Organics Ltd. During the year, the Company has made further equity infusion of ₹ 931 K into NFIL (UK) Ltd, which, along with the Dividend of ₹ 280 K received by NFIL (UK) Ltd from M.O.L.; have been utilised to service the HDFC Bank Bahrain Term Loan taken by NFIL (UK) Ltd during last year to part finance the acquisition of 49% of M.O.L.
- (iv) Some of the key raw materials for our specialty and CRAMS business are procured from China. The quality and the cost of these material make a significant impact on various value added products being made by the company. and therefore It was thought fit to have a strategic presence closer to the source. In view of the foregoing, it was thought prudent to have a permanent representation in China. Accordingly, a trading outfit by the name of Navin Fluorine (Shanghai) Co. Ltd. (which is a wholly owned foreign enterprise under Chinese Laws) was incorporated last year. During the year, our Chinese presence has helped immensely to ensure timely procurement of some of the key raw materials for our CRAMS business. We could exercise a better control over quality, cost of procurement and timeliness due to our presence in China. Our footprint in China is also helping us to create strategic partnerships with key vendors. The total capital investment over a period of 20 years is proposed to be RMB 12.50 Million (app. ₹1176 Lacs).
- (v) The Company has subscribed to 25% of the initial equity share capital of Swarnim Gujarat Fluorspar Private Limited. It is a Joint Venture (JV) with Gujarat Mineral Development Corporation Limited (GMDC) and Gujarat Fluorochemicals Limited (GFL) formed for the purpose of beneficiation of fluorspar ores to be supplied by

GMDC from its mines. The entire quantity of the finished product viz. acid grade fluorspar will be bought out by the Company and GFL. This is a feedstock de-risking initiative for long term fluorspar supply assurance, the most critical raw material of the Company. During the year various matters affecting overall costing of the project and product were discussed threadbare between the partners. This will help the partners to initiate the project related activities during the coming financial year.

- (vi) The Company has entered into a Joint Venture (JV) agreement with Piramal Enterprises Limited (PEL) and accordingly a company by the name of Convergence Chemicals Private Limited (CCPL) has been formed to leverage the Company's capability in niche fluorination chemistry and deep outreach of the JV partner in the healthcare space. PEL holds 51% and the Company owns 49% of the equity share capital of CCPL. During the year, product validation has been secured and commercial operations have begun at the facility. Subject to certain preconditions and regulatory approvals, the facility producing this product will be transferred from the Company to CCPL, by way of a Business Transfer Arrangement through Slump Sales, during the coming F.Y. Necessary approval for the same is being sought separately from the Members under the provisions of Section 180(1)(a) and Section 188 of the Companies Act, 2013, through postal ballot.

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

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

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

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

## 7. REPORTS ON MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE

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

## 8. BUSINESS RESPONSIBILITY REPORT:

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

## 9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Pursuant to the provision of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee. Mr. S.G. Mankad is the Chairman of the Committee and Mr. H.H. Engineer and Mr. V.P. Mafatlal are the other members of the Committee. The CSR Policy formulated by the Board based on the recommendations of the CSR Committee is available on weblink <http://www.nfil.in/policy/index.html>

The amount required to be spent on CSR activities during the year under report in accordance with the provisions of Section 135 of the Act is ₹176.11 lacs and the Company has spent ₹302.08 lacs during the current financial year (as against ₹194.81 lacs during the previous year). Thus, the Company has spent more amount on CSR activities than legally mandated, .The requisite details on CSR activities pursuant to Section 135 of the Act and as per Annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **Annexure 4** to this Report.

## 10. INDUSTRIAL RELATIONS

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

the year the Company has signed a Memorandum of Understanding for wage revision with workers which is effective for a period of three years from 1st April, 2016.

The Company continues to focus on extensive training and developmental activities and efficiency and quality improvement initiatives. The total number of employees as on 31st March 2017 was 762.

## 11. INSURANCE

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

## 12. EMPLOYEE STOCK OPTION SCHEME 2007

During the year 11,215 Stock Options were granted to the employees out of the unallotted options under the employees Stock Option Scheme 2007. Pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999, as amended, the details of stock options as on 31st March 2017 under the "Employee Stock Option Scheme 2007" are annexed as **Annexure 5** to this Report. The Company is proposing a new Scheme for Employee's Stock Option for which necessary approval is sought from the Members.

## 13. DIRECTORATE

Pursuant to the agreement entered into amongst the Promoters, as referred to in Para 3 of this Report, Mr. H.A. Mafatlal stepped aside as Chairman and Director of the Company with effect from close of office hours on 19th August, 2016. The Board places on record its deep sense of appreciation for the contribution made by Mr. H.A. Mafatlal in providing exemplary leadership to the Board and the Company and also for the invaluable contribution made by him in the growth of the Company during his long association.

The Board of Directors appointed Mr. V.P. Mafatlal (who was already on the Board of Directors as Non-Executive Promoter Director) as Executive Chairman designated as Chairman of the Board of Directors and the Company for a period of five years with effect from 20th August, 2016 subject to the approval of the Members at the ensuing Annual General Meeting.

Pursuant to the provisions of the Act, Mr. A.K. Srivastava retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**14. EXTRACT OF THE ANNUAL RETURN:**

Extract of the Annual Return for the Financial Year ended on 31st March, 2017 as required by Section 92(3) of the Act and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is Annexed as **Annexure 6** to this Report.

**15. NUMBER OF BOARD MEETINGS:**

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

**16. DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls (as required by Explanation to Section 134(5)(e) of the Act) to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively.

**17. DECLARATION BY INDEPENDENT DIRECTORS:**

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

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

**18. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:**

The requisite details as required by Section 134(3)(e), Section 178(3) & (4) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed as **Annexure 7** to this Report.

**19. AUDITORS REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31st March, 2017.

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

Particulars of loans given and of the investments made by the Company as at 31st March, 2017 are given in the Notes forming part of the Financial Statements. During the Financial Year under review, the Company made investment in 9,31,000 equity shares of ₹ 1/- each of NFIL (UK) Ltd.

The Company also made investments in schemes of various mutual funds aggregating to ₹31897.93 lacs and during this period realised ₹28866.28 lacs on redemption of units of various mutual funds and debentures. During the year under review, no new loans were given by the Company.

**21. SECRETARIAL AUDIT REPORT:**

Pursuant to Section 204(1) of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2017 given by Mr. Manuprasad Patel, Practicing Company Secretary is annexed as **Annexure 8** to this Report. The said Report does not contain any qualifications or adverse remarks.

**22. RELATED PARTY TRANSACTIONS:**

There are no materially significant related party transactions made by the Company during the year. All the related party transactions that were entered into during the year in the ordinary course of business were on arms' length basis, except the promoters shareholding changes (selling of shares of NOCIL Limited and Mafatlal Industries Ltd. by the Company) which were on arms' length basis, for which requisite approvals were obtained from Audit Committee and Board of Directors. The transaction amounts were not exceeding the applicable statutory limits and therefore no approval from the Shareholders were required. Related Party

Transactions Policy is available on weblink <http://www.nfil.in/policy/index.html>.

### 23. STATEMENT OF COMPANY'S AFFAIRS:

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

### 24. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' Report.

### 25. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required, to be disclosed in terms of Section 134 of the Act, read with The Companies (Accounts) Rules, 2014, is annexed as **Annexure 9** to this Report.

### 26. RISK MANAGEMENT POLICY:

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

### 27. ANNUAL PERFORMANCE EVALUATION:

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

#### Board:

In accordance with the criteria suggested by The Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance

of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

#### Committees of the Board:

The performance of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes, committee dynamics etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed thereunder and the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Individual Directors:

(a) Independent Directors: In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like preparedness, participation, value addition, focus on governance and communication. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.

(b) Non-Independent Directors: The performance of each of the non-independent directors (including the Chairperson) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. Various criteria considered for the purpose of evaluation included transparency, business leadership, people leadership, focus on governance, communication, preparedness, participation and value addition. The Independent Directors and the Board were of the unanimous view that each of the non-independent director was providing good business and people leadership.

### 28. DEPOSITS:

The Company has not accepted or continued any public deposits as contemplated under Chapter V of the Act.

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

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above Rules are annexed as **Annexure 10** to this Report.

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

The requisite details relating to the remuneration of the specified employees covered under the above Rules are annexed as **Annexure 11** to this Report.

### 31. ORDERS BY REGULATORS, COURTS OR TRIBUNALS:

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

### 32. INTERNAL FINANCIAL CONTROLS:

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

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

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

### 33. AUDITORS:

The existing Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, will retire upon conclusion of the ensuing 19th Annual General Meeting, in compliance with the provisions relating to mandatory rotation of auditors under the Act.

Based on the recommendations of the Audit Committee and subject to the approval of the Members at the ensuing 19th Annual General Meeting, the Board of Directors have approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/ N50016) as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting.

The specific notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and give complete information.

### 34. COST AUDITORS:

As per the requirements of Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules, 2014, the Audit of the Cost Accounts relating to Chemical products is being carried out every year. The Board of Directors have, based on the recommendation of the Audit Committee appointed Mr. B.C. Desai, Cost Auditor, Ahmedabad (Membership No.M-1077) to audit the cost accounts of the Company for the year 2017-18 from 1st April 2017 to 31st March 2018 on a remuneration of ₹3,50,000/-. As required under the Act, necessary resolution seeking Member's ratification for the remuneration payable to Mr. B.C. Desai is included as item No. 11 of the Notice convening the 19th Annual General Meeting. The Cost Audit Report in respect of Financial Year 2016-17 will be filled on or before the due date i.e. 27th September 2017.

### 35. APPRECIATION:

The Directors wish to place on record their appreciation of the devoted services of the employees, who have largely contributed to the efficient management of your company. The Directors also place on record their appreciation for the continued support from the shareholders, the lenders and other associates.

For and on behalf of the Board,

**V.P. Mafatlal**

Chairman

(DIN:00011350)

Place: Mumbai

Dated: 28th April, 2017

## ANNEXURE - 1

# MANAGEMENT DISCUSSION & ANALYSIS REPORT:

### GLOBAL ECONOMIC OVERVIEW:

Global growth had slowed down to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast was revised down by 0.1 percentage point for 2017 compared to the April 2016 projection. This reflected a more subdued outlook following the Brexit referendum and weaker-than-expected growth in the US. However, long-term prospects of emerging markets have improved on the back of a visible lowering of interest rates in advanced economies and firming up of commodity prices. Asia in general and India in particular has demonstrated robust growth while sub-Saharan Africa has experienced a sharp slowdown (Source: IMF; World Bank) With China reorienting itself into a consumption-centric economy and Saudi Arabia reducing its dependence on oil, the case for base metals has strengthened. This has, in turn, propped commodity prices. Consequently, inflation rates have recovered across advanced economies while commodity prices have bottomed in recent months.

### OUTLOOK

The global economy entered its sixth year of stagnated growth with estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices may provide respite for resource-rich economies in 2017, but the medium-term outlook continues to be bleak with growth weakening in terms of investment and labour supply. Businesses will need to prepare adequately to address challenges arising from geopolitical tension, policy uncertainties, financial market volatilities and rapid technology changes by leveraging qualitative growth sources, boosting technological quotients and business productivity. (Source: <http://www.conference-board.org/data/globaloutlook/>)

### INDIAN ECONOMIC OVERVIEW

India's economic growth has been pegged at 6.5% for the current fiscal (F.Y. 2017), down from 7.6% in the last financial year (F.Y. 2016), but expected to rebound to 6.75-7.5% in 2017-18. Although demonetisation affected India's growth rate by 25 bps to 100 bps, it is expected to generate long-term benefits. Over the last 30 years, India's growth performance has been robust, backed by policy reforms

that have made India open to goods and capital flows. The challenges faced include ambivalence about property rights and private sector, deficiencies in state capacity and inefficient redistribution. Growth rate of the industrial sector is estimated to moderate to 5.2% in F.Y.2017 from 7.4% in F.Y.2016. The country's IIP registered modest growth of 0.4% during the April-November period of 2016-17. The eight core infrastructure sectors – coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity – registered a cumulative growth of 4.9% during the April-November period of 2016-17 compared to 2.5% during the same period in the previous fiscal. (Source: Economic Survey)

### OUTLOOK

The near-term growth outlook for India appears brighter. The growth forecast for the current year and the next fiscal were trimmed by 100 bps and 40 bps, respectively, primarily due to the temporary consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative. Due to the same reason, India's GVA growth declined to 6.6% for 2016-17. However, the imminent GST implementation is expected to boost interstate trade, usher investments and foster growth by reducing supply chain-related issues, improving economies-of-scale and cutting overheads. (Source: IMF; ICRA) Fluorochemicals Industry review

### GLOBAL FLUROCHEMICALS INDUSTRY

The global fluorochemicals market is expected to grow at a CAGR of > 4% between 2016 and 2020. The increasing demand for refrigerants is expected to be the major driver for the fluorochemicals market. Growth in the demand for cold storage, primarily developing countries, has increased fluorocarbons off-take. The demand for refrigerants, especially for ventilation and air-conditioning systems, is also increasing from other end-user industries like oil & gas, automobiles, pharmaceuticals and construction. The increased installation of HVAC systems in the manufacturing and automotive sectors could grow the fluorochemicals segment. With prices of raw materials like fluorspar declining during F.Y.16, the rapid growth of the global fluorochemicals market is expected.

In terms of geographies, APAC, the largest revenue-generating region in the world, will continue exerting dominance over the near-term. Countries in the region, such as India, Japan and Australia, have reported a growing demand for fluorochemicals (Source: www.technavio.com) Global fluorochemicals market demand is expected to reach 5.4 million tons by 2024, growing at a CAGR of 4.3% from 2014 to 2024, with Asia Pacific region growing at the fastest rate.

## OUTLOOK

The global fluorochemicals demand is expected to reach 5,398.2 kilotons by 2024, growing at a CAGR of 4.3%. The increasing installation of HVAC systems in the manufacturing and automotive sectors is expected to augment the application of refrigerants and fluorochemicals demand.

## INDIAN FLUORO-CHEMICAL INDUSTRY REVIEW

The Indian specialty chemicals industry, valued at US\$ 25 billion, accounts for a marginal 3% of the global specialty market. The market clocked 13% growth since 2016 (19 x vis-à-vis Indian GDP growth). India's large population base marked by a low per capita consumption of chemicals and relatively strong short-term GDP growth outlook (7-8%) could catalyse the growth of the fluorochemicals segment. The Central government's Make In India initiative is expected to reinforce infrastructure platforms and enhance FDI inflow (Source: Phillip Capital and HDFC Securities) Governmental Initiatives The Indian Government undertook a number of initiatives in the development of chemical clusters equipped with cutting-edge infrastructure, access to adequate international investment and enhanced visibility. Subsequently, capex into the Indian chemical sector reported a 52% y-o-u jump to ₹1.46 trillion in 2014. Moreover, FDI inflows increased by 49% y-o-y in F.Y.15 to US\$ 4 billion (Source:DIPP)

## Opportunities

Fluorine is finding its usage increasing in the life-sciences sector, i.e. pharmaceuticals and agrochemicals. Fluorine molecule is finding place in many new product developments in this sector due to its unique capabilities. In the refrigerant sector, while new generations of molecules are replacing the older ones, most of such molecules have fluorine into them. Thus the fluorination sector will continue to see growth opportunities for years to come even in refrigeration sector.

## GROWTH DRIVERS:

### GROWTH IN LIFE-SCIENCES, PHARMACEUTICALS AND AGRO-CHEMICALS INDUSTRY:

Economic development, rapid industrialisation, urbanisation and increased disposable income with changing demographic profile and enhanced life expectancies is creating stronger growth for agrochemicals, pharmaceuticals and life-sciences sectors.

The volume of medicines used globally will reach 4.5 trillion doses by 2020, up 24% from 2015. Global spending on medicines will reach \$1.4 trillion by 2020, CAGR of 4%-7% from 2015, driven by greater use of pricier branded drugs in developed markets and expanding reach of medicines into pharmerging markets (Pharmerging markets includes nations like China, India, Brazil and Indonesia) Specialty therapies will be more significant in developed markets than in pharmerging markets.

### GROWTH IN REFRIGERANT MARKETS

With strong demand for refrigeration and cooling solutions from residential and automotive usage as well as HVAC Solutions, global refrigerant demand is anticipated to grow by 5.2% to reach 1.6 million metric tons by 2018. Gains will be fuelled by economic growth of developing nations, increasing standard of living, and rising global temperatures.

Asia-Pacific countries account for the largest portion of refrigerant demand globally. The increase in regions demand is mainly due to rising demand for cooling products primarily driven by increasing middle class population in developing countries such as China and India.

### GROWTH IN AUTOMOBILES

Increased usage of aluminum and high performance fluoropolymers in automobiles will drive growth in inorganic & specialty fluorochemicals.

Global automobile industry is expected to grow at a CAGR of 4% over 2014-2017, with an increase in production in China, India and Mexico.

### EXPANDING POSSIBILITIES OF FLUORINE THROUGH RESEARCH & DEVELOPMENT

Globally, the spending on R&D has shown a consistent growth and this drift to invest more on R&D is likely to continue given the emphasis being placed on knowledge expansion and innovation. USA, EU and China witnessed strongest R&D investment growth rate over the last few years.

Fluorinated compounds are becoming more and more important in life-sciences products, pharmaceuticals and agrochemicals representing a class of high-value compounds. This is not only because of the biological benefits that fluorine can impart to the end product but also it helps in reducing waste streams and associated carbon footprint during drug manufacture, thus garnering a lot of attention from domestic as well as overseas players.

Many researchers, along with industrial scientists, are taking keen interest in exploring the possibilities of using fluorine chemistry in creating new organic molecules used to develop pharmaceuticals, agricultural and industrial materials.

Fluorochemicals industry continuously keeps evolving, facing environmental challenges and identifying new opportunities, in both, short term and long term.

Along with production base shifting to Asian Countries, there is rapid shift in Research & Development activities eastward, both for cost efficiencies and availability of talent.

The Management, conscious of the developments in the business scenario, keeps identifying, monitoring and evaluating opportunities and threats to business, to act in a manner that will maximise value creation.

## **BUSINESS WISE PERFORMANCE:**

### **REFRIGERANTS:**

Revenue in F.Y. 2016-17: ₹21557 Lacs.

NFIL pioneered manufacturing of refrigerant gases in India in 1967, with one of the oldest refrigerant gas manufacturing facility in Asia. Its Mafron brand is a generic name for refrigerant gases in the country and a preferred choice for original equipment manufacturers, service technicians and equipment owners. It has a distribution network of about 120 strong distributors in India and overseas.

Revenue from Refrigerant business remained flat year on year basis from ₹21696 Lacs in F.Y. 2015-16 to ₹21557 Lacs in F.Y. 2016-17 mainly on account of soft demand in exports market due to quota restriction in few of the countries. The business contributed 31% to total sales, of which 33% was derived from export markets and rest was marketed within India.

Under the Montreal protocol, phase down of HCFC 22 (R22) for emissive purposes have begun from January 1, 2015 in developing countries (Article 5 parties). The next ramp down

in production will be in 2020. However, as demand for refrigeration and cooling systems increase, demand for the refrigerant gas will also increase.

With usage of HCFC 22 (R22) in non-emissive purposes being allowed, company continues to focus on these applications. Over the last few years, the company has witnessed positive traction in non-emissive applications like feedstock in pharmaceutical and agrochemical intermediates manufacturing.

Outlook for this business is positive with increasing demand for air conditioners and cooling solutions, in domestic markets as well as overseas markets. This demand is augmented by our focused marketing efforts and strong distributor network spread across India, South East Asia and Middle East countries.

### **INORGANIC FLUORIDES:**

Revenue in 2016-17: ₹12031 lacs

This Business offers a portfolio of products that find applications in industries like stainless steel, glass, oil & gas, abrasives, electronic industries, pharmaceutical, agrochemicals etc. These products are primarily in nature of high volume, with applications in standard processes.

In the year 2016-17 The BU reported a strong growth of 28% on full year basis. We are witnessing good tractions in our key products. With good traction in exports, our strategy to market penetration there by gaining market share has been playing out. We expect to see the continued improvement in demand for our products in coming years.

The company continues to focus on strengthening its product portfolio by introducing new products for new applications as well as reaching to new customers in varied geographies.

### **SPECIALTY CHEMICALS:**

Revenue in 2016-17: ₹22792 Lacs

This business is engaged in manufacturing of niche fluorine-based molecules for applications in pharmaceuticals, agrochemicals and chemicals industries.

During F.Y. 2016-17, Specialty Chemicals revenue showed a de growth to ₹22792 lacs, from ₹23875 Lacs in F.Y. 2015-16, contributing 32% of total sales of the Company. Exports contributed 43% to Specialty Chemicals sales.

During the year F.Y. 2016-17 our specialty business faced severe challenges and hence the performance has been below the last year and much below the expectations. Agro Chemical has been facing the headwinds globally which affected us along with loss of business for some products in domestic pharma sector. The encouraging factor here is the strong pipeline of products that we currently have. During the year we launched a few new molecules for innovator agro chemical companies globally. These molecules will be a part of commercial launch of active ingredients in next few years to come. With the product pipeline directed towards global pharma and agro companies we are confident that we will be back on growth path.

### **CONTRACT RESEARCH AND MANUFACTURING SERVICES (CRAMS):**

Revenue in F.Y. 2016-17: ₹13743 Lacs

With the objective of rising up the value pyramid in Fluorine chemistry, Company initiated CRAMS business in 2010. Backed by knowledge of niche fluorination chemistry & rich experience of almost 5 decades in handling fluorine, the company has made its presence felt among the innovators across the globe.

Currently, it is a pure play research and knowledge based offering, that consist of basic research, laboratory synthesis, process developments, scale up and making small and large batch manufacturing. It caters to rapid product development needs of major global innovator companies, both in pharmaceuticals and agrochemicals business.

The company continues to strengthen its foothold across American and European markets adding more business from existing clients and adding many new prestigious clients to the portfolio.

Company's association with MOL began in 2011, when it acquired 51% stake in MOL. Since beginning, both the companies were in perfect synergy, as MOL worked directly with innovative pharma companies on milligram to multi kilo research phase while Navin Fluorine was developing its contract research and manufacturing services division with experience in multi hundred kilos to multi ton production capabilities. Post-acquisition of balance 49% stake in MOL through its 100% subsidiary NFIL (UK) limited last year, the operational management of both the companies is well streamlined. With integrated business management, project management and delivery management systems the company is able to give a delightful experience to its global customers.

Over the span of 6 years, the company continued to add more customers into its fold and also could win repeat business from existing customers.

In 2016-17, CRAMS revenue grew almost by 59% from ₹8654 lacs in F.Y. 2015-16 to ₹13743 lacs in F.Y. 2016-17. In addition, MOL registered revenues of ₹ 5.58 mn during the year, a growth of 17 % over previous year.

Company augmented its pilot plant facility at Dewas with cGMP compliant contract manufacturing facility to deliver ton level quantities, with an investment of ₹6000 lacs during previous financial year. The new facility underwent successful customer audits by global pharmaceutical companies. The timely investment made in this facility has contributed significantly to the business revenue during this year.

The company believes that Innovation will continue to drive growth. It will continue to invest in research and development of new molecules, new applications and more efficient processing techniques. The company will accordingly continue to invest financial and managerial resources on this front.

As you are aware the company has entered into a Joint Venture arrangement with Piramal Enterprises Ltd. for development, manufacture and sale of speciality fluorochemical for their own use. To expedite the process of setting up the plant, it was agreed that the company will set it up on its land in Dahej at the cost of Joint Venture and commence the production and then transfer it to the JV Company. Now subject to approval of shareholders, the Board of Directors of Navin Fluorine International Ltd. has decided that the said facility will be transferred to the Joint Venture Company 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 as on the date of transfer. Depending on receipt of all approvals, the transfer of the said unit is expected to be completed during the current financial year.

As the plant has already started the production and sale of the product, until the assets are transferred, the revenue will get accounted for in Navin Fluorine Financials. For the F.Y. 17 the revenue from this business has been ₹15.78 Crores and it is included in our CRAMS revenue.

As you are aware during previous financial year the company entered into an agreement with Honeywell to work together on the new generation refrigerant gas HFO

1234yf. HFO-1234yf is a next-generation hydrofluoro-olefin (HFO) refrigerant with GWP less than 1 and is a near drop-in replacement for R-134a, a hydrofluorocarbon (HFC), for use in vehicle air conditioning systems globally. This agreement depicts Honeywell's confidence in company's capabilities in developing new generation Fluoro-intermediates. The facility to produce pilot quantity of this product is under construction and expected to commence operations during current financial year.

### Health, Safety & Environment :

The Company is fully committed to its responsibilities in health, safety and environmental (HSE) management and has continued to make sizable investments in HSE during the year. It clocked at 52.42 lacs and 32.66 lacs continuous accident free man hours at Surat and Dewas respectively, till March 2017. The Company is amongst very few Corporate in the country who has 'Responsible Care' accreditation from the Indian Chemical Council. 'Responsible Care' is the chemical industry's unique global initiative that drives continuous improvement in health, safety & environment performance together with open and transparent communications with stakeholders. During the year Surat and Dewas plants received certificates of appreciation from National Safety Council of India for commendable Occupational Safety & Health performance. For our Responsible Care Initiative in distribution, the company has been declared winner in the category "Operational Excellence in Safety" at the Manufacturing & Supply Chain Summit 2017.

Both the accreditations, reinforcing our commitment towards safety.

### OPPORTUNITIES & THREATS

The Company is well poised to exploit the emerging market opportunities and is continuously driving its R&D and innovation initiatives which act as catalytic agents in realising its aspirations.

- Fluorine molecule continues to maintain its criticality in the development of new molecules in life sciences sector i.e the pharmaceuticals and agrochemicals. In the refrigeration sector while new generation of molecules are replacing the older ones, most of such molecules continue to have Fluorine into their structure.
- The Company's positioning in the fluoro-specialities space; a niche business with high entry barriers provides the necessary protection from emerging competitive threats

- Strong reputation as a reliable provider of fluorinated chemicals and established presence among major pharmaceutical and agrochemicals producers provides an additional edge
- Significant investments made in R&D, CRO and CRAMS provide the launching pad to synthesise value-added molecules alongside innovator companies finally migrating to full-fledged manufacture of high-potential compounds
- High capacities of HF, refrigerant gas and other organic and inorganic chemicals provide the necessary scale benefits. With host of opportunities, the company is also exposed to internal and external risk. We aim to address these risks and threats appropriately through our formal risk management system.

The threats that are closely monitored by the company comprise of :

- a. Currency volatility
- b. Unpredictable pricing policies of Chinese competitors in some of our products
- c. Increasing urbanisation around our plant at Surat
- d. Continued socio economic uncertainties in Euro zone .

### ANALYSIS OF FINANCIAL STATEMENTS

The significant financial highlights of the Company are mentioned below:

- Increase in revenues by 10% from ₹63624 lacs in 2015-16 to ₹70123 lacs
- Increase in Profit Before Tax and exceptional items by 29% from ₹11672 lacs in 2015-16 to ₹15078 lacs.
- Increase in Net Profit by 55% from ₹8647 lacs in 2015-16 to ₹13402 lacs
- EPS was higher at ₹136.91 in the current year compared to ₹88.44 in 2015-16.
- ROCE before exceptional item increased to 20% in the current year from 18% in 2015-16.
- ROE increased to 19% in the current year from 14% in 2015-16.

### RISK MANAGEMENT

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

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

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

- Forward-looking approach to identify and measure risks
- In-depth knowledge of the business and competitors
- Diligence in risk identification and management The Company's structured risk management programme safeguards the organisation from various risks through adequate and timely action. The objectives of the Company's risk management framework comprise the following:
  - To identify, assess, prioritise and manage existing as well as emerging risks in a planned and cohesive manner
  - To increase the effectiveness of the internal and external reporting structure
  - To develop a risk culture that encourages employees to identify risks and associated opportunities, responding to them with appropriate timely actions.

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

## HUMAN RESOURCES

Over the years, the Company created a strong human resource foundations by implementing systems and procedures that strengthened employee engagement. NFIL followed non-discriminatory practices, reinforcing its reputation as a merit-led organisation that not only honours individual contributions but also celebrates teamwork.

The Company has a structured process to identify young and key talents and nurture them to take on senior and responsible positions by mentoring, coaching and advanced leadership programmes. Training and development of employees continues to be an area of prime focus with key personnel being sent for advanced training, both in-bound and out bound.

There were cordial and harmonious industrial relations during the year. The long term wage settlement with

Worker's Union at Bhestan, Surat was re-negotiated this year. The company has started TQM initiatives and Quality circles to encourage ideas sharing among the employees.

During the year, the company participated in the "Great Places to Work" survey. The ideas and suggestions coming out of this initiative are being studied and implemented.

The company has 762 employees as on 31 March, 2017 and enjoyed full cooperation from all its employees.

## INTERNAL CONTROL SYSTEM

The internal control systems of the Company are effective and adequate for business processes with regards to efficiency of the operations, compliance with applicable laws and regulations, financial reporting, etc. which commensurate with the size and complexities of the operations.

All the Company's major business processes are currently run on SAP ECC 6. An independent firm of chartered accountants carries out the internal audit across the organisation including Manchester Organics Limited, the UK based subsidiary of the Company.

The internal auditors review the adequacy of control systems and suggest improvements. The internal auditors have expressed their satisfaction about the adequacy of the control systems and the manner in which the company is updating its systems and procedures to meet the challenging requirements of business needs.

The Company has established appropriate Internal Control framework in its operations & Financial Accounting & Reporting practices to ensure due adherence to the Internal Financial Control over Financial Reporting (IFCFR), under sec 143(3)(i) of the Companies Act 2013.

The internal auditors periodically interact with the Audit Committee of the Board of Directors to discuss the terms of reference and frequency of the audit, significant audit observations and their disposals and remedies, if any.

For and on behalf of the Board,

**V.P. Mafatlal**

*Chairman*

(DIN:00011350)

Place: Mumbai

Dated: 28th April, 2017

**ANNEXURE - 2**

# CORPORATE GOVERNANCE REPORT:

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

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

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

## 2. COMPOSITION OF THE BOARD OF DIRECTORS:

As on 31st March, 2017, your Company's Board of Directors consisted of Ten Directors with varied experiences in different areas. Some of them are acknowledged as leading professionals in their respective fields. The composition of the Board is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"),.. Mr. V.P. Mafatlal, the Chairman of the Company, heads the Board. The Board comprises of one Executive Promoter Director, one Executive Professional Director, one Non-Executive Non-Independent Director and seven Independent Directors.

Sr. No.	Names of Directors	Category (Executive / Non-Executive)	Number of Board Meetings attended	Whether last AGM held on 25th July 2016 attended	Other directorships held (including in private companies at the year-end)	\$ Number of Committee Membership / Chairmanship in other domestic companies as at the year end
1.	Mr. H.A. Mafatlal (upto 19th August, 2016)	Promoter Executive	4	Yes	6*	2
2	Mr. V.P. Mafatlal	Promoter Executive	8	Yes	9**	–
3	Mr. T.M.M. Nambiar	Independent Non-Executive	8	Yes	2	1
4.	Mr. P.N. Kapadia	Independent Non-Executive	8	Yes	10***	6
5	Mr. S.S. Lalbhai	Independent Non-Executive	7	No	5	1
6.	Mr. S.M. Kulkarni	Independent Non-Executive	8	Yes	6****	7
7.	Mr. S.G. Mankad	Independent Non-Executive	6	Yes	8	6
8	Mr. H.H. Engineer	Independent Non-Executive	6	No	9*****	6
9.	Mr. A.K. Srivastava	Non-Executive Non-Independent	8	Yes	1	1
10	Ms. R.V. Haribhakti	Independent Non-Executive	7	Yes	6*****	5
11.	Mr. S.S. Khanolkar	Professional Executive	8	Yes	4*****	–

Mr. H.A. Mafatlal stepped aside as the Chairman of the Company on 19th August, 2016. Mr. V.P. Mafatlal was appointed as the Chairman of the Company w.e.f. 20th August, 2016.

\* In three Private Limited Companies, \*\* In seven Private Limited Companies and one Foreign Company, \*\*\* In six Private Limited Companies, \*\*\*\* In two Private Limited Companies, \*\*\*\*\* In three Private Limited Companies, \*\*\*\*\* In one Private Limited Company - with listed debt securities. \*\*\*\*\* In one Private Limited Company and three Foreign Companies, \$ Under this column, membership/chairmanship of Audit Committee and Stakeholders Relationship Committee is considered.

All the relevant information such as production, sales, exports, financial results, capital expenditure proposals and statutory dues, among others, are as a matter of routine, placed before the Board for its approval/information. During the year 2016-17, eight meetings of the Board of Directors were held on 30th April, 2016, 25th July, 2016, 6th August, 2016, 19th August, 2016, 24th October, 2016, 22nd December, 2016, 21st January, 2017 and 20th March, 2017. The Company has thus observed the provisions of the Companies Act, 2013 and Listing Regulations allowing not more than four months gap between two such meetings.

Personal shareholding of Non-Executive Directors, in the Company as on 31st March, 2017 is as follows:

Name of the Directors	Number of equity shares of ₹10/- each, held
Mr. T.M.M. Nambiar	1,000
Mr. P.N. Kapadia	1,385
Mr. S.S. Lalbhai	1,000
Mr. S.M. Kulkarni	NIL
Mr. S.G. Mankad	NIL
Mr. H.H. Engineer	NIL
Ms. R.V. Haribhakti	NIL
Mr. A.K. Srivastava	2,200

### DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

#### Familiarisation programme for Independent Directors;

The Company has a detailed familiarisation programme for Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programme are available on the weblink: <http://www.nfil.in/about-us/bod.html>

### 3. AUDIT COMMITTEE:

As required under Section 177 of the Companies Act, 2013 ("the Act") read with the provisions of Regulation 18 of the Listing Regulations, the Board has constituted an Audit Committee. Mr. T.M.M. Nambiar is the Chairman of the Committee. Mr. P.N. Kapadia, Mr. S.S. Lalbhai and Mr. S.M. Kulkarni are the other members. The terms of reference of the Audit Committee are as outlined in the Act, and the Listing Regulations.

During 2016-2017, five meetings of the Audit Committee were held on 30th April 2016, 25th July, 2016, 6th August, 2016, 24th October, 2016 and 21st January, 2017. The attendance of the members of the Audit Committee was as follows:

Sr. No.	Dates on which the Audit Committee Meetings were held	Attendance of Directors			
		Mr. T.M.M. Nambiar	Mr. P.N. Kapadia	Mr. S.S. Lalbhai	Mr. S.M. Kulkarni
1.	30th April, 2016	Attended	Attended	Attended	Attended
2.	25th July, 2016	Attended	Attended	Not Attended	Attended
3.	6th August, 2016	Attended	Attended	Attended	Attended
4.	24th October, 2016	Attended	Attended	Attended	Attended
5.	21st January, 2017	Attended	Attended	Attended	Attended

Executive Chairman, Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditors are usually invited and attend the meetings of the Audit Committee. The Company Secretary, Mr. N.B. Mankad acts as the Secretary of the Audit Committee.

### 4. NOMINATION AND REMUNERATION COMMITTEE:

As required under Section 178(1) of the Act, read with part D(A) of Schedule II and Regulations 19 of the Listing

Regulations, the Board has constituted the Nomination and Remuneration Committee. Mr. S. S. Lalbhai is the Chairman of the Committee. Mr. T.M. M. Nambiar and Mr. S.M. Kulkarni are the other members of the Committee.

The Committee is, inter alia, authorised to identify persons who are qualified to become Directors and who may be appointed in Senior Management, evaluation of Directors performance, formulating criteria for determining qualifications, positive attributes and independence of

a director and recommending policy relating to the remuneration for the Directors, key managerial personnel and other employees and granting of stock options to Senior Management Personnel. During the year, three meetings of

the Committee were held on 30th April, 2016, 19th August 2016 and 24th October, 2016. The details of attendance of the members of the Nomination and Remuneration Committee are as follows:

Sr. No.	Date on which the Nomination and Remuneration Committee Meetings were held	Attendance of Directors		
		Mr. S.S. Lalbhai	Mr. T.M.M. Nambiar	Mr. S.M. Kulkarni
1.	30th April, 2016	Attended	Attended	Attended
2	19th August, 2016	Attended	Attended	Attended
3	24th October, 2016	Attended	Attended	Attended

Performance evaluation criteria for independent directors:

Each Independent Director's performance was evaluated as required by Schedule IV of the Companies Act, 2013 having regard to the following criteria of evaluation viz. (i) preparedness, (ii) participation, (iii) value addition, (iv) focus on governance and (v) communication.

recommended the remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees which has been approved and adopted by the Board and the same is annexed as Annexure 7 to the Directors' Report.

## 5. REMUNERATION OF DIRECTORS:

In accordance with the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee has

### Details of remuneration to all the directors:

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

(₹ in lacs)					
Sr. No.	Director & Designation	Category	Salary and Perquisites	Commission*	Sitting Fees
1	Mr. H.A. Mafatlal Executive Chairman ( up to 19th August, 2016)	Promoter Executive	145.71	90.37	-
2	Mr. V.P. Mafatlal Executive Chairman (w.e.f. 20th August, 2016)	Promoter Executive	118.53	150.63	1.75
3	Mr. T.M.M. Nambiar	Independent Non-Executive	-	12.00	6.30
4	Mr. P.N. Kapadia	Independent Non-Executive	-	12.00	5.95
5	Mr. S.S. Lalbhai	Independent Non-Executive	-	12.00	5.60
6	Mr. S.M. Kulkarni	Independent Non-Executive	-	12.00	6.30
7	Mr. S.G. Mankad	Independent Non-Executive	-	12.00	3.50
8	Mr. H.H. Engineer	Independent Non-Executive	-	12.00	3.50
9	Mr. A.K. Srivastava	Independent Non-Executive	-	12.00	3.50
10	Ms. R.V. Haribhakti	Independent Non-Executive	-	12.00	3.85
11	Mr. S.S. Khanolkar Managing Director	Professional Executive	254.31**	92.70	-

\*Payable in financial year 2017-2018, \*\*Including perquisite value of ESOPs

The remuneration to Executive Directors includes Provident Fund, Superannuation Fund, perquisites and allowances etc. The details are specified in Annexure 6 to the Directors' Report.

Other service contracts, notice period and severance fees, among others –

None, except the Notice Period as per appointment letters – (a) Mr. V.P. Mafatlal – 6 months and (b) Mr. S.S. Khanolkar – 3 months

In terms of the Company's "Employee Stock Option Scheme – 2007" approved by the shareholders at the 9th Annual General Meeting held on 20th July 2007, Mr. S.S. Khanolkar has been granted 26,525 stock options in the aggregate in accordance with the provisions of the above Scheme. At the beginning of the year, Mr. S.S. Khanolkar had 20,980 options to his credit. Mr. Khanolkar exercised 4,000 Options during the year and accordingly 4,000 equity shares were allotted to him. The relevant details required to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are given in Annexure 5 to the Directors' Report.

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

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

The performance criteria for payment of remuneration is stated in the Remuneration Policy as specified in Annexure 7 to the Directors Report.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As required under Section 178(5) of the Act and Regulations 20 of the Listing Regulations, the Company has constituted Stakeholders Relationship Committee. Mr. P.N. Kapadia is the Chairman of the Committee. Mr. A.K. Srivastava and Ms. R.V. Haribhakti are the other members of the Committee. The Committee inter alia, looks into redressing the grievances of the Security holders of the Company viz. non-receipt of transferred shares and non-receipt of dividend, among others. During 2016-2017, two meetings of the

Stakeholders' Relationship Committee were held on 30th April, 2016 and 1st July, 2016 and the same were attended by all the members of the Committee.

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

The other relevant details are as under:

a)	Number of complaints received from shareholders from 1st April 2016 to 31st March 2017	8
b)	Number of complaints resolved	8
c)	Number of complaints not solved to the satisfaction of shareholders	0

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required under Section 135(1) of the Act, the Board has constituted a Corporate Social Responsibility Committee. Mr. H.A. Mafatlal was the Chairman of the Committee till 19th August, 2016 and thereafter, Mr. S.G. Mankad was appointed as the Chairman of the Committee. Mr. V.P. Mafatlal and Mr. H.H. Engineer are the other Members of the Committee.

The Committee is inter alia authorised to formulate and recommend to the Board a CSR Policy, the amount of expenditure to be incurred on the permissible activities and monitoring the CSR Policy.

During the year, two meetings of the Committee were held on 30th April, 2016 and 24th October, 2016 and the same were attended by all the Members of the Committee.

## 8. INDEPENDENT DIRECTOR'S MEETINGS:

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. During the year, two meetings of independent directors were held on 21st December, 2016 and 20th March, 2017. All the Independent Directors attended both the Meetings. Mr. S.S. Lalbhai was unanimously elected as the Chairman of the Meetings of the Independent Directors. At the meetings, the Independent Directors reviewed the performance of the non-independent directors (including the Chairperson) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the company, management and the board that is necessary for the board to effectively and reasonably perform their duties.

## 9. GENERAL BODY MEETING:

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

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed
18th	2015-16	Rama & Sundri Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	25th July, 2016	3.00 p.m.	1
17th	2014-15	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	29th June, 2015	3.00 p.m.	1
16th	2013-14	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	25th June 2014	3.00 p.m.	1

During last year i.e. 2015-16, the Company has not passed any special resolution through postal ballot. The Company is separately proposing passing of a Special Resolution under Section 180(1)(a), Section 188 and other applicable provisions of the Act and Listing Regulations through Postal Ballot. Separate communication containing all the requisite details in respect of the same including the procedure for Postal Ballot is being circulated to all the shareholders along with the Annual Report.

## 10. MEANS OF COMMUNICATION:

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

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

## 11. GENERAL SHAREHOLDERS INFORMATION:

A. 19th Annual General Meeting	C. Date of Book Closure : 20th June, 2017 to 23rd (both days inclusive) June, 2017
Date : 29th June 2017	D. Dividend payment date : 4th July, 2017
Time : 3.00 p.m.	E. Listing : BSE Ltd. (BSE)
Venue : Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road Churchgate, Mumbai 400020	National Stock Exchange of India Ltd.(NSE)
	The Listing Fees for the year 2017-18 have been paid to both the Stock Exchanges.
B. Financial Calendar : 1st April 2017 to 31st March 2018 (tentative)	F. Stock Code : BSE: 532504 NSE: NAVINFLUOR EQ
First quarterly results : End of July 2017	G. ISIN Number : INE 048 G 01018
Second quarterly results : End of October 2017	
Third quarterly results : End of January 2018	
Audited yearly results : End of May 2018	

## H. MONTHLY HIGH AND LOW DURING EACH MONTH OF THE FINANCIAL YEAR:

Market price data – high, low, during each month in last financial year.

Bombay Stock Exchange (BSE Ltd.)

Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	Number of shares traded
April 2016	1806.00	1591.75	26100.54	24523.20	28325
May 2016	2210.00	1920.00	26837.20	25057.93	122990
June 2016	2164.20	1920.55	27105.41	25911.33	29193
July 2016	2520.90	1968.00	28240.20	27034.14	123202
August 2016	2436.00	2155.00	28532.25	27627.97	517647
September 2016	2467.00	2166.35	29077.28	27716.78	41139
October 2016	2875.00	2215.05	28477.65	27488.30	183922
November 2016	2600.00	2156.00	28029.80	25717.93	120175
December 2016	2593.80	2280.00	26803.76	25753.74	22717
January 2017	2983.80	2508.85	27980.39	26447.06	60213
February 2017	2747.00	2468.00	29065.31	27590.10	22886
March 2017	3100.00	2464.00	29824.62	28716.21	47978

National Stock Exchange of India Ltd. (NSE):

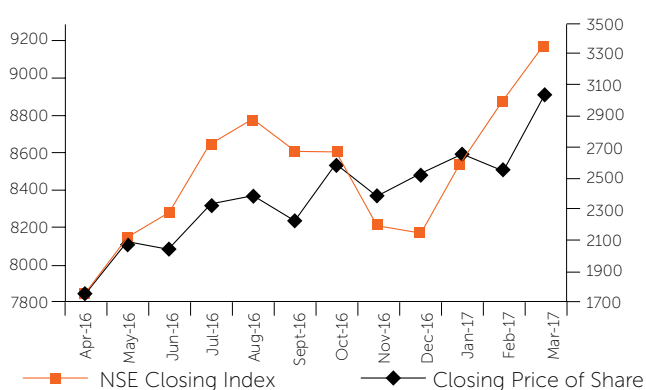
Month	Highest	Lowest	NSE NIFTY Highest	NSE NIFTY Lowest	Number of shares traded
April 2016	1809.00	1590.00	7992.00	7516.85	141295
May 2016	2210.00	1898.00	8213.60	7678.35	553337
June 2016	2172.80	1925.50	8294.95	8039.35	120927
July 2016	2523.40	1976.00	8670.35	8287.55	456321
August 2016	2443.00	2136.60	8819.20	8518.15	235830
September 2016	2471.00	2175.20	8968.70	8555.20	111538
October 2016	2876.00	2230.00	8806.95	8506.15	445159
November 2016	2600.00	2150.00	8669.60	7916.40	268969
December 2016	2599.00	2285.00	8274.95	7903.70	81757
January 2017	2987.70	2505.00	8672.70	8133.80	298248
February 2017	2740.00	2463.90	8982.15	8537.50	124351
March 2017	3100.00	2470.00	9218.40	8860.10	229892

Performance in comparison to broad based indices:

Company share price and BSE Sensex



Company share price and NSE Nifty



**I. REGISTRAR AND SHARE TRANSFER AGENTS:**

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

**M/s. Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032

Tel No 91- 040 -6716 2222 to 24

Fax No 91-040 -2342 0814

E mail ID : jayaraman.vk@karvy.com

einward.ris@karvy.com , navin.ris@karvy.com

Website: www.karvycomputershare.com

**Mumbai Office:**

24B, Rajabhadur Mansion, Ambalal Doshi Marg,

Ground Floor, Fort, Mumbai 400023

Tel: 022-6623 5454, Fax: 022-6633 1135

**Ahmedabad Office:**

201, Shail Complex. Opp Madhusudan House, Off C.G. Road, T Near Navrangpura Telephone Exchange, Ahmedabad 380 006, Tel: 079 – 2640 0527, 6515 0009, E mail: ahmedabad@karvy.com

**J. Share Transfer System :**

All the share related work is being undertaken by our R&T Agent, Karvy Computershare Pvt Ltd Any two Directors of the Share Transfer Committee approves the share transfer, split and consolidation, among others, of the shares which are verified beforehand by the R&T Agent. The share transfers are registered and returned within 15 days from the date of receipt if relevant documents are complete in all respects. The shareholders'/investors' grievances are also taken up by our R&T Agent.

**K. Distribution of shareholding as on 31st March 2017:**

Slab	Total number of shareholders	%	Number of Shares	% of total share capital
Less than 500	93,027	99.14	14,91,200	15.23
501-1000	453	0.48	3,37,216	3.44
1001-2000	148	0.16	2,16,956	2.22
2001-3000	65	.007	1,58,891	1.62
3001-4000	23	0.02	82,545	0.84
4001-5000	20	0.02	93,186	0.95
5001-10000	45	0.05	3,28,576	3.36
10001-above	57	0.06	70,82,727	72.34
Total	93,838	100.00	97,91,297	100.00

**L. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:**

Sr. No.	Category	Number of shares held	% of holding
1.	Promoters' holding	37,86,935	38.68
2.	Mutual Funds and UTI	17,43,052	17.80
3.	Bank, Financial institutions, insurance companies, central / state government institutions	7,295	0.08
4.	FII's (Foreign Institutional Investors)	11,07,661	11.31
5.	Private Corporate Bodies	4,29,195	4.38
6.	Indian Public	26,57,339	27.14
7.	NRIs / OCBs	58,462	0.60
8.	Any other (please specify) Trust	1,358	0.01
	Total	97,91,297	100.00

**M. DEMATERIALISATION DETAILS :**

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

As on 31st March 2017, 28,976 shareholders were holding 94,01,414 equity shares in demat form which constitutes 96.02% of the total share capital of the company.

**N. Outstanding GDR / ADR :** N.A.

**O. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

The Company has a Board approved Foreign Currency Risk Management Policy. Any risk arising from exposure to foreign currency for exports and imports is being hedged on a continuous basis. As of now, the Company does not hedge any commodity price risk.

**P. Plants / factories:**

1. Navin Fluorine, Bhestan, Surat – 395023
2. Navin Fluorine, Dewas, M.P. - 455002
3. Navin Fluorine, Dahej, Gujarat - 392130

**Q. Address for correspondence :**

Navin Fluorine International Limited

**a) Registered Office**

2nd floor Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057.

Tel: 91 22 6650 9999

Fax 91 22 6650 9800

Website: www.nfil.in

E-mail: niraj.mankad@mafatlals.com

b) Mafatlal House, 4th floor, Backbay Reclamation, Mumbai 400020.

Tel: 91 22 6617 3636

Fax:91 22 6635 7633

c) Kaledonia, Office No.3, 6th floor,

Opp. Vijay Nagar Society,

Sahar Road, Andheri (E),

Mumbai 400069.

Tel: 91 22 6771 3800

Fax:91 22 6771 3924

**12. OTHER DISCLOSURES:**

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

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

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

None

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

In accordance with the requirements of the Act, read with Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:

- a. To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy and
- b. To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices.
- c. To appropriately communicate the existence of such mechanism, within the organisation and to outsiders. Whistle Blower Policy is available on weblink <http://www.nfil.in/policy/index.html>

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

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

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

- v) The Company has complied with all the mandatory requirements of Listing Regulations, in respect of corporate governance.
- The following non-mandatory requirements have been adopted by the Company:
- (a) Auditor's Report does not contain any qualifications.
- (b) The Company has appointed separate persons to the posts of Chairman and Managing Director
- (c) The Internal Auditors report directly to the Audit Committee
- vi) The policy for determining 'material' subsidiaries is available on web link: <http://www.nfil.in/policy/index.html>.
- vii) The policy on dealing with related party transactions is available on web link <http://www.nfil.in/policy/index.html>.
- viii) As of now, the Company does not hedge any commodity price risk.
13. The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.
14. Disclosure of accounting treatment different from accounting standards.  
None
15. Code of Conduct for Board Members and Senior Management :
- The Board of Directors, has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – [www.nfil.in](http://www.nfil.in). A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.
- Further, the Directors and the Senior Management of the Company have submitted disclosure to the Board that they do not have any material financial and commercial transactions, that may have a potential conflict with the interest of the Company at large
16. CEO / CFO Certification :
- The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls as also quarterly certification on financial results to the Board in terms of Listing Regulations.

## Annexure to Corporate Governance Report of Navin Fluorine International Limited :

### Declaration regarding Affirmation of Code of Conduct

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2017.

For and on behalf of the Board,

Place: Mumbai  
Date: 28th April 2017

**Shekhar S. Khanolkar**  
*Managing Director*  
(DIN:02202839)

For and on behalf of the Board,

Place: Mumbai  
Date: 28th April 2017

**V.P. Mafatlal**  
*Chairman*  
(DIN:00011350)

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of  
Navin Fluorine International Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. KGV/2016-17 dated 20th October 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Navin Fluorine International Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the

Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins and Sells  
Chartered Accountants  
(Firm's Registration No.117364W)

**Ketan Vora**

Partner

(Membership No. 100459)

Place: Mumbai

Date: 28th April 2017

## ANNEXURE - 3

### BUSINESS RESPONSIBILITY REPORT

#### Introduction

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance.

Ministry of Corporate Affairs, Government of India, developed the 'National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business' in 2015. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices.

Further Security Exchange Board of India (SEBI) has mandated

top 500 listed companies of India by market capitalisation to publish a Business Responsibility Report (BRR) based on NVG under SEBI Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR")

BRR serves as a tool to communicate the performance of organisation on Economic, Social and Governance (ESG) parameters to its stakeholders. It also motivates company to measure, disclose, and being accountable for organisational performance while working towards the goal of responsible and sustainable development.

Navin Fluorine International Limited (NFIL) is delighted to present its first BRR which holds information on non-financial disclosures for the Financial Year (F.Y.) 2016-17. This report is developed in-line with the 'suggested framework' by SEBI.

#### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L24110MH1998PLC115499
2. Name of the company	Navin Fluorine International Limited. (NFIL)
3. Registered Address	2nd Floor, Sunteck Centre, 37/ 40 Subhash Road, Vile Parle (E), Mumbai – 400057
4. Website	www.nfil.in
5. E-mail ID	info@nfil.in
6. Financial year reported	2016 - 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	2411 - Hydrofluoric acid and other fluorine chemicals 2411 - Synthetic cryolite, fluorocarbon gases 2411 - Others
8. List three key products/services that the company manufactures/provides.	NFIL is one of the largest and the most respected Indian manufacturers of specialty fluorochemicals comprising of; <ol style="list-style-type: none"> <li>1) Synthetic cryolite, fluorocarbon gases</li> <li>2) Hydrofluoric acid and other fluorine chemicals</li> <li>3) Other Chemicals</li> </ol>
9. Number of locations where business activities are undertaken by the company	NFIL operates one of the largest integrated fluorochemicals complexes with;
1) Total number of International locations	<b>Indian Locations</b> <ul style="list-style-type: none"> <li>• 3 manufacturing locations at Surat and Dahej in Gujarat, and Dewas in Madhya Pradesh</li> <li>• 5 sales offices in New Delhi, Mumbai, Surat, Chennai, Hyderabad.</li> <li>• Head office in Mumbai.</li> </ul>
2) Total number of National locations	<b>International Locations</b> <ul style="list-style-type: none"> <li>• We have 2 Business Development units at Manchester and Shanghai</li> </ul>
10. Markets served by the company Local/State/ National/International	We have a strong distributor network spread across India, South East Asia and Middle East Countries.

**Section B: Financial Details of the Company**

1. Paid Up Capital (INR) 979 Lacs
2. Total Turnover (INR) 73112 Lacs
3. Total Profit after Taxes (INR) 13401 Lacs
4. Total Spending on Corporate Social Responsibility (INR) 302.08 Lacs which constitutes 2.25 percent of Profit after Tax
5. List of activities in which the expenditure in 4 above has been incurred:

On healthcare, sanitation, promotion of olympic sports, livelihood enhancement, education, safe drinking water, eradicating malnutrition and animal welfare.

**Section C: Other Details**

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

Yes, the details of the list of subsidiaries can be found in annexure 6 of the annual report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The subsidiary Company/Companies do not participate in the BR initiatives of the Company.

3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)

Yes, less than 30%.

At NFIL we have a stringent process for selection of vendors and suppliers. Before onboarding the vendor, review committee reviews the vendor for quality, safety, manufacturing process, capabilities, delivery and commitment. This committee also fills a vendor evaluation form and rates the vendor in the category of A (Excellent), B (Good), C (Fair), D (Not acceptable) basis which the vendor is approved or rejected. NFIL also conducts vendor assessments post their onboarding to check their compliance with respect to the performance criteria set by NFIL.

**Section D: BR Information**

1. Details of Director/Directors responsible for BR
  - a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies

Name	DIN Number	Designation
Mr. S.S. Khanolkar	02202839	Managing Director

- b) Details of the Business Responsibility Head

DIN Number (if applicable)	NA
Name	Mr. Manoj Karmarkar
Designation	General Manager – HSE
Telephone number	+912266509986
e-mail id	manoj.karmarkar@nfil.in

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct, Archival Policy, Whistle-blower Policy, Sustainable Development Policy P2: Integrated Management Systems Policy, Sustainable Development Policy, Code of Conduct P3: Integrated Management Systems Policy, Human Rights Policy, HSE Policy, Sexual Harassment Policy P4: CSR Policy, Sustainable Development Policy P5: Human Rights Policy P6: Integrated Management Systems Policy, Sustainable Development Policy, HSE Policy P7: Sustainable Development Policy P8: CSR Policy P9: Quality Policy, Sustainable Development Policy								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in consultation with the Management of the Company and are approved by the Board								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are in – line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG).								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by the Managing Director.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	NFIL has appointed Mr. Shekhar Khanolkar - Director who is responsible for implementation of BR policies and monitoring the BR performance.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		<a href="http://www.nfil.in/policy/index.html">http://www.nfil.in/policy/index.html</a> <a href="http://www.nfil.in/about_us/code_conduct.html">http://www.nfil.in/about_us/code_conduct.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All our policies are available on the company's website and are included in the agreements with external stakeholders as applicable.								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	The queries regarding to BR policies can be sent to <a href="mailto:info@nfil.in">info@nfil.in</a>								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Surveillance and recertification audits of our Integrated Management System (IMS) are performed by TÜV SÜD. As part of these audits, policies are evaluated for its effective implementation.								

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task						NA			
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

### 3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

NFIL is publishing its 1st BRR for the current reporting period. The board of directors will be reviewing the BR related performance annually.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The business responsibility report of the Company is part of the annual report for the F.Y. 2016-17.

Section E: Principle Wise Performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes, our policies on ethical Code of Conduct is applicable to our employees, suppliers and contractors.

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

Ethics Policy with the objectives of enhancing the standards of ethical code of conduct for the highest degree of transparency, integrity, accountability and corporate social responsibility.

Our Whistle Blower policy provides a mechanism for employees of the Company and other persons dealing with the Company to report to the Audit Committee; any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Ethics Policy. Also, we have a well-structured supply chain policy which sets out specific guidance on the code of conduct for our business partners while they work with the Company. The suppliers can provide their feedback to Corporate Supply Chain cell at scm@nfil.in

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During this year, we have not received any significant complaint related to unethical practices across all our operations.

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

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

We are a "Responsible Care" company and always strive to reduce our environmental footprints through innovation and extensive research while designing our products. Below is the list of 3 products which are been designed in a way that would help mitigate the environmental risks.

- a) Sodium Fluoride (NaF)
- b) Boron Trifluoride (BF<sub>3</sub>)
- c) P – Bromo Fluoro Benzene

2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

- (i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

NFIL has a strong focus on managing and reducing its environmental footprint through adopting cleaner technologies and achieving enhanced process efficiency.

For the above mentioned products, we have adopted processes which have resulted in reduction of raw material and energy consumption. This has been achieved through:

- a) Recycling wastes produced in manufacturing process
- b) Recycling by-products thereby reducing the consumption of fresh raw materials.
- c) Recovery of waste heat

The table below illustrates the reduction of the type of raw material for each product

Product Name	Description of raw material consumption
NaF	Reduction in consumption of Anhydrous Hydrogen Fluoride (AHF)
BF <sub>3</sub>	Reduction in consumption of H <sub>2</sub> SO <sub>4</sub> and Oleum
P – Bromo Fluoro Benzene	Reduction in consumption of Bromine

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

As one of most reliable and quality supplier of Refrigerant gases and Fluorochemicals, the Company considers that its raw material suppliers play a very important role in managing the entire supply chain function. NFIL carefully selects the suppliers and maintains a high level of communication, coordination and cooperation with them.

We have undertaken the following key steps to ensure sustainable supply chain operations;

- a) Developed a checklist for vendor assessments to evaluate them on key parameters of the Company
- b) Vendor assessments are performed on the bases of quality, process, product, packing & labelling, environment and health & safety standards followed by vendors.
- c) Procure solvents, catalysts & raw materials that are regularly recycled and can be reused at industrial level.
- d) Procure packaging material like drums, carboys, pallets, etc., that are reused on regular basis.
- e) Conduct an impact assessment for all new molecules to evaluate the impact if the raw materials on only environment before we commence the procurement process. Out of our total procurement worth 300 crores, below mentioned chemicals are produced through sustainable sourcing.

Fluorspar : 20%

Chloroform : 7%

Boric Acid : 4%

Moreover, we organise a yearly vendor's meet which provides us with an opportunity to understand the concerns of all our vendors so as to find out the issues faced by them during any of the Company's procurement process.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

- a) NFIL prefers procurement and sourcing from local vendors, this is reflected in our procurement details as out of total expenditure of approximately ₹300 Crores, 48% has been on local suppliers.
- b) Most of our engineering spares (e.g. fabricated engineering items, gaskets, tools, fasteners, lubricants, etc.) required for routine maintenance are procured locally.
- c) We have engaged local service vendors for most of our fabrication, manpower and house-keeping services. We coach them on services such as fabrication, machining, electrical-instrumentation, air-conditioning, transportation, etc. These vendors have been associated with the Company for many years.
- d) We focus on having a long term relationship with our vendors and to achieve this, we have helped them to develop their capacity on a technical and quality scale. Most of them are toll manufacturers of our products as we have provided them process related help and regularly outsourced our products to them
5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?
- Yes, at NFIL we are always committed to minimise our waste generation through technological innovations in the production stage itself
1. For NaF, waste water generated from a batch is stored and reused for next batch.
  2. Dilute Hydro Fluoric acid generated from Mafron plant and CDM plant is 100% recycled and is used again in the process.
  3. For BF3, the generated "spent acid" is 100% recycled and reused for the preparation of next batch. This has helped us to reduce our sulphuric acid discharge.
  4. DHF generated from Mafron plant and CDM plant is 100% recycled.
2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.
- We do not employ temporary staff, our count for contractual employees is 514
3. Please indicate the number of permanent women employees.
- The total number of permanent women employees is 25.
4. Please indicate the number of permanent employees who are differently abled.
- The total number of permanent employees who are differently abled is 4.
5. Do you have an employee association that is recognised by management?
- Yes, we have an internal union "Navin Fluorine Employees Union".
6. What percentage of your permanent employees are a member of this recognised employee association?
- 41% of our employees are associated with Navin Fluorine Employees Union.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
- We have not received any complaints on any labour issues including child labor, forced labour, involuntary labour and sexual harassment during the reporting period.
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Training and development is crucial for the overall development and success of the organisation. Workforce training is an indispensable way to keep the organisation competitive. At NFIL, training identification is based on performance evaluation system through balance score card. The training calendar for F.Y. 2016-17 included key modules such as;

Principle 3: Businesses should promote the well being of all employees

1. Please indicate the total number of employees 1193 (including contractual employees)

- Microsoft Office.
- Effective communications
- Presentation and interpersonal skills

- Team building and conflict management
- Leadership development and managerial, personal effectiveness
- Accountability and Responsibility
- Analytical thinking.
- Positive thinking and Stress management
- Competency building
- Sexual Harassment

Our training records for the financial year 2016-17 is tabulated below.

Category of Employees	Safety trainings	Skill up-gradation trainings
Permanent Employees	100%	100%
Permanent women employees	100%	28%
Casual/Temporary/ Contractual employees	98%	0%
Employees with disabilities	100%	0%

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalised.

1. Has the company mapped its internal and external stakeholders? Yes/No

The Company has a systematic process of identifying all the key internal and external stakeholders impacted by our operations. Below is the list of our key stakeholders;

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

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company has identified children, women and tribal communities as disadvantaged, vulnerable & marginalised stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

NFIL undertakes several initiatives for the development of disadvantaged, vulnerable and marginalised stakeholders. The company identifies the needs of the communities spread around its area of operations and decides on the CSR programs. Currently NFIL is focusing on programmes such as infrastructure development, skill and livelihood development, education, and healthcare services. Few of our CSR interventions for the underprivileged and marginalised sections are given below;

- a) Healthcare in Rural Areas

The company has organised medical aid facilities for 12 villages of surrounding area on daily basis at their door step by mobile medical van. Mobile van is equipped with all basic modern day medical facilities along with one MBBS doctor, one male nurse, one female nurse and one driver.

- b) Toilet Blocks Construction for Rural Areas

The Company has taken this initiative to support the Swachh Bharat Abhiyaan by constructed 152 toilet blocks in Vaktana village under Swachh Bharat Abhiyaan

- c) Eye Checkup Camps

Company organised 6 days eye checkup camp for surrounding villages at "Vasada" & " Dang" area which are tribal areas (130-150 km away from Surat city) and also distributed spectacles to patients as per their requirement.

- d) Shala Pathotsav

Company is part of Shala Pathotsav, an initiative for schools taken by the Government of Gujarat under which school kits are distributed among the needy students.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, our policy on human rights is extended to our suppliers, contractors and all relevant business associates.

Our Human Rights policy covers different aspects such as;

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

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

We have not received any complaint related to human rights violation during the reporting period.

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

NFIL has a Sustainable development which is applicable to all its employees in the management and non-management cadre and other relevant business associates which includes the suppliers and contractors.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, NFIL is actively involved in reducing its environmental footprints through its initiatives. Some of our initiatives are described below;

- a) HFC 23 a product with high global warming potential is generated as a by-product during the production process. We have installed thermal oxidiser to incinerate HFC 23 and have achieved reduction in GHG emissions.
- b) We have developed a green belt with 62,358 trees. These trees are carefully chosen because of their high ability to plummet CO<sub>2</sub> present in air and liberate O<sub>2</sub> back into the atmosphere. These trees include Neem, Peepal, Ashoka, Tamarind, Mango, Mahua, etc.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, we have identified our hazardous chemicals and their potential risks to health, safety and environment.

We do Quantitative Risk Assessment (QRA) for all the dangerous chemicals that are stored in bulk at our site. This QRA includes precautions on handling these chemicals, safety conditions and mitigation guidelines in case of any accident.

The key environmental risks are;

- Availability of water
  - Energy efficiency
  - Water discharge
  - Air quality
  - Effluent waste management
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, with our approach towards sustainability, NFIL is involved in continuous up gradation of its processes so as to make them clean and pollution free.

- a) CDM project for HCFC 22
  - During HCFC 22 manufacturing process, HFC 23 is generated as a byproduct.
  - HFC 23 is a product with high GHG emission value.
  - Under CDM project, NFIL has installed a thermal oxidiser system with the help of U.K and Japanese design technology resulting in the complete degradation of HFC 23 (> 99.999 %) and bringing down its emission level close to 0.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

- a) LED replacements
  - 817 LED tube lights of 20W and 16 W are installed in place of 40 W FTL
  - In plant, 730 LED lamps of 14 W in place of 80 W HPMV are used
    - Replacement of 79 LED lamps of 7 W in place of 60 W GSL vessel lamp

- 223 LED from street lights of 45 and 25 W are installed in place of 125 and 80 W of HPMV and SV respectively
  - 226 FLP/Well glass/Flood lights of 80 and 150 W are used in place of 40 W LED.
- b) Installed Voltage servo stabiliser at NRIC/WTP lighting circuit to reduce lighting voltage up to 390 V resulting in 8% energy conservation.
  - c) Replacement of old rewind motors at 912-B/D with two, 215 HP energy efficient motors for reduction of kw/TR in HF refrigeration
  - d) Power Capacitor has been equally distributed as per installed load which helps in monitoring and maintaining system and feeder power factor at 0.998
  - e) Main power transformer has been installed with OLTC facility for better voltage regulation which reduces cable loss/voltage drop in power network resulting in power saving by 3% and less burning of motor due to voltage fluctuation.
  - f) Motor has been installed with Star-delta conversion which reduces the load by 50% during operation. It also helps in reducing the load losses of motor and provides 30 % energy savings.
  - g) Astro timer is installed in plant light/street light for turning it ON/OFF at accurate time.
  - h) Heat generated from our sulphuric acid plant is recovered using "Heat recovery system" and is used for steam generation.
  - i) Installation of overhead cooling tower instead of conventional cooling towers in order to increase the efficiency of the system.
  - j) Replacement of our reciprocating compressors with screw compressor in brine chilling plants for improved specific power consumption.
  - k) Installation of pumps with higher energy efficiency for our boiler and refrigerant plants.
  - l) Replacement of conventional burners with modern energy efficient burners for steam generation.
  - m) Use of thermodynamic steam traps for process heating with ball float traps.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
 

Yes, our emission and generated waste are within the permissible limits given by CPCB/SPCB.
  7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
 

No legal notices from CPCB/SPCB are pending in the reporting period.

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

    1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 

Yes, NFIL is member of below mentioned associations

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

Yes, NFIL has lobbied through above mentioned associations for betterment, improvement and advancement of the sectors on the following:

      - a) For protection of industry area of interest with a long term sustainability goal.
      - b) For updates on various Government notifications and legislative changes in the areas of customs, central excise, GST etc.
      - c) For taking issues on import – export activities with government.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, NFIL has undertaken initiatives / programmes for inclusive growth of nearby communities and societies. The company is committed to conducting its business in a social, ethical and in a responsible manner. Our commitment to CSR goes beyond legal and regulatory requirements. We protect the legacy and reputation of the Padmanabh Mafatlal Group in all our initiatives.

- a) Organised a mobile health unit van for surrounding village - Medical aid facilities to 12 villages of surrounding area on daily basis at their door step by mobile medical van. In Mobile van we are having one MBBS doctor, one male nurse, one female nurse and driver.
  - b) Constructed toilet block for villages with no defecation facilities.
  - c) Organisation of eye checkup camps for surrounding village.
  - d) Installation of RO water system in 7 nearby schools.
  - e) Assisting Ashram Shala for providing a proper meal to 150 students.
  - f) Helping tribal children to manage basic school kits for education.
  - g) Development of green belt in surrounding areas.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

NFIL has a dedicated in-house team which undertakes CSR activities and initiatives.

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

We conduct a pre-impact assessment for all our CSR interventions to understand the needs of the people in our vicinity. Based on the outcome of these assessments, different CSR programs are planned for specific areas and groups

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

NFIL conduct business in compliance to law and with regard for human dignity. NFIL believe in giving back to the society and maintain healthy and collaborative relationship with the communities in which we operate. Our initiatives extend across environment, health, education, sustainable livelihood, animal care and other social causes. Details of expenditure is tabulated below;

Details	Expense from 01.04.16 to 31.03.2017 Amount (₹ in Lacs)
CSR Medicine Expense	2.61
CSR Staff Salary	13.99
CSR RO Project for Schools	7.68
CSR Toilet Block Vaktana Project	25.15
CSR Pathshal Pravesotsav 2016	0.24
CSR Eye Camp expense	4.73
CSR Kharvasa Ashram Shala Expense	2.66
CSR Mobile Van & Driver Expense	3.05
<b>Grand Total</b>	<b>60.11</b>

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, we frequently monitor our initiatives & projects and take regular feedback from the assigned contact person at the project site.

NFIL's CSR policy states that, to ensure effective implementation of the CSR activities undertaken, a monitoring mechanism will be put in place by the Corporate HR / Unit HR head. The progress of CSR activities under implementation will be reported to Corporate Office on a monthly basis.

The HR department at the Corporate Office will conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programs. The monitoring team will also try to obtain feedback from beneficiaries about the activities.

Details for monitoring of CSR activities are mentioned below;

a) Mobile Health Unit Van

NFIL regularly monitors the activity and takes feedback from the Sarpanch's of villages about the satisfaction level of services. Everyday around 80 patients receive the benefits of this project.

b) Use of Toilet Blocks

The company is actively involved in educating the villagers about how to make use of toilets, thereby ensuring that people use these toilet blocks. We also received positive feedback on the quality of construction.

c) Eye checkup camp

The company organised 6 days eye checkup camp at different villages. These checkups included eye testing and if required then spectacles were also provided to the patient. Nearly 1757 patient benefited out of it.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

We have received a total of 26 complaints during past financial year out of which 0 complaints are pending for resolution. 100% resolution of complaints has been achieved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Yes, we always display our product details by providing MSDS and TREM card along with are products, a practice which is as per internationally recognised standards.

MSDS is sent with each consignment for exports whereas for domestic customer it is sent as and when asked. TREM card is however sent with all consignments.

In addition to the MSDS and TREM card, relevant labeling on packaging is also done indicating nature of hazard

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

We have not received any complaints during the reporting year.

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

Yes we conduct external customer satisfaction survey in which 96.61% of our customers were actively involved. During this year, we have successfully collected feedback from 128 customers.

For and on behalf of the Board,

**V.P. Mafatlal**

Chairman

(DIN:00011350)

Place: Mumbai

Dated: 28th April, 2017

## ANNEXURE - 4

# Annual Report on CSR initiatives

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

The Company has framed a CSR Policy in compliance with the provisions of The Companies Act, 2013 and the same is available on the weblink <http://www.nfil.in/policy/index/html>. The CSR Policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the group and applicability, scope (area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. The Composition of the CSR Committee –  
Mr. S.G. Mankad – Chairman

Mr. H.H. Engineer – Member

Mr. V.P. Mafatlal – Member

3. Average net profit of the company for last three financial years  
₹8,805.50 lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)  
₹176.11 lacs
5. Details of CSR spend during the financial year:
- (a) Total amount to be spent for the financial year:  
₹176.11 lacs
- (b) Amount actually spent on CSR activities  
₹302.08 lacs.
- (c) Amount unspent, if any  
Nil

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

(₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2)Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads (1)Direct expenditure on projects or programmes (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Corpus Donation	To be used for eligible CSR activities	Mumbai	100.00	*	*	Through Arvind Mafatlal Foundation, Mumbai, Maharashtra
2	Meeting cost of free eye surgeries	Health Care	Janki Kund, Satna, MP	60.00	60.00	60.00	Through Shri Sadguru Seva Sangh Trust
3	Building and handing over of 102 toilets under Swatch Bharat Abhiyan in rural areas	Sanitation	Baktana village near Bhestan, Surat, Gujarat	25.15	25.15	25.15	Directly
4	Olympic Sports Promotion	Promoting Olympic Sports	Olympic Gold Quest Foundation	25.00	25.00	25.00	Foundation for promotion of sports and games (Olympic Gold Quest)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
5	Mobile health services in villages for medical care including routine check-up and medicines	Health Care	Villages around Bhestan in Surat, Gujarat	19.64	19.64	19.64	Directly
6	Elementary education of slum children	Education	Ahmedabad, Gujarat	15.00	15.00	15.00	Through Gyanshala, Ahmedabad
7	Sustainable Development Project for livelihood	Livelihood enhancement	Rudraprayag Dist. Of Uttarakand	15.00	15.00	15.00	Through BAIF Development Research Foundation, Pune
8	Mobile health services in villages for medical care including routine check-up and medicines	Healthcare	Villages around Dewas in Madhya Pradesh	12.56	12.56	12.56	Directly
9	Providing RO Water (safe drinking water) to schools	Making available safe drinking water	13 schools located at Dewas in Madhya Pradesh and Surat in Gujarat	10.60	10.60	10.60	Directly
10	Eye Camps	Health Care	Areas around Bhestan, Surat in Gujarat and Dewas in Madhya Pradesh	9.50	9.50	9.50	Directly
11	Ophthalmic equipments for eye check up	Health Care	Vision Centre at Borivali, Mumbai, Maharashtra	6.00	6.00	6.00	Through Nana Palkar Smriti Samiti Borivali Mumbai.
12	Providing breakfast for tribal children at Ashram Shala	Eradicating malnutrition	Village Baktana, Near Bhestan, Surat, Gujarat	2.66	2.66	2.66	Directly
13	Animal welfare, bird rescue and rehabilitation	Animal Welfare	Surat, Gujarat	0.50	0.50	0.50	Through Prayas (Green NGO) at Surat
14	Pathshala Pravesh Mahotsav	Education	Villages near Surat in Gujarat	0.24	0.24	0.24	Directly
15	Foodgrains in support for poor	Livelihood enhancement of poor	Mumbai, Maharashtra	0.23	0.23	0.23	Through Disha (social service league at Parel)
	<b>TOTAL</b>			<b>302.08</b>	<b>302.08</b>	<b>302.08</b>	

\*Amount donated in November, 2016 and will be spent on the eligible CSR activities in the coming years.

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

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

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

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

**S.S. KHANOLKAR**  
MANAGING DIRECTOR  
(DIN:02202839)

Place: Mumbai  
Date: 28th April, 2017

## ANNEXURE - 5

## Disclosure Relating to Employees Stock Option Scheme as on 31.3.2017

Information to be disclosed under the Securities and Exchange Board of India (Employees Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999

a.	Options in force at the beginning of the year	113107
b.	Options granted	11215
c.	Options vested	78200
d.	Options exercised	4000
e.	Options lapsed / surrendered	2320
f.	Total number of shares arising as a result of exercise of options	4000
g.	Total number of options in force at the end of the year	118002
h.	Money realised by exercise of options	₹16.30 lacs
i.	The pricing formula: Market price on the days preceeding the dates of grants	
j.	Variation in terms of option:	Nil
k.	Employees wise details of options granted	
	i. given herein below ①	
	ii. any other employee who receives a grant in any one year of option amounting to 5 % or more of options granted during that year	given herein below ②
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
l.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	135.72
m.	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP	₹72.40 lacs
n.	Weighted average exercise prices and weighted average fair values of options disclosed separately for options	
	(1) Weighted average exercise price	₹770.09 per share
	(2) Weighted average fair value (Black Scholes model)	₹253.04 per share
o.	a description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information	
	(1) Risk free interest rate	6.83%
	(2) Expected life	7 years
	(3) Expected volatility	39.68%
	(4) Expected dividend	3.82%
	(5) The price of the underlying share in market at the time of options granted	₹374.20, ₹407.45, ₹390.00, ₹974.00 and ₹2772.00

① Employee wise details of options granted / in force at the end of the year:

Shekhar Khanolkar – 18525, Ashis Mukherjee – 15181, Gyanchand Jain – 8943, Niraj Mankad – 6775, T.N. Nandakumar – 6350, Satya Tandon – 5223, Piyush G. Vasni – 4171, Charusheela Kumar – 3800, Ninad Pongde – 3777, Vivek Mhatre – 3495, Anil Birari – 3415, Roshan Adhikari – 2672, Jalindar Totre – 2021, Suhas Patel – 1567, Dhirajsingh Yadav – 1451, Laxmikant Pisolkar – 1335, Manoj Patil – 1320, Vinod Kumar Jha – 1300, Shailendra Chaudhari – 1219, Tejas Desai – 1208, Kamlesh Dandiwal – 1200, Sandeepkumar Sharma – 1171, Madhusudan D. Sarwate – 1135, Biren B. Desai – 1076, Amit Arya – 1046, Ketan Sablok – 1040, Ankit Gupta – 1015, Kishore Desai – 900, Bajrang Waghmare – 890, Raj Parimoo – 870, Milan Naik – 802, Lalit Soni – 772, Subbarao Tata – 739, Yogesh M. Patel – 600, Madan Kumar Singh – 600, Vaishali More – 600, Omprakash Songara – 579, Supriya Pandit – 555, Yash Patel – 504, Sanjay Mungi – 500, Satish Yadav – 448, Ashok Patel – 352, Nirav Desai – 345, Rajeev Ballal – 343, Girish Patel – 334, Sashikant Prajapati – 306, Vitthal Gund – 285, Murtaza Patharia – 252, Alpesh Patel – 225, Harshil Dave – 203, Kartik Boina – 195, Nemish Patel – 192, Dipak Sailor – 192, Vijay Singh – 190, Yogesh Bhatt – 190, Daulat Shinde – 181, Jignesh Sutariya – 179, Kalai Selvi – 176, Sanjeev Sheth – 175, Keiyur Haathiwala – 166, Rakesh Deshmukh – 163, Hemant Jani – 138, Vinod Patel – 135, Balkrishna Kumar – 129, Pankaj K. Godhaviya – 129, Vijay Soni – 127, Rakesh Jakhmola – 120, Mayank Sharma

– 115, Mahendra Jamadar – 108, Ram Singh Gaur – 100, Suresh Patel – 100, Shamimah Ruwala – 97, Jayesh Bais – 95, Kalpesh Gosai – 95, Mauang Naik – 85, Lalit Vyas – 80, Bharat Dharaiya – 60, Manish Kumar Naik – 50, Dayanand Jadhav – 50, Paresch Desai – 45, Pushpendra Singh Baghel – 45, Padam Tala – 45, Prabhat Patel – 45, Sachin Vadge – 45, Punit Mewada – 45, Paresch Topiya – 45, Vinod Kumar Patel – 45, Dinesh Geenare – 40, Bhavesh Patel – 40, Jaymin Patel – 40, Elizabeth Thomas – 40, Manoj Gediya – 35, Mehul Mistry – 35, Ajay Kumar Mishra – 35, Hiren Popat – 30, Rahul Raval – 25, Ankit Vaghasiya – 25, Pritam Nishad – 25, Jenish Khajanchi – 25

Total number of options in force at the end of the year - 118002

② Details of employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year:

Shekhar Khanolkar – 1545, Ashis Mukherjee – 1325, Gyanchand Jain – 815

For and on behalf of the Board

**V.P. Mafatlal**  
Chairman  
(DIN:00011350)

Place: Mumbai

Dated: 28th April, 2017

## ANNEXURE - 6

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L24110MH1998PLC115499
2.	Registration Date	25-06-1998
3.	Name of the Company	NAVIN FLUORINE INTERNATIONAL LIMITED
4.	Category/Sub-category of the Company	Public Company Limited by shares
5.	Address of the Registered office & contact details	2nd Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai,- 400057 Ph. 022 66509999 Fax: 022 66509800 Email: info@nfil.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited (w.e.f. 21st May, 2016) Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032. Tel 91-040-6716 2222 Fax 91-040-2300 1153 / 2342 0814 E-mail: einward.ris@karvy.com, navin.ris@karvy.com Website: www.karvycomputershare.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hydrofluoric acid and other fluorine chemicals	2411	55%
2	Synthetic cryolite, fluorocarbon gases	2411	28%
3	Others	2411	17%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Sulakshana Securities Limited	U67120MH1995PTC085469	WHOLLY- OWNED SUBSIDIARY	100%	2(87)
2	Manchester Organics Limited The Health Business and Technical Park, Runcorn Cheshire, WA 74QX, U.K - SUBSIDIARY 51% 2(87)	-	SUBSIDIARY	51%	2(87)

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
3	Convergence Chemicals Private Limited Plot No D- 2/11/A G.I.D.C., Phase-II Dahej Tal, Vagra, Dahej-392130 U24100GJ2014PTC081290	U24100GJ2014PTC081290	Joint Venture	49%	2(6)
4	Swarnim Gujarat Fluorspar Private Limited 7th Floor, Khanij Bhavan, Nr Gujarat University, Ground, 132ft Ring Road, Vastrapur, Ahmedabad -380052	U24119GJ2012PTC070801	Joint Venture	49.43%	2(6)
5	NFIL(UK) Limited Third Floor, 126-134 Baker Street, London W1U6UE,	-	WHOLLY- OWNED SUBSIDIARY	100%	2(6)
6	Navin Fluorine (Shanghai) Co, Ltd. Rm.2656, 26/F, No.83, Lou Shan Guan Road, Changning District, Shanghai	-	Wholly Foreign Owned Enterprise(WFOE)	100%	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding

Category of shareholder		No. of shares held at the beginning of the year 01/04/2016				No. of shares held at the end of the year 31/03/2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	481538	-	481538	4.92	470368	-	470368	4.80	-0.12
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	3240508	-	3240508	33.11	3251678	-	3251678	33.21	0.10
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others - Trust	64889	-	64889	0.66	64889	-	64889	0.66	-
	<b>Sub-Total A(1) :</b>	<b>3786935</b>	<b>-</b>	<b>3786935</b>	<b>38.69</b>	<b>3786935</b>	<b>-</b>	<b>3786935</b>	<b>38.68</b>	<b>-0.02</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-

Category of shareholder		No. of shares held at the beginning of the year 01/04/2016				No. of shares held at the end of the year 31/03/2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	3786935	-	3786935	38.69	3786935	-	3786935	38.68	-0.02
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>(1)</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds / UTI	1699168	10924	1710092	17.47	1732128	10924	1743052	17.80	0.33
(b)	Financial Institutions /Banks	7572	860	8432	0.09	6559	736	7295	0.07	-0.01
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	926607	-	926607	9.47	1107661	-	1107661	11.31	1.85
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	2633347	11784	2645131	27.03	2846348	11660	2858008	29.19	2.16
<b>(2)</b>	<b>NON- INSTITUTIONS</b>									
(a)	Bodies Corporate									
	(i) Indian	374914	1605	376519	3.85	420596	1310	421906	4.31	0.46
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lacs	2096148	392642	2488790	25.43	1895330	375832	2271162	23.20	-2.23
	(ii) Individuals holding nominal share capital in excess of ₹1 lacs	443030	-	443030	4.53	386195	-	386195	3.94	-0.58
(c)	Others									
	CLEARING MEMBERS	-	-	-	-	7271	-	7271	0.07	0.07
	FOREIGN NATIONALS	-	-	-	-	100	-	100	-	-

Category of shareholder		No. of shares held at the beginning of the year 01/04/2016				No. of shares held at the end of the year 31/03/2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	NON RESIDENT INDIANS	45761	1093	46854	0.48	57281	1081	58362	0.60	0.12
	TRUSTS	38	-	38	-	1358	-	1358	0.01	0.01
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	2959891	395340	3355231	34.28	2768131	378223	3146354	32.13	-2.15
	Total B=B(1)+B(2):	5593238	407124	6000362	61.31	5614479	389883	6004362	61.32	0.02
	Total (A+B) :	9380173	407124	9787297	100.00	9401414	389883	9791297	100.00	-
(C)	Shares held by custodians, against which	-	-	-	-	-	-	-	-	-
	Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>9380173</b>	<b>407124</b>	<b>9787297</b>	<b>100.00</b>	<b>9401414</b>	<b>389883</b>	<b>9791297</b>	<b>100.00</b>	<b>-</b>

## B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year - 31.03.2017			% change in shareholding during the year
		No of Shares	% of total shares of the Company	% of shares Pledged/ emcumbered to total shares	No of Shares	% of total shares of the Company	% of shares Pledged/ emcumbered to total shares	
1	MAFATLAL IMPEX PRIVATE LIMITED	1095448	11.19	-	2331284	23.81	2.04	12.62
2	SUREMI TRADING PRIVATE LIMITED	983960	10.05	3.22	-	-	-	-10.05
3	NOCIL LIMITED	566340	5.79	-	471015	4.81	-	-0.98
4	MAFATLAL EXIM PVT LTD	324484	3.32	2.81	324484	3.31	0.92	-0.01
5	MAFATLAL INDUSTRIES LIMITED	189964	1.94	-	118389	1.21	-	-0.73
6	GAYATRI PESTICHEM MFG. PVT LTD	44610	0.46	-	-	-	-	-0.46
7	ARVI ASSOCIATES PVT LTD	25672	0.26	-	-	-	-	-0.26
8	PAMIL INVESTMENTS PVT LTD	6486	0.07	-	6486	0.07	-	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year - 31.03.2017			% change in shareholding during the year
		No of Shares	% of total shares of the Company	% of shares Pledged/ emcumbered to total shares	No of Shares	% of total shares of the Company	% of shares Pledged/ emcumbered to total shares	
9	SUSHRIPADA INVESTMENTS PRIVATE LIMITED	3414	0.03	-	-	-	-	-0.03
10	SUMIL HOLDING PRIVATE LTD	20	-	-	-	-	-	-
11	MILAP TEXCHEM PVT LTD	20	-	-	20	-	-	-
12	MILEKHA TEXCHEM COMPANY PRIVATE LIMITED	20	-	-	-	-	-	-
13	SHAMIR TEXCHEM PRIVATE LIMITED	20	-	-	-	-	-	-
14	SHRIPAD ASSOCIATES PVT LTD	50	-	-	-	-	-	-
15	HRSHIKESH ARVIND MAFATLAL	263434	2.69	-	-	-	-	-2.69
16	VISHAD PADMANABH MAFATLAL	186440	1.90	-	391338	4.00	-	2.09
17	VISHAD PADMANABH MAFATLAL	-	-	-	75007	0.77	-	0.77
18	VISHAD P.MAFATLAL PAM HUF1 P MAFATLAL	910	0.01	-	910	0.01	-	-
19	SHETH MAFATLAL GAGALBHAI FOUNDATION TRUST NO 2 TO 22	16506	0.17	-	16506	0.17	-	-
20	SHRI HRSHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1-6	4716	0.05	-	4716	0.05	-	-
21	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST	6288	0.06	-	6288	0.06	-	-
22	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1-6	4716	0.05	-	4716	0.05	-	-
23	NAVINCHANDRA MAFATLAL CHARITY TRUST NO 1-15	11004	0.11	-	11004	0.11	-	-
24	SHRI PRANSUKHLAL CHARITY TRUST NO 1-6	4716	0.05	-	4716	0.05	-	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year - 31.03.2017			% change in shareholding during the year
		No of Shares	% of total shares of the Company	% of shares Pledged/ emcumbered to total shares	No of Shares	% of total shares of the Company	% of shares Pledged/ emcumbered to total shares	
25	MRS SUSHILA ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1-5	3120	0.03	-	3120	0.03	-	-
26	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 1-4	2496	0.03	-	2496	0.03	-	-
27	MRS REKHA HRISHIKESH MAFATLAL PUBLIC CHARITABLE TRUST NO. 1-5	3120	0.03	-	3120	0.03	-	-
28	MRS MILONI PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 1-5	2692	0.03	-	2692	0.03	-	-
29	SHRI PADMAKESH PUBLIC CHARITY TRUST NO 1-4	2168	0.02	-	2168	0.02	-	-
30	SHRI RISHIPAD PUBLIC CHARITY TRUST NO 1-4	2168	0.02	-	2168	0.02	-	-
31	MRS VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARIT TRUST NO. 16	1179	0.01	-	1179	0.01	-	-
32	A.N.MAFATLAL KARTA OF A.N.M.HUF 4 MAFATLAL	11170	0.11	-	-	-	-	-0.11
33	AARTI MANISH CHADHA	6854	0.07	-	-	-	-	-0.07
34	REKHA HRISHIKESH MAFATLAL	3772	0.04	-	-	-	-	-0.04
35	P.A.MAFATLAL AS KARTA OF P.A.M HUF 1 MAFATLAL	2910	0.03	-	2910	0.03	-	-
36	ANJALI KUNAL AGARWAL	3828	0.04	-	-	-	-	-0.04
37	PRIYAVRAT HRISHIKESH MAFATLAL	2017	0.02	-	-	-	-	-0.02
38	CHETNA PADMANABH MAFATLAL	203	-	-	203	-	-	-
	Total	3786935	38.69	6.03	3786935	38.68	2.96	-0.02

\* Please see explanation at item C below

**C) Change in Promoters' Shareholding (please specify, if there is no change\*)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	3786935	38.69	3786935	38.69
2.	At the end of the year	3786935	38.69	3786935	38.68

\* As mentioned in the Directors Report, there was a restructuring of shareholding amongst promoters. However the total promoter shareholding by number remains unchanged. The percentage of Promoter Shareholding has reduced marginally due to allotment of 4,000 Equity Shares under ESOP Scheme.

**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders Name of the Share Holder	Shareholding at the beginning of the Year (1st April, 2016)				Shareholding at the end of the Year 31st March, 2017	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	No of Shares	% of total shares of the company
1	DSP BLACKROCK MICRO CAP FUND	450018	4.60	-		450018	4.60
				-		-	-
2	RELIANCE CAPITAL TRUSTEE CO. LTD- A/C RELIANCE SMALL	444733	4.54	-		-	-
				21/10/2016	1415	446148	4.56
				25/11/2016	1450	447598	4.57
				17/03/2017	6100	453698	4.63
				-		453698	4.63
3	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	207701	2.12	-		-	-
				03/06/2016	-2193	205508	2.10
				17/06/2016	-508	205000	2.09
				29/07/2016	-5000	200000	2.04
				09/09/2016	-323	199677	2.04
				16/09/2016	-3829	195848	2.00
		-	-	02/12/2016	-9500	186348	1.90
		-	-	24/03/2017	-828	185520	1.89
		-	-	31/03/2017	-520	185000	1.89
		-	-	-	-	185000	1.89
4	GHI LTP LTD	170150	1.74	-		170150	1.74
				-		-	-
5	ASHISH KACHOLIA	165000	1.69	-		-	-
		-	-	25/11/2016	-6153	158847	1.62
		-	-	02/12/2016	-158847	-	-
		-	-	-	-	-	-

Sr. No.	For Each of the Top 10 Shareholders Name of the Share Holder	Shareholding at the beginning of the Year (1st April, 2016)				Shareholding at the end of the Year 31st March, 2017	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	No of Shares	% of total shares of the company
6	GOLDMAN SACHS INDIA FUND LIMITED	163380	1.67	-	-	-	-
		-	-	03/06/2016	16868	180248	1.84
		-	-	29/07/2016	9097	189345	1.93
		-	-	02/09/2016	6120	195465	2.00
		-	-	24/03/2016	1323	196788	2.01
		-	-	31/03/2017	1057	197845	2.02
		-	-	-	-	197845	2.02
7	ATYANT CAPITAL INDIA FUND	162055	1.66	-	-	162055	1.66
8	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GROWTH & EMERGING FUND	27186	0.28	-	-	-	-
		-	-	06/05/2016	7816	35002	0.36
		-	-	03/06/2016	5307	40309	0.41
		-	-	29/07/2016	13109	53418	0.55
		-	-	12/08/2016	5704	59122	0.60
		-	-	19/08/2016	1915	61037	0.62
		-	-	02/09/2016	8819	69856	0.71
		-	-	16/09/2016	1907	71763	0.73
		-	-	02/12/2016	54873	126636	1.29
		-	-	-	-	126636	1.29
9	VANDERBILT UNIVERSITY A/C VANDERBILT UNIVERSITY -	120000	1.23	-	-	120000	1.23
		-	-	-	-	-	-
10	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGI	105887	1.08	-	-	-	-
		-	-	21/10/2016	-6000	99887	1.02
		-	-	11/11/2016	4193	104080	1.06
		-	-	02/12/2016	5000	109080	1.11
		-	-	13/01/2017	-2303	106777	1.09
		-	-	27/01/2017	-1412	105365	1.08
		-	-	-	-	105365	1.08
11	AJAY UPADHYAYA	100000	1.02	-	-	100000	1.02
		-	-	-	-	-	-
12	L & T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALU	81300	0.83	-	-	-	-
		-	-	03/06/2016	15407	96707	0.99
		-	-	28/10/2016	8303	105010	1.07
		-	-	10-03-2016	-5010	100000	1.02
		-	-	-	-	100000	1.02

## E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Hrishikesh Arvind Mafatlal-stepped aside as chairman and Director w.e.f.19.08.2016 At the beginning of the year	263434	2.69	263434	2.69
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): 12.08.2016	263434	2.69	-	-
	At the end of the year	-	-2.69	-	-
2	Mr. Vishad Padmanabh Mafatlal –Chairman and Executive Director w.e.f. 20.08.2016 At the beginning of the year	186440	1.90	279905	2.85
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): 12.08.2016	279905	2.85	279905	2.85
	At the end of the year	466345	4.76	466345	4.76
3	Mr. Atul Kumar Srivastava At the beginning of the year	2200	0.02	2200	0.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	2200	0.02	2200	0.02
4	Mr. Thekkekara Meloth Mohan Nambiar At the beginning of the year	1000	0.01	1000	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1000	0.01	1000	0.01
5	Mr. Pradip Narotam Kapadia - Director At the beginning of the year	1385	0.01	1385	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1385	0.01	1385	0.01
6	Mr. Sunil Siddharth Lalbhai - Director At the beginning of the year	1000	0.01	1000	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1000	0.01	1000	0.01

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Mr. Shekhar Shridhar Khanolkar - Managing Director At the beginning of the year	4000	0.04	4000	0.04
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): – Allotted under ESOP on 27/12/2016	4000	0.04	4000	0.04
	Sale – 3409 equity shares. 01/12/16 - 223 shares, 06/12/16 - 717 shares, 08/12/16 - 219 shares, 09/12/16 - 750 shares, 17/03/17 - 500 shares, 21/03/17 - 700 shares, 23/03/17 - 300 shares.	-3409	-0.03	-3409	-0.03
	At the end of the year	4591	0.05	4591	0.05
8	Mr. Niraj Bipinchandra Mankad -Company Secretary At the beginning of the year	1900	0.02	1900	0.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1900	0.02	1900	0.02

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	2,990.40	-	2,990.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	2990.40	-	2990.40
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	(2990.40)	-	(2990.40)
Net Change	-	(2990.40)	-	(2990.40)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

**VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (2016-17)

(₹ Inlacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. H.A. Mafatlal – Chairman upto 19.08.2016	Mr. S.S. Khanolkar – Managing Director	Mr. V.P. Mafatlal – Executive Chairman, wef 20.08.2016	
	Gross salary	(Salary includes Leave Encashment and Gratuity payments)			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	141.23	145.37	101.37*	387.97
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.88	16.04	10.62	27.54
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option (ESOP Perk)	-	78.41	-	78.41
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	90.37	92.70	150.63	333.70

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. H.A. Mafatlal – Chairman upto 19.08.2016	Mr. S.S. Khanolkar – Managing Director	Mr. V.P. Mafatlal – Executive Chairman, wef 20.08.2016	
5	Others, please specify				
	a) Company's contribution to the Provident Fund	1.79	12.53	7.98	22.30
	b) Company's contribution to the Superannuation scheme (Shown upto exemption limit of ₹1.50 lacs amount over and above has been added to perk at point 1(b))	1.50	1.50	-	3.00
	c) Medical Allowance	-	0.15	-	0.15
	d) Medi-claim & Accident Insurance	0.31	0.31	0.31	0.93
	<b>Total (A)</b>	<b>236.08</b>	<b>347.01</b>	<b>270.91</b>	<b>854.00</b>
	Ceiling as per the Act				1605.30

\* includes ₹1.75 lacs paid as sitting fees for attending Board/Committee Meetings.

#### B. Remuneration to other directors

(₹ in lacs)

Sr. no.	Particulars of Remuneration	Name of Directors								Total Amount
		T.M.M. NAMBIAR.	P.N. KAPADIA	S.S. LALBHAI	S.M. KULKARNI	S.G. MANKAD	H.H. ENGINEER	R.V. HARIBHAKTI	A. K. SRIVASTAVA	
	• Fee for attending board committee and Independent Directors meeting	6.30	5.95	5.60	6.30	3.50	3.50	3.85	3.50	38.50
	• Commission	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	96.00
	• Others(Diem Allowance)			0.14		0.12				0.26
	<b>Total (1)</b>	<b>18.30</b>	<b>17.95</b>	<b>17.74</b>	<b>18.30</b>	<b>15.62</b>	<b>15.50</b>	<b>15.85</b>	<b>15.50</b>	<b>134.76</b>

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

(₹ in lacs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sitendu Nagchaudhuri, Chief Financial Officer	Mr. Niraj Mankad, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	97.93	73.00	170.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.47	2.33	8.80
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option (ESOP Perk)	-	-	-
3	Sweat Equity	-	-	-

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sitendu Nagchaudhuri, Chief Financial Officer	Mr. Niraj Mankad, Company Secretary	Total
4	Commission - as % of profit	-	-	-
5	Others, please specify			
	a) Company's contribution to the Provident Fund	5.43	2.83	8.26
	b) Company's contribution to the Superannuation scheme (Shown upto exemption limit of ₹1.50 lacs, over and above has been added to perk at point 1(b))	1.50	1.50	3.00
	c) Medical Allowance	0.15	-	0.15
	d) Medi-claim & Accident Insurance	0.31	0.31	0.62
	e) Variable Pay	14.28	-	14.28
	<b>Total</b>	<b>126.07</b>	<b>84.61</b>	<b>210.68</b>

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			- NONE -		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			- NONE -		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			- NONE -		
Compounding					

For and on behalf of the Board,

Place: Mumbai  
Dated: 28th April, 2017

**V.P. Mafatlal**  
Chairman  
(DIN:00011350)

## ANNEXURE - 7

### POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

#### REMUNERATION POLICY:

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees which was approved and adopted by the Board.

#### I. PREAMBLE:

This Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013, read with the applicable Rules thereto and Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges, as amended from time to time. This Policy has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors based on the recommendations of the NRC.

#### II. OBJECTIVE:

The objective of the Policy is to ensure that:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### III. COMPLIANCE WITH APPLICABLE LAWS:

The procedure and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Companies Act, 2013 read with Rules framed thereunder, (b) Listing Agreement with Stock Exchanges, (c) Articles of Association of the Company and (d) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR Policy of the Company.

#### IV. REMUNERATION TO NON-EXECUTIVE DIRECTORS:

- (i) Sitting fees within the limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meeting of the Board and Committee thereof.
- (ii) Commission up to 1% of net profit as may be decided by the Board
- (iii) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

#### V. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- (i) Components:
  - Basic salary
  - Allowances
  - In kind (car, house, etc.)
  - Retirals
  - Reimbursements
  - Variable Pay
  - Stock Options
- (ii) Factors for determining and changing remuneration:
  - Factors:
    - Existing compensation
    - Qualification
    - Experience
    - Salary bands
    - Individual performance
    - Market benchmark
  - Variable incentive pay (including Stock Options)
    - Factors:

Individual Performance	Business/Company Performance
Grade	Return on Assets
Performance rating	EBITDA
Comparative performance within KMPs	Operational Revenue (YOY /Budget)
	Return on Investments
	HSE

Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

## VI. REMUNERATION TO OTHER EMPLOYEES:

Components:

Basic Salary, Allowances, Retiral Benefits, such other perquisites and/or incentives and/or bonus and/or Variable Incentive Pay (including ESOP) based on factors as above, as may be decided by the Management from time to time as per HR Policy.

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

In accordance with the provisions of Section 178(3) of the Act read with Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose are as under:

Criteria for determining qualifications, positive attributes and independence of a director:

### I. QUALIFICATIONS:

(a) He/She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

(b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed thereunder and the Listing Agreement with Stock Exchanges.

### II. POSITIVE ATTRIBUTES:

- (a) He/She should be a person of integrity, with high ethical standard.
- (b) He/She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.
- (c) He/She should be having courtesy, humility and positive thinking.
- (d) He/She should be knowledgeable and diligent in updating his/her knowledge.
- (e) He/She should have skills, experience and expertise by which the Company can benefit.
- (f) In respect of Executive/Whole time Director/Managing Director, in addition to I (a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organisation even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organisation.

### III. INDEPENDENCE:

In respect of an Independent director, in addition to I (a) & (b) and II (a) to (e) above, he/she should fulfill the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of Clause 49 of the Listing Agreement as amended from time to time.

For and on behalf of the Board,

**V.P. Mafatlal**

Chairman

(DIN:00011350)

Place: Mumbai

Dated: 28th April, 2017

**ANNEXURE -8**  
**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2017**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
Navin Fluorine International Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Navin Fluorine International Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; as amended.
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (h) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;

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

- (i) Securities and Exchange Board of India ( Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (iii) The Listing Agreements entered into by the Company with NSE, BSE and ASE Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under report:

Mr. H.A. Mafatlal, Mr. V.P. Mafatlal, their family members, Family Trusts and Companies including the three listed

entities viz. the Company, Mafatlal Industries Ltd. and NOCIL Ltd. entered into an agreement to amicably restructure the shareholding of the three listed companies and other group companies such that the Management of the Company resided with Mr. V.P. Mafatlal and the Management of Mafatlal Industries Ltd. and NOCIL Ltd. resided with Mr. H.A. Mafatlal. The restructuring is part of a family settlement and succession plan between Mr. H.A. Mafatlal and Mr. V.P. Mafatlal.

Pursuant to the said agreement, the Company has divested part of its shareholding in Mafatlal Industries Ltd. and NOCIL Ltd.

The Company has complied with the applicable legal provisions in respect of the above restructuring.

The Company has appointed new Registrar and Share Transfer Agents M/s Karvy Computershare Private Limited in place of M/s Sharepro Services (India) Pvt Ltd. with effect from 21st May, 2016.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review Mr. V.P. Mafatlal has been appointed as Executive Chairman designated as Chairman of the Company for a period of 5 years w.e.f 20th August, 2016 in place of Mr. H.A. Mafatlal who stepped aside as Chairman and Director w.e.f. 19th August, 2016.

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

During the period under review all the decisions in the Board Meetings were carried out unanimously in compliance with the provisions of the Act.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines. (As mentioned above and listed in Annexure I)

I further report that during the audit period, the Company issued and allotted 4,000 equity shares of the Company to Mr. S.S. Khanolkar, Managing Director under the ESOS.

I further report that during the audit period, there were no specific events/instances having major bearing on the Company's Affairs.

Place: AHMEDABAD

**MANUPRASAD PATEL**

Date : 27th April, 2017

FCS ; 2588 C P No.:6357

### Annexure I

- (i) a. Ozone Depleting Substances (Regulations) Rules, 2000.
  - b. The Indian Boiler Act, 1923 (Amended 1960)
  - c. The Chemical Accidents (emergency planning, preparedness and response) Rules, 1996.
- (ii) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (iii) Employees State Insurance Act, 1948 Employers Liability Act, 1938
- (iv) Environment Protection Act, 1986 and other environmental laws.
- (v) Equal Remuneration Act, 1976
- (vi) Factories Act, 1994
- (vii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003
- (viii) Indian Contract Act, 1872
- (ix) Income Tax Act, 1961 and Indirect Tax Laws
- (x) Indian Stamp Act, 1999
- (xi) Industrial Dispute Act, 1947
- (xii) Maternity Benefit Act, 1961
- (xiii) Minimum Wages Act, 1948
- (xiv) Negotiable Instrument Act, 1881
- (xv) Payment of Bonus Act, 1965
- (xvi) Payment of Gratuity Act, 1972
- (xvii) Payment of Wages Act, 1936 and other applicable Labour laws

## ANNEXURE - 9

### 1. CONSERVATION OF ENERGY

#### A. Energy Conservation measures taken :

1. Reduction in batch cycle time resulted in power savings at hydrogenation and nitration stages of the process chemistry for two key products.
2. Power savings was achieved to the extent of 150 KW per hour at one of the plants by modifying and shifting the cooling tower height by about 25 meters.
3. The effluent treatment system upgraded further to improve the quality of treated water in-order to use it for Cooling Tower application. About 75% treated water is now being recycled. This has resulted in energy savings which was required for thermal evaporation of the treated effluent.
4. Use of dry vacuum pump in place of oil ring vacuum pump for distillation of product has been started in few cases. The move helped to reduce quantity of waste oil generation and hence energy consumption for incineration of waste.
5. Interlocking between the Cooling tower fan and water temperature gauge introduced to optimise fan operation even when the desired temperature is achieved.

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

1. Planned to modify two more cooling towers by changing the network which will lead to power savings of approximately 200 KWH per hour. This will be achieved by supplying exact quantity of cooling water to the chilling plants and hence obtaining maximum efficiency.
2. Use of solar power equivalent to the existing day time consumption of electricity is proposed. Options of either captive generation of Solar Power or procurement through Open Access Scheme are being explored.
3. Few more proposals for enhancement of batch size and reduction in process time cycle for the products moving into commercial phase.

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

1. The power consumption of key products has shown improvement with increase in batch size and reduction in process runs.
2. Cooling tower shifting and rearrangement will lead to savings of about 0.8 million KWH of power per year at present rate of production from this year onwards.

3. Additional savings of about 1.4 million KWH power per year is expected after two more cooling tower networks are modified.
4. The energy required for disposal of solid and liquid waste has decreased due to improved recycling practices and by use of machinery which generates less waste.
5. Automation of the Cooling Tower by introduction of interlock has resulted in energy savings required to run the system.

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

The particulars are furnished in the prescribed Form A annexed hereto

### 2. TECHNOLOGY ABSORPTION

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

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Growing the exports turnover remains a key priority for the Company. During the year, exports constituted 44% of the revenue, clocking a growth of 8% year on year. In its endeavor to remain foreign exchange positive, the Company follows a focused strategy, which includes global sourcing on one hand and growing its export basket on the other. The Company along with its UK based subsidiary Manchester Organics Limited, reinforces its overseas presence by regularly attending international science conferences, pharma, agro and specialty chemicals exhibitions, etc., to improve its visibility amongst the international customers and to enhance exposure of the marketing, technical and R & D functions to newer markets, geographies and developments. Inquiries generated from these events are taken up by the marketing, R & D and manufacturing teams suitably. Dedicated business development teams have also been deployed in key geographies like USA, Europe and Japan to cater to the needs of the global pharma and agro majors and to explore new marketing opportunities.

#### B. TOTAL FOREIGN EXCHANGE USED AND EARNED

(₹ in lacs)

	Current Year	Previous Year
Total Foreign exchange used	21,457.55	18,533.39
Total foreign exchange earned	31,249.83	28,823.76

## NAVIN FLUORINE INTERNATIONAL LIMITED

ANNEXURE TO DIRECTORS' REPORT : April 2016 to March 2017.

### FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

(₹ in lacs)

	Current Year	Previous Year
(A) POWER & FUEL CONSUMPTION		
(1) Electricity		
(a) Purchased		
Units (in Kwh)	4,03,74,273	3,46,22,479
Total Cost ( ₹ )	31,00,24,664	27,69,77,160
Rate/Unit ( ₹ )	7.68	8.00
(b) Own Generation		
(i) Through Captive Power Plant		
Units (in Kwh)	5,05,931	1,89,106
Unit per M3 of Natural Gas (Kwh)	3.33	3.51
Cost/Unit ( ₹ )	8.84	8.79
(ii) Through Diesel Generator		
Units (in Kwh)	31,678	40,600
Unit per litre of diesel oil (Kwh)	1.36	1.51
Cost/Unit ( ₹ )	44.85	35.75
(2) Others		
(a) High Speed Diesel (HSD)		
Quantity (K.Ltrs)	274	193
Total Cost ( ₹ )	1,67,67,051	1,00,44,592
Rate/Unit (Per K.Ltr.)	61,083	51,972
(b) Natural Gas		
Quantity (Cub. Mtrs.)	42,58,398	40,34,033
Total Cost ( ₹ )	11,71,19,817	12,44,74,945
Rate ( ₹ /Cub Mtrs.)	27.50	30.86
(c) Water		
Quantity (K. Ltrs.)	2,84,414	2,54,086
Total Cost ( ₹ )	71,87,403	63,84,731
Rate ( ₹ /K.Ltrs)	25.27	25.13
(B) CONSUMPTION PER UNIT OF PRODUCTION:		
(1) Electricity (Kwh/Mt.)	1,181	1,116
(2) Natural Gas (Cub.Mtrs/Mt.)	123	131
(3) Others (K Ltrs/Mt.)	6	23
<b>Production</b>	<b>MT</b>	<b>MT</b>
Synthetic Cryolite & Fluorocarbon Gases	9,878	9,234
Misc. Fluorides	24,741	21,967
<b>Total</b>	<b>34,619</b>	<b>31,201</b>

## FORM B

### RESEARCH & DEVELOPMENT

#### a) Specific areas in which R & D is carried out by your Company

The R&D efforts of the company continue to be directed towards the following areas:

- Work on new fluorine chemistry to develop cost effective, environmental friendly robust processes for identified entities by the marketing team
- Work on identified corporate strategic projects with an objective of moving up the Fluorination Value Chain for the organisation
- Work on key strategic projects initiated by the marketing team with identified customers, with clear business objectives of creating sustainable sales growth for the company
- Work on scaling up of process knowledge for commercial production, with the technical services and manufacturing teams. Resolve all trouble shooting issues, work on improvements in process norm, quality and waste generation of existing products
- Develop relevant analytical tools for better understanding of the processes and use these tools to analyse all raw materials, intermediates, finished products, impurities, as per the customer specifications
- Explore processes for future requirements of alternative refrigerants and work on cost effective manufacturing processes based on market requirements either through collaboration or through indigenous developments

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

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

- Created business opportunities and sales of new products developed at R & D in both organic and inorganic chemical space
- Identified newer applications for Fluorinated liquids and gases to enhance newer opportunities for sales and application of these key products of the company
- Development of refrigerant alternatives or related similar products through collaborations to strengthen the Company's position in this important sector in the years to come

- Developed and enhanced business opportunities for the manufacture of pharmaceutical intermediates for newer molecules being launched by reputed global pharmaceutical companies, by developing and manufacturing using in-house technologies, wherever applicable
- Worked with the manufacturing team to modify processes of existing products to cope up with the increasing quality and price demands from customers and growing global competition
- Involving with customers early in the value chain of their product pipeline to strengthen their resolve and to create future long-term opportunities for the company as a strategic business partner both in national and international markets

#### c) Future plan of action:

The R & D center continues to drive sales and profitability by developing new molecules, cost effective processes and technologies along with partnering with industry leaders, to manufacture new products with their patented technologies. The company endeavors on continuous investment in newer research and development projects, supporting the development of internal needs, thus strengthening the capabilities to achieve growth. Therefore, the role of R & D is now extended over not just developing new processes but also supporting the technical services, production and manufacturing teams including trouble shooting for existing products. The R & D is also continuing its efforts to leverage its capabilities with its research based subsidiary company Manchester Organics Limited to enhance its manufacturing base to synthesise and manufacture value added chemicals in the future.

#### d) Expenditure on R&D:

(₹ in lacs)

	Current Year	Previous Year
Capital Expenditure	32.71	506.81
Recurring Expenditure	1,394.83	1,417.40
Total Expenditure	1,427.54	1,924.21
Total R&D expenditure as a % of total turnover	2.04%	3.02%

## TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

The R & D Center continues to focus on utilising its years of experience and knowledge base along with its technical capabilities to handle difficult reagents, specially used in fluorination. This niche area of expertise, is increasingly finding it uses in pharmaceutical, agriculture and non conventional energy storage and refrigerant and related industries worldwide. R & D team provides modern tools, its customer networks and advanced online literatures to all its scientists to look for global techniques to introduce required fluorine atom in a desired position in a molecule in more than one way in selected chemical entities. R & D continued to extend its capabilities to develop HF based vapor phase fluorination technology for manufacture of various important chemical entities/intermediates used as pharmaceuticals and agricultural inputs.

b) Benefits derived as a result of above efforts

The benefits for such efforts as mentioned above shall lead to :

- a) Significant enhancement in both revenue and profitability for all business units in a sustainable basis and gaining a status of strategic supplier and partner of choice for its customers
- b) Help in building confidence and ability to get involved with international customers to participate and collaborate; enhance abilities to adopt technologies from reputed multinational companies to help them manufacture commercialise the product in India by becoming a partner
- c) Continue efforts of business development teams to create possible joint ventures, preferred partnership, enhance opportunities of collaboration with customers to create sustainable and aggressive business growth and value creation for the company
- c) Information regarding technology imported during the last five years  
NIL

For and on behalf of the Board,

**V.P. Mafatlal**

Chairman

(DIN:00011350)

Place: Mumbai

Dated: 28th April, 2017

## ANNEXURE - 10

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

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2017

Sr. No.	Director	Remuneration (₹ in lacs)	Median Remuneration (₹ in lacs)	Ratio
1	Mr. V P Mafatlal, Chairman w.e.f. 20.8.2016	270.91	4.73	58
2	Mr. H A Mafatlal, Chairman upto 19.8.2016	236.08	4.73	50
3	Mr. T M M Nambiar	18.30	4.73	4
4	Mr. P N Kapadia	17.95	4.73	4
5	Mr. S S Lalbhai	17.74	4.73	4
6	Mr. S M Kulkarni	18.30	4.73	4
7	Mr. A K Srivastava,	15.50	4.73	3
8	Mr. S G Mankad	15.62	4.73	3
9	Mr. H H Engineer	15.50	4.73	3
10	Ms. R.V. Haribhakti	15.85	4.73	3
11	Mr. S S Khanolkar, Managing Director	347.01	4.73	73

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

Sr. No.	Director	% increase
1	Mr. V.P. Mafatlal, Chairman	*
2	Mr. H.A. Mafatlal	**
3	Mr. T.M.M. Nambiar	30%
4	Mr. P.N. Kapadia	34%
5	Mr. S.S. Lalbhai	28%
6	Mr. S.M. Kulkarni	33%
7	Mr. A.K. Srivastava	***
8	Mr. S.G. Mankad	28%
9	Mr. H.H. Engineer	32%
10	Ms. R.V. Haribhakti	35%
11	Mr. S.S. Khanolkar, Managing Director	24%

\*Not comparable with previous year since appointed as Chairman w.e.f.20.8.2016

\*\*Not comparable with previous year since ceased to be Chairman w.e.f.19.8.2016

\*\*\*Not comparable with previous year since he was a Whole-time Director for part of the previous year.

**Company Secretary & CFO:**

1	Mr. N.B. Mankad, Company Secretary	10%
2	Mr. Sitendu Nagchaudhuri, CFO	*

\*Not comparable with previous year since he was CFO for part of the previous year.

3. Percentage increase in median remuneration of employees in the financial year – 2%
4. The number of permanent employees on the rolls of the company as on 31 March, 2017- 762
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase for non-managerial cadre grade is 18% for a period of 3 years (6% per annum); Non managerial employees also get increase in Dearness Allowance as per Consumer Price Index; Therefore, average increase in total remuneration is approx. 9-10% which is in line with the increase in average managerial remuneration of management cadre employees.

6. The key parameters for any variable component of remuneration availed by the directors:  
Please refer to the remuneration policy given as Annexure - 7 to the Directors' Report.
7. It is affirmed that the remuneration paid is as per the remuneration policy of the company.

For and on behalf of the Board,

Place: Mumbai  
Dated: 28th April, 2017

**V.P. Mafatlal**  
Chairman  
(DIN:00011350)

## ANNEXURE - 11

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

(A) The following details are given hereunder in respect of employees employed throughout the year and were in receipt of remuneration of not less than ₹1,02,00,000 p.a.:

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

1. Mr. Shekhar Khanolkar (48), Managing Director, ₹3,47,00,085/-, B.E., MMS (25), 16.11.2007, BASF India Ltd., Chief Executive (Functional Polymers) (7 years), 2. Mr. Ashis Mukherjee (52), President-CRO&CTO, ₹2,11,51,328/, Ph.D, Org. Chemistry, (25), 24.08.2009, PI Industries Ltd., Gurgaon, Chief Technology Officer & Head Fine Chemicals (2 years). 3. Mr. Gyanchand Jain (57), President-Operations, ₹1,29,48,675/-, A.M.I.E. (Chemical Engg.), Advance Diploma in Management (37), 26.09.2011, Finolex Industries Limited, President Operations (1 year 10 months). 4. Mr. Sitendu Nagchaudhuri (48), Chief Financial Officer & Head IT, ₹1,26,06,463/-, B.Com. (Hons.) FCA (26), 08.07.2015, Kesoram Industries Ltd., Chief Financial Officer – Cement B.U (2), 5. Mr. P.S. Haridas (59), Vice-President-SCM, ₹1,07,32,817/-, BA (Economics), MBA in Materials Management (40), 14.7.2008, Jubilant Organosys Ltd., Associate Vice President (23 Years).

(B) Names of employees employed for part of the year and were in receipt of remuneration of not less than ₹8,50,000 per month:

1. Mr. Vishad P. Mafatlal (42), Executive Chairman (with effect from 20.8.2016) ₹2,70,91,295/-, B.Sc., (Economics), University of Pennsylvania, Wharton School, USA,, (21), 20.8.2016, Mafatlal Industries Ltd., Executive Vice-Chairman (4), (2) Mr. Hrishikesh A. Mafatlal, (62), Chairman (upto 19.8.2016), ₹2,36,07,496/-, B.Com. (Hons.) (41) 1.5.2003, The Mafatlal Fine Spg. & Mfg. Co. Ltd., Vice-Chairman (17). He

was also the Chairman of Mafatlal Industries Ltd. (11), 3. Mr. Sudhir Mohan (54), Vice-President (Projects), ₹78,91,072/-, M.Tech. in Chemical Engineering (30), (7.10.2013), VVF Ltd., Head, Centre of Excellence (0.5),

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

#### NOTES:

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

For and on behalf of the Board,

**V.P. Mafatlal**

Chairman

(DIN:00011350)

Place: Mumbai

Dated: 28th April, 2017

## Independent Auditors' Report

TO THE MEMBERS OF  
NAVIN FLUORINE INTERNATIONAL LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NAVIN FLUORINE INTERNATIONAL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in accordance with the generally accepted accounting practice - refer Note 37 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No.117364W

Ketan Vora  
Partner

Mumbai, 28th April, 2017

Membership No. 100459

## Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Navin Fluorine International Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established

and maintained and if such controls operated effectively in all material respects.

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

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 over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively

as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No.117364W

Ketan Vora  
Partner

Mumbai, 28th April, 2017

Membership No. 100459

## Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company does not accept deposits and hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount unpaid (₹ in lacs)
Income Tax Act, 1961	Income Tax	CIT, Appeals, VII, Mumbai	2005-06	36.13
Income Tax Act, 1961	Income Tax	CIT, Appeals, VII, Mumbai	2006-07	226.33
Income Tax Act, 1961	Income Tax	ITAT, Mumbai	2007-08	63.57
Income Tax Act, 1961	Income Tax	ITAT, Mumbai	2009-10	31.06
Income Tax Act, 1961	Income Tax	ITAT, Mumbai	2010-11	9.69
Income Tax Act, 1961	Income Tax	CIT(Appeals)- 13, Mumbai	2011-12	117.70
Central Excise Act	Excise Duty	High Court	1993-94 to 2005-06	90.33
Central Excise Act	Excise Duty	Assistant Commissioner of Central Excise – Ujjain	2005-06 & 2006-07	0.17

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount unpaid (₹ in lacs)
Central Excise Act	Excise Duty	Assistant Commissioner of Central Excise	1994-95	0.76
Central Excise Act	Excise Duty	Commissioner of Central Excise	2007-08	36.25
Central Excise Act	Excise Duty	Commissioner (Appeals) - Bhopal (Central Excise & Customs & Service Tax)	2011-12	86.56
Central Excise Act	Excise Duty	The Additional Commissioner, Indore	2009-10	16.48
The Central Sales Tax Act, 1956	Central Sales Tax – West Bengal	Appellate Revisional Board	2005-06	2.70
The West Bengal Value Added Tax Act	Value Added Tax	Deputy Commissioner Appeals	2000-01 to 2004-05	8.69
The West Bengal Value Added Tax Act	Value Added Tax	Appellate Revisional Board	1994-95	1.08
M.P. Commercial Tax Act 1994	Entry Tax	Deputy Commissioner of Commercial Taxes – Ujjain	1992-93 & 1993-94	1.21
M.P. Commercial Tax Act 1994	Entry Tax, Central Sales Tax, Value Added Tax	Appellate Board	1995-96, 1996-97 & 2006-07	23.02
M.P. Commercial Tax Act 1994	Central Sales Tax	Madhya Pradesh High Court	1990-91 to 1994-95	22.73
U.P VAT Act	Value Added Tax	Allahabad High Court	1998-99 to 2000-01	69.14

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No.117364W

Ketan Vora  
Partner

Mumbai, 28th April, 2017

Membership No. 100459

**Balance Sheet** as at 31st March, 2017

(₹ in lacs)

	Note no.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	979.00	978.58
Reserves and surplus	4	73,825.50	62,375.30
		<b>74,804.50</b>	<b>63,353.88</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	4,201.30	3,553.41
Other long term liabilities	6	1,940.33	2,127.93
Long-term provisions	7	741.35	614.44
		<b>6,882.98</b>	<b>6,295.78</b>
<b>Current liabilities</b>			
Short-term borrowings	8	-	2,990.40
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		651.82	481.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,556.29	8,744.26
Other current liabilities	10	14,321.70	1,197.33
Short-term provisions	11	1,462.11	1,796.69
		<b>24,991.92</b>	<b>15,210.05</b>
<b>Total</b>		<b>1,06,679.40</b>	<b>84,859.71</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	12		
Tangible assets - Property, Plant and Equipment		41,052.01	26,705.70
Intangible assets		29.41	68.50
Capital work-in-progress		1,683.12	1,394.56
		<b>42,764.54</b>	<b>28,168.76</b>
Non-current investments	13	21,235.51	21,277.11
Long-term loans and advances	14	5,022.11	4,785.95
		<b>69,022.16</b>	<b>54,231.82</b>
<b>Current assets</b>			
Current investments	15	7,988.44	5,321.02
Inventories	16	9,889.74	6,273.92
Trade receivables	17	12,897.54	13,883.86
Cash and cash equivalents	18	2,971.30	1,520.94
Short-term loans and advances	19	3,701.80	3,358.68
Other current assets	20	208.42	269.47
		<b>37,657.24</b>	<b>30,627.89</b>
<b>Total</b>		<b>1,06,679.40</b>	<b>84,859.71</b>
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Registration No. 117364W

**Ketan Vora**

Partner

Membership No. 100459

**V. P. Mafatlal**

Chairman

**S. S. Khanolkar**

Managing Director

**T. M. M. Nambiar**

S. S. Lalbhai

P. N. Kapadia

S. M. Kulkarni

**R. V. Haribhakti**

A. K. Srivastava

S. G. Mankad

H. H. Engineer

} Directors

**N. B. Mankad**

Company Secretary

**Sitendu Nagchaudhuri**

Chief Financial Officer

Mumbai, 28th April, 2017

## Statement of Profit and Loss for the year ended 31st March, 2017 (₹ in lacs)

	Note no.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operations (gross)	21	74,295.03	67,852.58
Less: Excise duty		4,171.75	4,228.69
<b>Revenue from operations (net)</b>		<b>70,123.28</b>	<b>63,623.89</b>
Other income	22	2,988.31	2,469.37
<b>Total Revenue</b>		<b>73,111.59</b>	<b>66,093.26</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	30,201.91	28,421.98
Purchases of stock-in-trade	23	1,160.71	678.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(2,804.83)	102.21
Employee benefits expense	25	7,666.79	6,558.20
Finance costs	26	49.96	320.28
Depreciation and amortisation expense	27	2,835.25	2,091.78
Other expenses	28	18,924.16	16,249.05
<b>Total Expenses</b>		<b>58,033.95</b>	<b>54,421.76</b>
<b>Profit before exceptional items and tax</b>		<b>15,077.64</b>	<b>11,671.50</b>
Exceptional items (refer note 43)		2,733.18	-
<b>Profit before tax</b>		<b>17,810.82</b>	<b>11,671.50</b>
<b>Tax expense</b>			
Current tax		4,427.63	2,660.00
MAT credit		(666.20)	-
Deferred tax		647.89	364.53
		<b>4,409.32</b>	<b>3,024.53</b>
<b>Profit for the year</b>		<b>13,401.50</b>	<b>8,646.97</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic	29	136.91	88.44
Diluted	29	135.72	87.76
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 117364W

**Ketan Vora**  
Partner  
Membership No. 100459

**V. P. Mafatlal**  
Chairman

**S. S. Khanolkar**  
Managing Director

**T. M. M. Nambiar**  
**S. S. Lalbhai**  
**P. N. Kapadia**  
**S. M. Kulkarni**

**R. V. Haribhakti**  
**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer**

} *Directors*

Mumbai, 28th April, 2017

**N. B. Mankad**  
Company Secretary

**Sitendu Nagchaudhuri**  
Chief Financial Officer

## Cash Flow Statement for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before exceptional items and tax</b>	<b>15,077.64</b>	<b>11,671.50</b>
<b>adjustments for,</b>		
Depreciation / amortisation	2,835.25	2,091.78
Loss on sale / write off of fixed assets (net)	57.38	111.12
Profit on sale of current investments	(669.02)	(366.32)
Provision for doubtful debts / advances written back	(20.79)	(5.67)
Adjustments to the carrying amount of investments	-	1.50
Interest expense	49.96	320.28
Interest income	(353.48)	(353.20)
Net gain on foreign currency translations	(4.09)	(1.23)
Share of loss / profit in the partnership firm where the Company is a partner	0.12	(0.05)
Dividend on investments (non-trade)	(408.14)	(507.44)
Excess provision of earlier years written back	(30.38)	(0.07)
Provision for doubtful debts / advances	7.61	69.63
<b>Operating profit before working capital changes</b>	<b>16,542.06</b>	<b>13,031.83</b>
Decrease / (Increase) in trade receivables	1,056.28	(2,919.49)
(Increase) / decrease in inventories	(3,615.82)	309.67
Increase in loans and advances	(358.66)	(811.56)
Increase in trade and other payables	12,992.99	170.13
	<b>10,074.79</b>	<b>(3,251.25)</b>
<b>Cash generated from operations</b>	<b>26,616.85</b>	<b>9,780.58</b>
Net income tax paid	(3,061.34)	(2,609.63)
<b>Net cash flow from operating activities</b>	<b>23,555.51</b>	<b>7,170.95</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(17,530.49)	(1,388.93)
Amounts refunded by partnership firm where Company is a partner (current)	0.12	4.45
Share of loss / profit in the partnership firm where the Company is a partner	(0.12)	0.05
Bank balances not considered as cash and cash equivalents	(65.95)	(31.15)
Amounts refunded by subsidiary	192.90	260.07
Purchase of investments	(31,897.93)	(17,345.05)
Amount invested in subsidiary	(789.12)	(2,802.40)
Amount invested in joint venture	-	(490.00)
Sale of fixed assets	27.88	21.20
Sale of investments	33,377.46	17,766.97
Dividend income	408.14	507.44
Interest income	348.38	354.09
<b>Net cash flow used in investing activities</b>	<b>(15,928.74)</b>	<b>(3,143.26)</b>

## Cash Flow Statement *(contd.)* for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Calls in arrears received during the year (including securities premium)	0.09	1.33
Proceeds from allotment of Employee Stock Option Plan (ESOP)	16.30	65.49
Repayments of long term borrowings	-	(1,178.09)
Repayments of other borrowings (net)	(2,990.40)	(320.65)
Compensation received pursuant to Montreal Protocol for phasing out production of Ozone Depleting Substances - Capital reserve no. 2	211.99	-
Dividend paid (including Corporate tax on dividend)	(3,430.39)	(2,161.95)
Interest expense	(49.96)	(320.28)
<b>Net cash used in financing activities</b>	<b>(6,242.37)</b>	<b>(3,914.15)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,384.41</b>	<b>113.54</b>
Cash and cash equivalents at the beginning of the year	1,097.39	983.85
Cash and cash equivalents at the end of the year	2,481.80	1,097.39
<b>Note,</b>		
<b>Reconciliation of cash and cash equivalents</b>		
As per Balance sheet - note 18	2,481.80	1,097.39
As per Cash flow statement	2,481.80	1,097.39

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 117364W

**Ketan Vora**  
Partner  
Membership No. 100459

**V. P. Mafatlal**  
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**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer**

} Directors

Mumbai, 28th April, 2017

**N. B. Mankad**  
Company Secretary

**Sitendu Nagchaudhuri**  
Chief Financial Officer

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 1 CORPORATE INFORMATION

Navin Fluorine International Limited is a public limited company, incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay and National stock exchanges. The Company belongs to the Padmanabh Mafatlal Group, with a legacy of business operations since 1967, having one of the largest integrated fluorochemicals complex in India. The Company primarily focuses on fluorine chemistry - producing refrigeration gases, inorganic fluorides, specialty organofluorines and offers Contract Research and Manufacturing Services. Its manufacturing facilities are located at Surat and Dahej in Gujarat and Dewas in Madhya Pradesh.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

#### b. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialise or are known.

#### c. Tangible fixed assets - Property, Plant and Equipment

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortisation and impairment loss, if any.

#### d. Depreciation on Tangible fixed assets - Property, Plant and Equipment

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### e. Intangible assets and Amortization

Intangible assets are stated at cost of acquisition less accumulated amortization.

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

#### f. Impairment of tangible and intangible assets

Impairment loss is provided to the extent that the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable willing parties, less the costs of disposal.

#### g. Investments

Long-term investments are carried at cost. Provision is made to recognize a diminution, other than temporary, in the carrying amounts of long-term investments.

Current investments are carried individually, at the lower of cost and fair value.

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (contd.)

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

#### h. Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods, stores and spares - Weighted average

Process stocks and finished goods - At material cost plus appropriate value of overheads

#### i. Retirement and other employee benefits

i. The Company contributes towards provident fund, family pension fund and superannuation 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.

ii. Gratuity liability, a defined benefit scheme, and provision for compensated absences is accrued and provided for on the basis of actuarial valuations made at the year end.

#### j. Foreign currency transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization / payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

#### k. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### l. Operating lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lesser are recognized as Operating lease. Operating lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and loss on a straight-line basis over the lease term.

#### m. Revenue recognition

Revenue is recognized when no significant uncertainty as to its determination or realization exists.

#### n. Export Incentives

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

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (contd.)

**o. Government grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are treated as deferred income which are recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

**p. Taxes on income**

Tax expense comprises of both current and deferred tax at the applicable enacted / substantively enacted rates. Current tax represents the amount of income-tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

**q. Provisions and contingencies**

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

**r. Employee stock option**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. Compensation expense is amortized over the vesting period of the option on a straight line basis. The Company measures compensation cost relating to employee stock options using the intrinsic value method.

**s. Research and development expenses**

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

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised shares</b>		
3,50,00,000 equity shares of ₹ 10/- each	3,500.00	3,500.00
<b>Issued, subscribed and fully paid shares</b>		
97,91,297 (as at 31st March, 2016, 97,87,297) equity shares of ₹ 10/- each, fully paid-up	979.13	978.73
Less: Calls in arrears (refer note 3e)	0.13	0.15
<b>Total</b>	<b>979.00</b>	<b>978.58</b>

**a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening balance	Buyback	ESOP	Closing balance
<b>Equity shares with voting rights</b>				
Year ended 31st March, 2017				
- Number of shares	97,87,297	-	4,000	97,91,297
- Amount (₹ in lacs)	978.73	-	0.40	979.13
Year ended 31st March, 2016				
- Number of shares	97,69,797	-	17,500	97,87,297
- Amount (₹ in lacs)	976.98	-	1.75	978.73

**b. Terms / rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2017, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 18.50 (year ended 31st March, 2016, ₹ 21/-)

**c. Details of shareholders holding more than 5% shares in the Company:**

Equity shares of ₹ 10/- each fully paid	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	% holding	Nos.	% holding
Mafatlal Impex Private Limited	23,31,284	23.81	10,95,448	11.19
Suremi Trading Private Limited	-	-	9,83,960	10.05
NOCIL Limited	-	-	5,66,340	5.79

**d. For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 31.**

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

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
2,645 (as at 31st March, 2016 2,911) equity shares of ₹ 10/- each, ₹ 5/- called up but unpaid	0.13	0.15

**f. Out of the rights issue made in 2004-05, 109 equity shares could not be offered on rights basis due to the non-availability of details of beneficial holders from depositories. The same are kept in abeyance.**

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 4 RESERVES AND SURPLUS</b>		
<b>Capital reserve no. 1</b>		
Balance of excess of assets over liabilities and reserves taken over pursuant to the scheme of demerger of MIL		
As per last Balance sheet	8,035.17	8,035.17
	<b>8,035.17</b>	<b>8,035.17</b>
<b>Capital reserve no. 2</b>		
Compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances		
As per last Balance sheet	6,823.20	6,823.20
Add: Received during the year	211.99	-
	<b>7,035.19</b>	<b>6,823.20</b>
<b>Capital redemption reserve</b>		
As per last Balance sheet	33.88	33.88
	<b>33.88</b>	<b>33.88</b>
<b>Securities premium account</b>		
As per last Balance sheet	1,149.55	1,084.48
Add: Received during the year	15.90	65.07
Less: amount in arrears (net of receipts during the year, ₹ 0.07 lacs; as at 31st March, 2016, ₹ 0.01 lacs)	0.66	0.73
	<b>1,164.79</b>	<b>1,148.82</b>
<b>General reserve</b>		
As per last Balance sheet	7,333.34	7,333.34
	<b>7,333.34</b>	<b>7,333.34</b>
<b>Surplus in Statement of Profit and loss</b>		
Balance as per last Balance Sheet	39,000.89	32,826.90
Add: Profit for the year	13,401.50	8,646.97
	<b>52,402.39</b>	<b>41,473.87</b>
<b>Less: appropriations</b>		
Dividend for previous year on equity shares issued after the year end pursuant to allotment of ESOP	-	0.14
Proposed final dividend (as at 31st March, 2016, ₹ 11/- per share)	-	1,076.60
Interim dividend (₹ 11/- per share, as at 31st March, 2016, ₹ 10/- per share)	1,076.60	977.95
Special dividend (₹ 7.50 per share, previous year, ₹ nil)	734.05	-
Corporate tax on dividend	368.61	418.29
Total appropriations	<b>2,179.26</b>	<b>2,472.98</b>
	<b>50,223.13</b>	<b>39,000.89</b>
<b>Total</b>	<b>73,825.50</b>	<b>62,375.30</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 5 DEFERRED TAX LIABILITIES (NET)</b>		
Difference between book and tax written down values of fixed assets	4,526.42	3,595.47
Others	16.62	0.48
<b>Gross deferred tax liability</b>	<b>4,543.04</b>	<b>3,595.95</b>
Provision for doubtful debts / advances	27.60	32.16
Provision for compensated absences	314.14	10.38
<b>Gross deferred tax asset</b>	<b>341.74</b>	<b>42.54</b>
<b>Net deferred tax liability</b>	<b>4,201.30</b>	<b>3,553.41</b>

### NOTE 6 OTHER LONG-TERM LIABILITIES

Advance against project contracts	303.24	303.24
Security deposits received	253.35	463.04
Others		
- Iraq gas project (refer note 35)	1,031.70	1,031.70
- Land development	329.95	329.95
- Deferred Government grant	22.09	-
<b>Total</b>	<b>1,940.33</b>	<b>2,127.93</b>

### NOTE 7 LONG-TERM PROVISIONS

<b>Provision for employee benefits</b>		
Provision for compensated absences	741.35	614.44
<b>Total</b>	<b>741.35</b>	<b>614.44</b>

### NOTE 8 SHORT-TERM BORROWINGS

<b>Unsecured</b>		
Commercial paper	-	2,990.40
<b>Total</b>	<b>-</b>	<b>2,990.40</b>

### NOTE 9 TRADE PAYABLES

Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	651.82	481.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8,556.29	8,744.26
<b>Total</b>	<b>9,208.11</b>	<b>9,225.63</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 10 OTHER CURRENT LIABILITIES</b>		
Unpaid dividend	268.09	223.45
Unpaid money on buy-back of shares	1.09	1.09
Other payables		
- Statutory dues payable	278.87	249.41
- Trade / security deposits	841.96	547.36
- Advance from customers	209.52	121.52
- Gratuity (refer note 30)	-	54.50
- Deferred Government grant	1.67	-
- To related party (refer note 45)	12,720.50	-
<b>Total</b>	<b>14,321.70</b>	<b>1,197.33</b>

### NOTE 11 SHORT-TERM PROVISIONS

<b>Provision for employee benefits</b>		
Provision for compensated absences	171.50	153.31
	<b>171.50</b>	<b>153.31</b>
<b>Other Provisions</b>		
Provision for tax (net of advance tax ₹ 9,510.02 lacs, as at 31 March, 2016, ₹ 6,722.39 lacs)	1,290.61	347.61
Provision for proposed equity dividend	-	1,076.60
Provision for tax on proposed dividend	-	219.17
	<b>1,290.61</b>	<b>1,643.38</b>
<b>Total</b>	<b>1,462.11</b>	<b>1,796.69</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 12 FIXED ASSETS

(₹ in lacs)

Tangible asset - Property, Plant and Equipment	Gross Block (At cost)				Depreciation / amortisation				Net Block
	As at 1st April, 2016	Additions / adjustments	Deductions / adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions / adjustments	Upto 31st March, 2017	As at 31st March, 2017
<b>Owned assets</b>									
Freehold land	10.56	-	-	10.56	-	-	-	-	10.56
	(10.56)	-	-	(10.56)	-	-	-	-	(10.56)
Leasehold land	2,595.99	-	-	2,595.99	106.49	26.21	-	132.70	2,463.29
	(2,595.99)	-	-	(2,595.99)	(80.28)	(26.21)	-	(106.49)	(2,489.50)
Buildings	5,248.86	944.88	-	6,193.74	683.48	238.63	-	922.11	5,271.63
	(2,646.69)	(2,602.17)	-	(5,248.86)	(541.94)	(141.54)	-	(683.48)	(4,565.38)
Plant and machinery	33,406.42	15,696.15	(304.58)	49,407.15	14,733.69	2,260.05	(184.66)	17,178.40	32,228.75
	(29,165.00)	(4,288.49)	(47.07)	(33,406.42)	(13,150.31)	(1,613.69)	(30.31)	(14,733.69)	(18,672.73)
Furniture and fixtures	407.46	119.23	(30.58)	557.27	199.43	48.85	(68.24)	316.52	240.75
	(388.08)	(14.62)	(4.76)	(407.46)	(158.12)	(40.03)	(1.28)	(199.43)	(208.03)
Vehicles	188.62	111.74	58.83	241.53	124.04	21.33	45.89	99.48	142.05
	(237.81)	(0.69)	(49.88)	(188.62)	(131.65)	(25.93)	(33.54)	(124.04)	(64.58)
Office equipment	1,182.32	254.23	535.22	901.33	487.40	134.05	415.10	206.35	694.98
	(662.27)	(716.99)	(196.94)	(1,182.32)	(443.09)	(138.55)	(94.24)	(487.40)	(694.92)
<b>Total</b>	<b>43,040.23</b>	<b>17,126.23</b>	<b>258.89</b>	<b>59,907.57</b>	<b>16,334.53</b>	<b>2,729.12</b>	<b>208.09</b>	<b>18,855.56</b>	<b>41,052.01</b>
<b>As at and for the year ended 31st March, 2016</b>	<b>(35,706.40)</b>	<b>(7,622.96)</b>	<b>(289.13)</b>	<b>(43,040.23)</b>	<b>(14,505.39)</b>	<b>(1,985.95)</b>	<b>(156.81)</b>	<b>(16,334.53)</b>	<b>(26,705.70)</b>

Intangible assets	Gross Block (At cost)				Depreciation / amortisation				Net Block
	As at 1st April, 2016	Additions / adjustments	Deductions / adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions / adjustments	Upto 31st March, 2017	As at 31st March, 2017
Computer software	216.20	16.26	-	232.46	147.70	20.89	(34.46)	203.05	29.41
	(212.12)	(19.13)	(15.05)	(216.20)	(142.19)	(20.56)	(15.05)	(147.70)	(68.50)
<b>Total</b>	<b>216.20</b>	<b>16.26</b>	<b>-</b>	<b>232.46</b>	<b>147.70</b>	<b>20.89</b>	<b>(34.46)</b>	<b>203.05</b>	<b>29.41</b>
<b>As at and for the year ended 31st March, 2016</b>	<b>(212.12)</b>	<b>(19.13)</b>	<b>(15.05)</b>	<b>(216.20)</b>	<b>(142.19)</b>	<b>(20.56)</b>	<b>(15.05)</b>	<b>(147.70)</b>	<b>(68.50)</b>
Capital work-in-progress									<b>1,683.12</b>
									<b>(1,394.56)</b>

#### Notes,

- Standby Letter of Credit facility availed from HDFC Bank for loan taken by Subsidiary is being secured by Second Charge on the Fixed Asset of the Company
- Figures in parentheses are as at and for the year ended 31st March, 2016

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 13 NON-CURRENT INVESTMENTS

	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Investment property</b> (at cost less accumulated depreciation, given on operating lease)		
Cost of premises	5,108.81	5,108.81
Less: accumulated depreciation	616.25	531.01
<b>Net</b>	<b>4,492.56</b>	<b>4,577.80</b>
<b>(b) Non-trade investments</b> (valued at cost unless stated otherwise)		
<b>Investment in equity instruments of Companies</b>		
<i>(i) of subsidiaries</i>		
1,50,000 (as at 31st March, 2016, 1,50,000) equity shares of Sulakshana Securities Limited of ₹ 10/- each, fully paid-up	15.00	15.00
5,100 (as at 31st March, 2016, 5,100) equity shares of Manchester Organics Limited of £ 0.01 each, fully paid-up	3,265.12	3,265.12
12,22,919 (as at 31st March 2016, 12,22,919) equity shares of RMB 1.00 each fully paid-up in Navin Fluorine (Shanghai) Co. Ltd	128.92	128.92
35,15,000 (as at 31st March 2016, 25,84,000) equity shares of £ 1.00 each fully paid-up in NFIL (UK) Ltd.	3,462.60	2,673.48
<i>(ii) of joint ventures</i>		
10,82,500 (as at 31st March 2016, 10,82,500) equity shares of ₹ 10/- each fully paid-up in Swarnim Gujarat Fluorspar Private Limited	108.25	108.25
3,43,04,900 (as at 31st March 2016, 3,43,04,900) equity shares of ₹ 10/- each fully paid-up in Convergence Chemicals Pvt Ltd.	3,430.49	3,430.49
<i>(iii) of other companies</i>		
4,81,600 (as at 31st March, 2016, 4,81,600) equity shares of Cebon Apparel Private Limited of ₹ 10/- each, fully paid-up	9.03	9.03
9,300 (as at 31st March, 2016, 9,300) equity shares of Mafatlal Services Limited of ₹ 100/- each, fully paid-up	12.74	12.74
Nil (as at 31st March, 2016, 17,74,707) equity shares of Mafatlal Industries Limited of ₹ 10/- each, fully paid-up	-	1,552.73
Nil (as at 31st March, 2016, 68,50,000) equity shares of NOCIL Limited of ₹ 10/- each, fully paid-up	-	1,137.84
	10,432.15	12,333.60
Less: adjustments to the carrying amount of investments	15.00	15.00
	<b>10,417.15</b>	<b>12,318.60</b>
<b>Investment in bonds</b>		
150 * 11% Corporate bonds - series IV of Housing Development Finance Corporation	1.50	1.50
Less: adjustments to the carrying amount of investments	1.50	1.50
	-	-
<b>Investment in mutual funds (face value of ₹ 10/- each)</b>		
Nil (as at 31st March, 2016, 2,00,49,046) DWS FMP SERIES 62	-	2,004.90
Nil (as at 31st March, 2016, 1,10,00,000) HDFC FMP 366 days March 2014-2 Regular Growth	-	1,100.00

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 13 NON-CURRENT INVESTMENTS (contd.)

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
42,50,000 (as at 31st March, 2016, 42,50,000) units of ICICI Prudential Fixed Maturity Plan - Series 78 - 1127D Plan R	425.00	425.00
42,50,000 (as at 31st March, 2016, 42,50,000) units of HDFC FMP 1120D	425.00	425.00
42,50,000 (as at 31st March, 2016, 42,50,000) units of Kotak FMP Series 191 - 1120 Days	425.00	425.00
1,00,00,000 (as at 31st March, 2016, nil) UTI Fixed Term Income Fund Series XXVI - V (1160 days)	1,000.00	-
30,000 (as at 31st March, 2016, nil) DHFL Pramerica Fixed Duration Fund-Series AE-Reg(G)	300.00	-
1,70,00,000 (as at 31st March, 2016, nil) UTI Fixed Term Income Fund XXVI - VII (1140) days (Growth Plan)	1,700.00	-
1,50,00,000 (as at 31st March, 2016, nil) Birla Sun Life Fixed Term Plan - Series OJ (1136 days) Growth Regular	1,500.00	-
50,000 (as at 31st March, 2016, nil) DHFL Pramerica Fixed Duration Fund-Series AF-Reg(G)	500.00	-
50 (as at 31st March, 2016, nil) ASK Real Estate Special Situation Fund - I	50.00	-
	6,325.00	4,379.90
<b>Investment in partnership firm</b>		
Capital contribution in Urvija Associates (subsidiary)	0.80	0.80
<b>Total</b>	<b>21,235.51</b>	<b>21,277.11</b>
Aggregate amount of quoted investments	-	2,690.57
Aggregate market value of quoted investments	-	7,954.88
Aggregate amount of unquoted investments	21,235.51	18,586.53

#### Details of investment in partnership firm - Urvija Associates

	As at 31st March, 2017		As at 31st March, 2016	
	Total capital	Share of profits	Total capital	Share of profits
Navin Fluorine International Limited	0.80	80%	0.80	80%
Avanija Commercials Private Ltd. (formerly known as Mayflower Textiles Private Limited)	0.10	10%	0.10	10%
Aditri Commercials Private Ltd. (formerly known as Myrtle Textiles Private Limited)	0.10	10%	0.10	10%

\* pending transfer in the Company's name and not available for physical verification.

During the year, the Company made the following investments:

- Subscribed to 9,31,000 equity shares of £ 1.00 each fully paid-up in NFIL (UK) Ltd.
- Purchased 9,03,78,374 units of various Mutual funds having an aggregate value of ₹ 31,897.93 lacs

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 14 LONG-TERM LOANS AND ADVANCES</b>		
<b>Capital advances</b>		
- Unsecured, considered good	181.00	81.56
<b>Security deposits</b>		
- Unsecured, considered good	689.15	692.06
<b>Loans and advances to related parties (refer note 45)</b>		
- Secured, considered good	1,905.00	2,010.00
- Unsecured, considered good	39.25	39.37
	<b>1,944.25</b>	<b>2,049.37</b>
Loans and advances to employees (unsecured, considered good)	-	0.93
Prepaid expenses (unsecured, considered good)	3.31	0.54
Advance income-tax (net of provision ₹ 21,785.16 lacs, as at 31st March, 2016, ₹ 21,085.62 lacs) (unsecured, considered good)	1,823.98	1,581.07
Advance fringe benefit tax (net of provision ₹ 89.00 lacs, as at 31st March, 2016, ₹ 89.00 lacs)	12.08	12.08
<b>Other loans and advances (unsecured, considered good)</b>		
- Iraq gas project (refer note 35)	162.70	162.70
- Land development	205.64	205.64
	<b>2,207.71</b>	<b>1,962.96</b>
<b>Total</b>	<b>5,022.11</b>	<b>4,785.95</b>
<b>Notes,</b>		
Loans and advances in the nature of loans, due from:		
<b>Subsidiary Company:</b>		
Sulakshana Securities Limited	1,905.00	2,010.00
Maximum amount outstanding during the year	2,010.00	2,200.00
<b>Others:</b>		
Staff (interest bearing with repayment schedules beyond seven years)	-	0.93
Maximum amount outstanding during the year	0.93	12.86

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 15 CURRENT INVESTMENTS</b> (valued at lower of cost or fair value)		
<b>Investment in equity instruments of Companies</b>		
10,71,332 (as at 31st March, 2016, nil) equity shares of Mafatlal Industries Limited of ₹ 10/- each, fully paid-up	937.33	-
38,78,550 (as at 31st March, 2016, nil) equity shares of NOCIL Limited of ₹ 10/- each, fully paid-up	644.26	-
	<b>1,581.59</b>	<b>-</b>
<b>Investment in Mutual Funds</b> (face value of ₹ 10/- each)		
Nil (as at 31st March, 2016, 50,00,000) HDFC FMP 737D October 2013-1 Regular-GR	-	500.00
Nil (as at 31st March, 2016, 9,67,810) ICICI Pru Flexible Income Plan - Growth	-	2,746.02
Nil (as at 31st March, 2016, 53,35,523) UTI Short Term Income Fund - Institutional option - Growth	-	955.00
Nil (as at 31st March, 2016, 50,00,000) Reliance Interval Fund - II Series 2 - Growth plan	-	500.00
62,00,000 (as at 31st March, 2016, 62,00,000) ICICI Prudential Fixed Maturity Plan - Series 72 - 823 Days Plan H	620.00	620.00
2,00,49,046 (as at 31st March, 2016, nil) DHFL Pramerica FMP Ser 62 Reg-G	2,004.90	-
1,10,00,000 (as at 31st March, 2016, nil) HDFC FMP 366 days March 2014-2 Regular Growth	1,100.00	-
40,60,532 (as at 31st March, 2016, nil) ICICI Pru Banking & PSU Debt Fund - Growth	725.00	-
26,04,585 (as at 31st March, 2016, nil) ICICI Pru Income Opportunities Fund - Growth	599.27	-
23,847 (as at 31st March, 2016, nil) HDFC Liquid Fund - Regular Growth	754.72	-
16,376 (as at 31st March, 2016, nil) IDFC Cash Fund - Growth	319.28	-
10,776 (as at 31st March, 2016, nil) UTI Liquid Cash Plan Institutional Growth	283.68	-
	<b>6,406.85</b>	<b>5,321.02</b>
<b>Total</b>	<b>7,988.44</b>	<b>5,321.02</b>
Aggregate amount of quoted investments	1,581.59	-
Aggregate market value of quoted investments	6,319.96	-
Aggregate amount of unquoted investments	6,406.85	5,321.02

### NOTE 16 INVENTORIES (valued at lower of cost and net realizable value)

Raw materials	3,445.14	2,746.97
Work-in-progress - Fluoro chemicals	2,005.07	1,138.34
Finished goods	3,298.94	1,379.54
Traded goods	89.85	71.15
Stores and spares	1,050.74	937.92
<b>Total</b>	<b>9,889.74</b>	<b>6,273.92</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 17 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	40.97	22.14
Doubtful	64.90	78.08
	105.87	100.22
Less: provision for doubtful trade receivables	64.90	78.08
	<b>40.97</b>	<b>22.14</b>
<b>Other receivables</b>		
Unsecured, considered good	12,856.57	13,861.72
Doubtful	12.41	12.41
	12,868.98	13,874.13
Less: provision for doubtful trade receivables	12.41	12.41
	<b>12,856.57</b>	<b>13,861.72</b>
<b>Total</b>	<b>12,897.54</b>	<b>13,883.86</b>

### NOTE 18 CASH AND CASH EQUIVALENTS

**Cash and cash equivalents** (As per Accounting Standard 3 - Cash Flow Statements)

Cash on hand	9.08	7.51
Balances with banks		
in current accounts	2,226.72	924.88
in deposits accounts		
- original maturity of 3 months or less	246.00	165.00
	<b>2,481.80</b>	<b>1,097.39</b>
<b>Other bank balances</b>		
in deposit accounts		
- original maturity of more than 3 months	200.00	180.00
in earmarked accounts		
- unpaid dividend account	268.09	223.45
- buy-back account	1.09	1.09
- balances held as margin money	20.32	19.01
	<b>489.50</b>	<b>423.55</b>
<b>Total</b>	<b>2,971.30</b>	<b>1,520.94</b>

One current account with bank, which has been transferred from Mafatlal Industries Ltd pursuant to its scheme of demerger, is in the process of being transferred in the Company's name.

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 19 SHORT TERM LOANS AND ADVANCES</b>		
<b>Loans and advances to related parties (refer note 45)</b>		
- Unsecured, considered good	-	275.34
<b>Security deposits</b>		
- Unsecured, considered good	49.47	54.69
Loans to employees (unsecured, considered good)	1.23	2.22
Prepaid expenses (unsecured, considered good)	84.76	90.94
MAT credit entitlement - Unsecured, considered good	666.20	-
<b>Balances with statutory / government authorities (unsecured, considered good)</b>		
- CENVAT credit receivable	872.00	1,144.43
- Service tax credit receivable	663.26	765.68
	<b>1,535.26</b>	<b>1,910.11</b>
<b>Other loans and advances (unsecured, including advance to suppliers)</b>		
Unsecured, considered good	1,364.88	1,025.38
Doubtful	2.43	2.43
	1,367.31	1,027.81
Less: Provision for doubtful advances	2.43	2.43
	<b>1,364.88</b>	<b>1,025.38</b>
<b>Total</b>	<b>3,701.80</b>	<b>3,358.68</b>
<b>Notes,</b>		
Loans and advances in the nature of loans, due from:		
Staff (interest bearing)	1.23	2.22
Maximum amount outstanding during the year	2.22	2.49

### NOTE 20 OTHER CURRENT ASSETS

Interest accrued on fixed deposits with banks	22.16	17.06
Rent receivable	181.12	252.41
Excess contribution towards Gratuity (refer note 30)	5.14	-
<b>Total</b>	<b>208.42</b>	<b>269.47</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 21 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Finished goods	72,747.09	66,958.06
Traded goods	1,354.55	705.71
	<b>74,101.64</b>	<b>67,663.77</b>
<b>Other operating Revenue</b>		
Scrap sales	131.90	154.41
Export Incentives	61.49	34.40
	<b>193.39</b>	<b>188.81</b>
<b>Revenue from operations (gross)</b>	<b>74,295.03</b>	<b>67,852.58</b>
Less: excise duty *	4,171.75	4,228.69
<b>Revenue from operations (net)</b>	<b>70,123.28</b>	<b>63,623.89</b>
*Excise duty deducted from turnover represents excise duty collected on sale of goods. Excise duty shown under 'expenditure' (note 28) represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stocks of finished goods.		
<b>Details of products sold</b>		
<b>Finished goods</b>		
Synthetic cryolite, fluorocarbon gases	20,863.98	21,554.41
Hydrofluoric acid and other fluorine chemicals	40,832.07	37,592.12
Others	11,051.04	7,811.53
	<b>72,747.09</b>	<b>66,958.06</b>
<b>Traded goods</b>		
Mafron gases	-	116.20
Others	1,354.55	589.51
	<b>1,354.55</b>	<b>705.71</b>
<b>Total</b>	<b>74,101.64</b>	<b>67,663.77</b>
<b>NOTE 22 OTHER INCOME</b>		
Interest income (refer note 1, below)	353.48	353.20
Dividend income:		
Current investments (Others)	38.20	30.65
Long term investments		
- Subsidiary	234.49	308.32
- Others	135.45	168.47
Other non-operating income (refer note 2, below)	2,226.70	1,608.73
<b>Total</b>	<b>2,988.31</b>	<b>2,469.37</b>
<b>Notes,</b>		
<b>1 Interest income:</b>		
Interest from banks on deposits	37.93	32.51
Interest on loans & advances	315.55	309.98
Interest on Investments	-	10.71
	<b>353.48</b>	<b>353.20</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 22 OTHER INCOME (contd.)</b>		
<b>2 Other non-operating income:</b>		
Rental income from investment property	1,329.97	1,118.48
Provision for doubtful debts / advances written back / credit balances written back	20.79	5.67
Excess provision of earlier years written back (net)	30.38	0.07
Insurance claims	17.37	45.47
Profit on sale of current investments	669.02	366.32
Share of profit in the partnership firm where the Company is a partner	-	0.05
Miscellaneous income	159.17	72.68
	<b>2,226.70</b>	<b>1,608.73</b>

### NOTE 23 COST OF RAW MATERIALS CONSUMED

Inventories at the beginning of the year	2,746.97	2,656.17
Add: Purchases	30,900.08	28,512.78
	<b>33,647.05</b>	<b>31,168.95</b>
Less: Inventories at the end of the year	3,445.14	2,746.97
	<b>30,201.91</b>	<b>28,421.98</b>
<b>Details of raw materials consumed</b>		
Fluorspar	6,277.88	6,131.04
Chloromethanes	2,672.77	3,662.03
Spor 11	1,758.40	1,815.80
Sulphur	1,110.25	1,392.23
Others	18,382.60	15,420.88
<b>Total</b>	<b>30,201.91</b>	<b>28,421.98</b>
Purchase of stock-in-trade	1,160.71	678.26
	<b>1,160.71</b>	<b>678.26</b>

### NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

<b>Inventories at the end of the year</b>		
Finished goods	3,298.94	1,379.54
Work-in-process	2,005.07	1,138.34
Stock-in-trade	89.85	71.15
	<b>5,393.86</b>	<b>2,589.03</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	1,379.54	2,170.83
Work-in-process	1,138.34	499.55
Stock-in-trade	71.15	20.87
	<b>2,589.03</b>	<b>2,691.24</b>
<b>Net Increase / (decrease)</b>	<b>2,804.83</b>	<b>(102.21)</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 25 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	6,599.80	5,623.58
Contribution to provident and other funds	550.24	506.70
Gratuity expenses	244.86	210.06
Staff welfare expenses	271.89	217.86
<b>Total</b>	<b>7,666.79</b>	<b>6,558.20</b>

### NOTE 26 FINANCE COSTS

Interest on borrowings	11.94	263.82
Interest on others	15.35	20.71
Other borrowing costs	22.67	35.75
<b>Total</b>	<b>49.96</b>	<b>320.28</b>

### NOTE 27 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation of Tangible assets - Property, Plant and Equipment	2,729.12	1,985.95
Amortisation of intangible assets	20.89	20.56
Depreciation of investment property	85.24	85.27
<b>Total</b>	<b>2,835.25</b>	<b>2,091.78</b>

### NOTE 28 OTHER EXPENSES

Consumption of stores and spares	2,675.07	1,956.67
Consumption of packing materials	2,431.75	2,249.74
Excise duty	94.48	20.62
Power and fuel	4,498.05	4,146.10
Rent	370.98	374.70
Repairs to buildings	121.47	278.13
Repairs to machinery	754.21	502.20
Labour charges	1,267.72	815.60
Insurance	105.61	97.25
Rates and taxes	464.76	292.23
Commission and discounts	615.30	624.98
Transport and freight charges (net)	1,564.06	1,590.99
Loss on sale / write off of fixed assets (net)	57.38	111.12
Adjustments to the carrying amount of investments	-	1.50
Provision for doubtful debts / advances	7.61	69.63
Share of loss in the partnership firm where the Company is a partner	0.12	-

## Notes forming part of Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 28 OTHER EXPENSES (contd.)</b>		
Net loss on foreign currency transactions and translations	36.64	113.67
Expenditure on Corporate Social Responsibility (refer note 46)	302.08	194.81
Legal and professional fees*	1,288.59	885.88
Miscellaneous expenses	2,268.28	1,923.23
<b>Total</b>	<b>18,924.16</b>	<b>16,249.05</b>
* Including payment to auditors		
To statutory auditor		
For audit	18.00	18.00
For other services	32.06	17.00
Reimbursement of expenses	0.38	0.11
	<b>50.44</b>	<b>35.11</b>
To cost auditor		
For audit	4.50	2.50
Reimbursement of expenses	-	0.03
	<b>4.50</b>	<b>2.53</b>
To tax auditor		
For taxation matters	3.50	3.50
	<b>3.50</b>	<b>3.50</b>
<b>Total</b>	<b>58.44</b>	<b>41.14</b>

### NOTE 29 EARNINGS PER SHARE (EPS)

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:

	As at 31st March, 2017	As at 31st March, 2016
Profit attributable to equity shareholders – (₹ in lacs)	13,401.50	8,646.97
Weighted average number of equity shares outstanding during the year	97,88,338	97,77,419
Basic earnings per share – ₹	136.91	88.44
Diluted earnings per share – ₹	135.72	87.76
Nominal value per share – ₹	10.00	10.00

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 30 EMPLOYEE BENEFITS

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate to ₹ 550.24 lacs (31st March, 2016, ₹ 506.70 lacs).

Contributions are made to a Recognized Gratuity Fund in respect of gratuity and provision is made for compensated absences based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit' method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and loss.

The charge on account of provision for compensated absences has been included in 'Salaries, wages and bonus'.

In respect of gratuity (funded):

	As at 31st March, 2017	As at 31st March, 2016
(₹ in lacs)		
<b>Reconciliation of liability recognized in the Balance sheet</b>		
Present value of commitments	(1,794.01)	(1,598.46)
Fair value of plan assets	1,799.15	1,543.96
Net asset / (liability) in the Balance sheet	5.14	(54.50)
<b>Movement in net liability recognized in the Balance sheet</b>		
Net liability as at beginning of the year	(54.50)	(158.20)
Net expense recognized in the Statement of Profit and loss	(244.86)	(210.06)
Contribution during the year	304.50	313.76
Net asset / (liability) as at end of the year	5.14	(54.50)
<b>Expense recognized in the Statement of Profit and loss</b>		
Current service cost	129.86	125.85
Interest cost	124.52	124.28
Expected return on plan assets	(120.27)	(111.64)
Actuarial (gains) / losses	110.75	71.58
Expense charged to the Statement of Profit and loss	244.86	210.07
<b>Return on plan assets</b>		
Expected return on plan assets	120.27	111.64
Actuarial gains / (losses)	(0.98)	17.35
Actual return on plan assets	119.29	128.99
<b>Reconciliation of defined-benefit commitments</b>		
Commitments as at beginning of the year	1,598.46	1,555.49
Current service cost	129.86	125.85
Interest cost	124.52	124.28
Paid benefits	(224.52)	(296.09)

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 30 EMPLOYEE BENEFITS (contd.)

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
Actuarial losses	109.77	88.93
Liability transferred in / Acquisitions	55.92	-
Commitments as at end of the year	1,794.01	1,598.46
<b>Reconciliation of plan assets</b>		
Plan assets as at beginning of the year	1,543.96	1,397.30
Expected return on plan assets	120.27	111.64
Contributions during the year	304.50	313.76
Liability transferred in / Acquisitions	55.92	-
Paid benefits	(224.52)	(296.09)
Actuarial gains / (losses)	(0.98)	17.35
Plan assets as at end of the year	1,799.15	1,543.96

The actuarial calculations used to estimate commitments and expenses in respect of gratuity are based on the following assumptions which if changed, would effect the commitment's size, funding requirements and expense:

	As at 31st March, 2017 (%)	As at 31st March, 2016 (%)
Discount rate	7.09	7.79
Expected return on plan assets	7.09	7.79
Expected rate of salary increase	10.00	10.00

Mortality	Indian Assured Life Mortality (2006-08) Ultimate	
Estimate of amount of contribution in the immediate next year	149.04	164.50

Experience adjustment	On plan liability (gain) / loss	On plan assets gain / (loss)
2016-17	50.04	0.98
2015-16	26.63	17.35
2014-15	68.20	(17.05)
2013-14	29.12	(10.28)
2012-13	28.70	46.72

The fair value of the plan assets is distributed in the following manner	As at 31st March, 2017 (%)	As at 31st March, 2016 (%)
Deposits with a nationalized bank	15.60	23.26
Various debt instruments	84.40	76.74

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 31 EMPLOYEE STOCK OPTION SCHEME

- The Company's Employee Stock Option Scheme has been approved by the Board of Directors of the Company on 1st May, 2007.
- The options granted on 28th April, 2014, 29th June, 2015 and 24th October, 2016 shall vest upon the expiry of two years from the date of their grant.
- Exercise period would commence one year from the date of vesting and will expire on completion of ten years from the date of vesting.
- The options will be settled in equity shares of the Company.
- The Company used the intrinsic value method to account for ESOPs.
- The exercise prices have been determined to be the market price on the days preceding the dates of respective grants.
- Consequently, no compensation cost has been recognized by the Company in accordance with the "Guidance Note on Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India.
- Details of movement of options:

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Nos.	Nos.
Options outstanding at the beginning of the year	113,107	106,900
Options granted during the year	11,215	30,023
Options vested during the year	78,200	NIL
Options exercised during the year	4,000	17,500
Options forfeited during the year	NIL	NIL
Options lapsed / surrendered during the year	2,320	6,316
Options outstanding at the end of the year	118,002	113,107

- Had fair value method been used, the compensation cost would have been higher by ₹ 72.40 lacs (as at 31st March, 2016 ₹ 79.89 lacs), Profit after tax would have been lower by ₹ 72.40 lacs (as at 31st March, 2016 ₹ 79.89 lacs) and EPS – both basic and diluted - would have been ₹ 136.17 and ₹ 134.99 per share respectively (as at 31st March, 2016 ₹ 87.62 and ₹ 86.95 per share respectively).
- Weighted average exercise price of the above options range between ₹ 390.00 and ₹ 2,772.00

### NOTE 32 LEASE

- The Company has taken office, residential premises and vehicles under operating lease or leave and license agreements. These are generally cancellable in nature and range between 11 months to 48 months. These leave and license agreements are generally renewable or cancellable at the option of the Company or the lessor. The lease payment recognized in the Statement of Profit and Loss is ₹ 370.98 lacs (as at 31st March, 2016 ₹ 374.70 lacs).
- The Company has taken office premise under lease rental agreement. Details of minimum lease payments for non-cancellable leases are as under:

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	(₹ in lacs)	(₹ in lacs)
Not later than one year	208.90	225.48
Later than one year and not later than five years	39.00	254.92
<b>Total</b>	<b>247.90</b>	<b>480.40</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 32 LEASE (contd.)

- (c) The Company has given office premises under lease rental agreement. Details of minimum lease payments for non-cancellable leases are as under:

Particulars	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
Not later than one year	289.77	149.76
Later than one year and not later than five years	529.97	224.64
<b>Total</b>	<b>819.74</b>	<b>374.40</b>
Operating lease rentals credited to the Statement of Profit and Loss	1,329.97	1,118.48

- (d) Other details of premises which have been given on operating lease for a period of upto sixty months are as under:

Particulars	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
Gross block as at the year end	5,108.81	5,108.81
Accumulated depreciation as at the year end	616.25	531.01
Depreciation charged during the year	85.24	85.27

### NOTE 33 SEGMENT INFORMATION

#### Primary

The Company is engaged in the 'chemicals business' and it is the primary segment.

#### Secondary

The Company has two geographical segments based upon location of its customers - within and outside India:

Particulars	As at and for the year ended 31st March, 2017			As at and for the year ended 31st March, 2016		
	Within India	Outside India	Total	Within India	Outside India	Total
	Revenues	42,802.34	31,299.30	74,101.64	38,751.04	28,912.73
Segment assets	67,555.59	5,092.50	72,648.09	47,860.17	7,287.32	55,147.49
Cost incurred on acquisition of fixed assets	17,431.05	-	17,431.05	3,278.19	-	3,278.19

### NOTE 34

The Company received ₹ 192.90 lacs (as at 31st March, 2016 ₹ 260.07 lacs) during the year from its wholly owned subsidiary Sulakshana Securities Limited (SSL), towards partial repayment of interest free advances provided in earlier years. The market value of the assets of SSL far exceeds the outstanding advance to SSL of ₹ 1,906.00 lacs (as at 31st March, 2016 ₹ 2,010.00 lacs) at the year end.

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 35

Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers have asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Company pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

		(₹ in lacs)	
		As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 36</b>	<b>CAPITAL AND OTHER COMMITMENTS</b>		
<b>i. Capital commitments:</b>			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	894.51	439.96
<b>ii. Other commitments:</b>			
	Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	92.29	47.90

		(₹ in lacs)	
		As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 37</b>	<b>CONTINGENT LIABILITIES</b>		
	In respect of:		
<b>a. Excise matters disputed in appeal</b>			
	These relate to MODVAT on capital purchases (pending before the Assistant Commissioner) and permit fee on purchase of alcohol (pending before the High Court)	231.34	268.13
<b>b. Claims against the Company not acknowledged as debts</b>			
	Labour matters involving issues like regularization of employment, termination of employment, compensation against severance, etc.	7.00	7.00
<b>c. Sales-tax matters disputed in appeal</b>			
	These relate to classification of goods and consequent dispute on the rates of sales-tax (pending at various stages from Assistant Commissioner to High Court)	128.56	136.63
<b>d. Income tax matters disputed in appeal</b>			
		2,005.47	1,881.36

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 38 DERIVATIVE INSTRUMENTS

- a. The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to such forward contracts is a bank. These contracts are entered into to hedge the foreign currency risks on outstandings. Details of forward contracts outstanding as at the year end:

Currency	Exposure to buy / sell	As at the year end	
		₹ in lacs	Foreign currency in lacs
US Dollars	Sell	5,233.40	80.70
		(6,730.16)	(101.58)
GBP	Sell	-	-
		(37.23)	(0.39)
EURO	Sell	18.61	0.27
		(112.64)	(1.49)
US Dollars	Buy	2,387.82	36.82
		(2,986.75)	(45.08)

Note: Figures in parentheses are for the previous year.

- b. Net exchange difference in respect of forward contracts to be credited - debited in subsequent accounting year amounts to credit ₹9.94 lacs (as at 31st March, 2016, debit ₹6.86 lacs).
- c. Foreign currency exposure at the year end not hedged by derivative instruments

	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>Receivables against export of goods and services</b>		
US Dollars	-	138.06
GBP	10.77	2.26
<b>Advance received from customers</b>		
US Dollars	332.98	40.05
<b>Payables against import of goods and services</b>		
US Dollars	44.02	66.06
Euros	-	2.75
GBP	0.40	0.12
<b>Advance payment to suppliers</b>		
US Dollars	44.00	235.22
Euros	78.58	2.65

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 39 RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹1,427.54 lacs (as at 31st March, 2016 ₹1,924.21 lacs) included in the figures reported under notes 12 and 23 to 28 are as under:

	As at 31st March, 2017	As at 31st March, 2016
		(₹ in lacs)
Capital Expenditure	32.71	506.81
Revenue Expenditure	1,394.83	1,417.40
	<b>1,427.54</b>	<b>1,924.21</b>
<b>The details of revenue expenditure incurred on research and development are as under :</b>		
Salaries / Wages	691.25	614.14
Material / Consumable / Spares	309.35	298.94
Utilities	125.23	148.98
Other expenditure	111.93	200.56
Depreciation	157.07	154.78
	<b>1,394.83</b>	<b>1,417.40</b>

### NOTE 40 MICRO, SMALL AND MEDIUM SCALE BUSINESS ENTITIES

A sum of ₹651.82 lacs is payable to Micro and Small Enterprises as at 31st March, 2017 (as at 31st March, 2016 ₹481.37 lacs). There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

### NOTE 41

The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Year to which dividend relates	2015-16	2014-15
Number of non-resident shareholders	384	327
Number of shares held by them on which dividend is due	10,25,078	8,18,791
Amount remitted to bank accounts in India of non-resident shareholders – (₹ in lacs)	112.76	69.60
Year to which dividend relates	Interim 2016-17	Interim 2015-16
Number of non-resident shareholders	448	372
Number of shares held by them on which dividend is due	10,88,956	8,00,484
Amount remitted to bank accounts in India of non-resident shareholders – (₹ in lacs)	201.46	80.05

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 42 JOINT VENTURE COMPANIES (JVC)

1. The Company has a Joint venture interest of 49.43% in Swarnim Gujarat Fluorspar Private Limited., a company incorporated under the Companies Act, 1956 on 19th June, 2012. As on 31st March, 2017 the Company has invested a sum of ₹ 108.25 lacs (as at 31st March, 2016 ₹ 108.25 lacs) in the share capital of this Joint venture.

The JVC is engaged in the business of manufacture of Acid Grade Fluorspar and allied activities.

- a) The Company's share of each of the assets, liabilities, income and expenses etc. (each, without elimination of the effect of the transactions between the Company and the JVC) related to its interest in this JVC, based on the audited accounts for the year ended 31st March, 2017 are as under:

(₹ in lacs)			
Sr. No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(i)	Assets	84.74	88.14
(ii)	Liabilities	6.28	5.02
(iii)	Income	0.47	0.73
(iv)	Expenses	5.13	5.09

- b) The Company's share of capital commitments in the JVC as at 31st March, 2017 is Nil.  
c) The Company's share of contingent liability of the JVC as at 31st March, 2017 is Nil.  
d) The Company's transactions with JVC, being a related party, are disclosed in note no. 45.

2. The Company has a Joint venture interest of 49% in Convergence Chemicals Private Limited., a company incorporated under the Companies Act, 2013 on 19th November, 2014. As on 31st March, 2017 the Company has invested a sum of ₹ 3,430.49 lacs (as at 31st March, 2016 ₹ 3,430.49 lacs) in the share capital of this Joint venture.

The JVC is engaged in the business of manufacture of specialty chemicals in the healthcare sector.

- a) The Company's share of each of the assets, liabilities, income and expenses etc. (each, without elimination of the effect of the transactions between the Company and the JVC) related to its interest in this JVC, based on the audited accounts for the year ended 31st March, 2017 are as under:

(₹ in lacs)			
Sr. No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
(i)	Assets	8,990.85	7,295.43
(ii)	Liabilities	5,653.01	3,926.85
(iii)	Income	-	-
(iv)	Expenses	30.74	32.67

- b) The Company's share of capital commitments in the JVC as at 31st March, 2017 is ₹ 1.40 lacs.  
c) The Company's share of contingent liability of the JVC as at 31st March, 2017 is Nil.  
d) The Company's transactions with JVC, being a related party, are disclosed in note no. 45

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 43

As part of an agreement executed amongst Shri H. A. Mafatlal, Shri V. P. Mafatlal, their family members, family trusts & companies including the three listed entities, viz. the Company, Mafatlal Industries Ltd and NOCIL Ltd and approved by the Board of Directors on 6th August 2016, the Company has divested part of its shareholding in Mafatlal Industries Ltd and in NOCIL Ltd during the year. The profit arising out of divestment of such Long Term investments amounting to ₹ 2,733.18 lacs has been shown under "Exceptional Items" in the Statement of Profit and Loss.

### NOTE 44

The Ministry of Corporate Affairs (MCA) in its notification dated 30th March, 2017 amended Schedule III to the Companies Act, requiring companies to provide the following disclosure in the financial statements in respect of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	8.91	0.78	9.69
(+) Permitted receipts	-	36.75	36.75
(-) Permitted payments	-	(22.28)	(22.28)
(-) Amount deposited in Banks	(8.91)	-	(8.91)
Closing cash in hand as on 30th December, 2016	-	15.25	15.25

(₹ in lacs)

### NOTE 45 RELATED PARTY TRANSACTIONS

#### Enterprises over which key management personnel and their relatives are able to exercise significant influence

Mafatlal Industries Limited (upto 19th August, 2016)

NOCIL Limited (upto 19th August, 2016)

Arvind Mafatlal Foundation Trust

Sri Sadguru Seva Sangh Trust

Seth Navinchandra Mafatlal Foundation Trust

#### Joint Ventures

Swarnim Gujarat Fluorspar Private Limited

Convergence Chemicals Private Limited

#### Names of related parties where control exists

Sulakhana Securities Limited – subsidiary company

Urvija Associates – a partnership firm where the Company is a majority partner

Manchester Organics Limited – subsidiary company

Navin Fluorine (Shanghai) Co. Ltd - subsidiary company

NFIL (UK) Ltd - subsidiary company

#### Key management personnel

Shri Hrishikesh A. Mafatlal (in the capacity of an individual / trustee) (upto 19th August, 2016)

Shri Vishad P. Mafatlal (in the capacity of an individual / karta)

Shri Atul K. Srivastava (upto 30th April, 2015)

Shri Shekhar S. Khanolkar

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 45 RELATED PARTY TRANSACTIONS (contd.)

Details of transactions with related parties during the year / previous year

(₹ in lacs)

Nature of transactions	1	2	3	4	Total
<b>Sale of finished goods</b>					
NOCIL Limited	0.81				0.81
	2.68				2.68
Mafatlal Industries Limited	-				-
	0.33				0.33
Manchester Organics Limited			165.24		165.24
			129.28		129.28
<b>Purchase of raw materials</b>					
Manchester Organics Limited			114.33		114.33
			11.88		11.88
<b>Rental income</b>					
NOCIL Limited	62.40				62.40
	156.78				156.78
<b>Rent paid, including lease rentals</b>					
Sulakshana Securities Limited			45.20		45.20
			-		-
<b>Dividend Income</b>					
Mafatlal Industries Limited	53.24				53.24
	53.24				53.24
NOCIL Limited	82.20				82.20
	68.50				68.50
Manchester Organics Limited			234.49		234.49
			308.32		308.32
<b>Purchase of cloth for uniform</b>					
Mafatlal Industries Limited	-				-
	8.70				8.70
<b>Reimbursement of Expenses</b>					
Mafatlal Industries Limited	28.99				28.99
	127.74				127.74
<b>Managerial remuneration</b>					
Shri Hrishikesh A. Mafatlal				236.08	236.08
				246.86	246.86
Shri Vishad P. Mafatlal				269.16	269.16
				9.00	9.00
Shri Atul K. Srivastava				-	-
				163.57	163.57
Shri Shekhar S. Khanolkar				347.01	347.01
				280.78	280.78
<b>Sitting fees</b>					
Shri Vishad P. Mafatlal				1.75	1.75
				2.35	2.35

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 45 RELATED PARTY TRANSACTIONS (contd.)

					(₹ in lacs)
Nature of transactions	1	2	3	4	Total
Shri Atul K. Srivastava				-	-
				2.15	2.15
<b>Share of profit / (loss) in a partnership firm</b>					
Urvija Associates			(0.12)		(0.12)
			0.05		0.05
<b>Capital contribution in a partnership firm</b>					
(Urvija Associates)					
- current			(0.12)		(0.12)
			0.05		0.05
<b>Purchase of Investment in equity shares</b>					
Navin Fluorine (Shanghai) Co. Ltd.			-		-
			128.92		128.92
NFIL (UK) Ltd.			789.13		789.13
			2,673.48		2,673.48
Convergence Chemicals Private Limited		-			-
		490.00			490.00
<b>Sale of Investment in equity shares</b>					
Mafatlal Industries Limited	615.40				615.40
	-				-
NOCIL Limited	493.58				493.58
	-				-
<b>Advances / Reimbursement of expenses given to</b>					
Sulakshana Securities Limited			87.90		87.90
			70.07		70.07
Convergence Chemicals Private Limited		948.21			948.21
		4,948.76			4,948.76
Manchester Organics Limited			95.71		95.71
			-		-
NFIL (UK) LTD			-		-
			37.51		37.51
<b>Deposits</b>					
Sulakshana Securities Limited			1.00		1.00
			-		-
<b>Repayment of advances / Reimbursement of expenses from</b>					
Sulakshana Securities Limited			192.90		192.90
			260.07		260.07
Urvija Associates			-		-
			4.50		4.50
Convergence Chemicals Private Limited		534.09			534.09
		4,875.50			4,875.50

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 45 RELATED PARTY TRANSACTIONS (contd.)

(₹ in lacs)

Nature of transactions	1	2	3	4	Total
<b>Donation</b>					
Sri Sadguru Seva Sangh Trust	60.00				60.00
	30.00				30.00
Arvind Mafatlal Foundation Trust	100.00				100.00
	-				-
<b>As at the year end</b>					
<b>Amounts due to</b>					
Mafatlal Industries Limited	-				-
	6.10				6.10
NOCIL Limited	1.49				1.49
	1.49				1.49
Manchester Organics Limited			191.53		191.53
			-		-
Convergence Chemicals Private Limited		12,720.50			12,720.50
		-			-
Shri Hrishikesh A. Mafatlal				90.37	90.37
				188.00	188.00
Shri Vishad P. Mafatlal				150.63	150.63
				9.00	9.00
Shri Shekhar S. Khanolkar				92.70	92.70
				58.30	58.30
<b>Amounts due from</b>					
Manchester Organics Limited			12.07		12.07
			10.12		10.12
Mafatlal Industries Limited	0.03				0.03
	0.09				0.09
Urvija Associates			1.74		1.74
			1.86		1.86
Sulakshana Securities Limited			1,906.00		1,906.00
			2,010.00		2,010.00
NFIL (UK) LTD			37.51		37.51
			37.51		37.51
Convergence Chemicals Private Limited		-			-
		275.34			275.34

- Enterprises over which key management personnel and their relatives are able to exercise significant influence
- Joint Ventures
- Related parties where control exists
- Key management personnel

### NOTE 46 EXPENDITURE IN CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY

- Gross amount required to be spent by the company during the year ₹ 176.11 lacs (previous year ₹ 141.84 lacs)
- Amount spent during the year ₹ 302.08 lacs (previous year ₹ 194.81 lacs)

## Notes forming part of Financial Statements for the year ended 31st March, 2017

### NOTE 47 VALUE OF IMPORTS AND VALUE OF RAW MATERIALS, STORES, SPARES AND PACKING MATERIALS CONSUMED

#### (a) CIF value of imports

	Year ended 31st March, 2017	Year ended 31st March, 2016
Raw materials	19,886.13	17,442.21
Stores, spares and packing materials	93.10	125.68
Capital goods	328.62	159.08

(₹ in lacs)

#### (b) Consumption of raw materials and stores, spares and packing materials

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	₹ in lacs	Percentage of consumption	₹ in lacs	Percentage of consumption
<b>Raw materials</b>				
Imported	18,940.04	62.71	17,387.42	61.18
Indigenous	11,261.87	37.29	11,034.56	38.82
	<b>30,201.91</b>	<b>100.00</b>	<b>28,421.98</b>	<b>100.00</b>
<b>Stores, spares and packing materials</b>				
Imported	79.51	1.56	29.88	0.71
Indigenous	5,027.31	98.44	4,176.53	99.29
	<b>5,106.82</b>	<b>100.00</b>	<b>4,206.41</b>	<b>100.00</b>

(₹ in lacs)

### NOTE 48 EXPENDITURE IN FOREIGN CURRENCY

	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Travelling expenses	100.23	66.20
(b) Commission	147.39	125.45
(c) Legal and professional fees	79.98	72.28
(d) ISO tank rental	88.47	108.53
(e) Others	733.63	433.96

(₹ in lacs)

### NOTE 49 EARNINGS IN FOREIGN EXCHANGE

	Year ended 31st March, 2017	Year ended 31st March, 2016
FOB value of exports	31,015.34	28,515.44
Dividend received	234.49	308.32

### NOTE 50

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

V. P. Mafatlal  
Chairman

S. S. Khanolkar  
Managing Director

T. M. M. Nambiar  
S. S. Lalbhai  
P. N. Kapadia  
S. M. Kulkarni

R. V. Haribhakti  
A. K. Srivastava  
S. G. Mankad  
H. H. Engineer

} Directors

N. B. Mankad  
Company Secretary

Sitendu Nagchaudhuri  
Chief Financial Officer

Mumbai, 28th April, 2017

## Independent Auditors' Report

TO THE MEMBERS OF  
NAVIN FLUORINE INTERNATIONAL LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NAVIN FLUORINE INTERNATIONAL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on

the consideration of reports of other auditors on separate financial statements of the subsidiaries and jointly controlled entities referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

We did not audit the financial statements of four subsidiaries, and two jointly controlled entities, whose financial statements reflect total assets of ₹ 17,372.99 lacs as at 31st March, 2017, total revenues of ₹ 5,169.79 lacs and net cash inflows amounting to ₹ 342.20 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled entities, referred in the Other Matters paragraph above we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the

purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and jointly controlled company's incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014,

as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities in accordance with the generally accepted accounting practice -refer note 38 to the financial statements.
- ii. The Group and its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.
- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated

8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and the other auditors by the Management of the respective Group entities.

For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No.117364W

Ketan Vora  
Partner

Mumbai, 28th April, 2017

Membership No. 100459

## Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Navin Fluorine International Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and jointly controlled companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary company and its jointly controlled companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary company and jointly controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company its jointly controlled companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Over Financial Reporting**

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

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary company and jointly controlled companies, which are companies incorporated in India, have, in all

material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two jointly controlled companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No.117364W

Ketan Vora  
Partner

Mumbai, 28th April, 2017

Membership No. 100459

**Consolidated Balance Sheet** as at 31st March, 2017

(₹ in lacs)

	Note no.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	979.00	978.58
Reserves and surplus	4	75,472.75	63,555.86
		<b>76,451.75</b>	<b>64,534.44</b>
<b>Minority Interest</b>			
		<b>0.47</b>	<b>0.50</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	5,110.08	4,754.67
Deferred tax liabilities (net)	6	4,342.78	3,695.39
Other long term liabilities	7	2,065.01	2,251.61
Long-term provisions	8	743.04	614.44
		<b>12,260.91</b>	<b>11,316.11</b>
<b>Current liabilities</b>			
Short-term borrowings	9	1,923.14	3,410.05
Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		654.88	481.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,732.80	9,080.69
Other current liabilities	11	9,261.46	4,859.86
Short-term provisions	12	1,462.18	1,805.52
		<b>22,034.46</b>	<b>19,637.49</b>
<b>Total</b>		<b>1,10,747.59</b>	<b>95,488.54</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	13		
Tangible assets - Property, Plant and Equipment		42,847.82	28,617.87
Intangible assets		29.41	68.50
Capital work-in-progress		3,106.44	2,042.14
		<b>45,983.67</b>	<b>30,728.51</b>
Goodwill on consolidation		8,776.41	8,776.41
Non-current investments	14	10,839.33	11,670.05
Long-term loans and advances	15	3,259.09	9,644.18
		<b>68,858.50</b>	<b>60,819.15</b>
<b>Current assets</b>			
Current investments	16	7,988.44	5,321.02
Inventories	17	11,274.61	7,552.57
Trade receivables	18	13,578.51	15,060.05
Cash and cash equivalents	19	4,813.14	2,867.90
Short-term loans and advances	20	3,796.90	3,447.75
Other current assets	21	437.49	420.10
		<b>41,889.09</b>	<b>34,669.39</b>
<b>Total</b>		<b>1,10,747.59</b>	<b>95,488.54</b>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Registration No. 117364W

**Ketan Vora**

Partner

Membership No. 100459

**V. P. Mafatlal**

Chairman

**S. S. Khanolkar**

Managing Director

**T. M. M. Nambiar**

S. S. Lalbhai

P. N. Kapadia

S. M. Kulkarni

**R. V. Haribhakti**

A. K. Srivastava

S. G. Mankad

H. H. Engineer

} Directors

**N. B. Mankad**

Company Secretary

**Sitendu Nagchaudhuri**

Chief Financial Officer

Mumbai, 28th April, 2017

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2017 (₹ in lacs)

	Note no.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from operations (gross)	22	78,937.49	72,196.27
Less: Excise duty		4,171.75	4,228.69
<b>Revenue from operations (net)</b>		<b>74,765.74</b>	<b>67,967.58</b>
Other income	23	3,058.58	2,448.42
<b>Total Revenue</b>		<b>77,824.32</b>	<b>70,416.00</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	32,259.25	30,549.30
Purchases of stock-in-trade	24	1,160.71	678.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(3,133.29)	(117.16)
Employee benefits expense	26	9,209.64	8,061.31
Finance costs	27	183.02	377.93
Depreciation and amortisation expense	28	2,992.50	2,249.12
Other expenses	29	19,486.40	17,061.13
<b>Total Expenses</b>		<b>62,158.23</b>	<b>58,859.89</b>
<b>Profit before exceptional items and tax</b>		<b>15,666.09</b>	<b>11,556.11</b>
Exceptional items (refer note 43)		2,733.18	-
<b>Profit before tax</b>		<b>18,399.27</b>	<b>11,556.11</b>
<b>Tax expense</b>			
Current tax		4,582.35	2,719.08
Short provision for tax relating to prior years		(2.34)	18.32
MAT Credit		(666.20)	-
Deferred tax		647.80	468.32
		<b>4,561.61</b>	<b>3,205.72</b>
<b>Profit for the year (before adjustment for minority interest)</b>		<b>13,837.66</b>	<b>8,350.39</b>
Add / (Less): Share of loss / profit attributable to Minority Interest		0.03	(0.01)
<b>Profit for the year attributable to the shareholders of the Company</b>		<b>13,837.69</b>	<b>8,350.38</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic	31	141.37	85.40
Diluted	31	140.14	84.75
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 117364W

**Ketan Vora**  
Partner  
Membership No. 100459

**V. P. Mafatlal**  
Chairman

**S. S. Khanolkar**  
Managing Director

**T. M. M. Nambiar**  
**S. S. Lalbhai**  
**P. N. Kapadia**  
**S. M. Kulkarni**

**R. V. Haribhakti**  
**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer**

Directors

Mumbai, 28th April, 2017

**N. B. Mankad**  
Company Secretary

**Sitendu Nagchaudhuri**  
Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended 31st March, 2017 (₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before exceptional items and tax</b>	<b>15,666.09</b>	<b>11,556.11</b>
<b>adjustments for,</b>		
Depreciation / amortisation	2,992.50	2,249.12
Loss on sale / write off of fixed assets (net)	57.38	111.12
Profit on sale of current investments	(669.02)	(366.32)
Provision for doubtful debts / advances written back	(20.79)	(5.67)
Adjustments to the carrying amount of investments	-	1.50
Interest expense	183.02	377.93
Interest income	(371.44)	(353.50)
Net loss on foreign currency transactions and translations	105.36	174.89
Share of loss / profit in the partnership firm where the Company is a partner	0.12	(0.05)
Dividend on investments (non-trade)	(173.65)	(199.13)
Excess provision of earlier years written back	(30.38)	(0.07)
Provision for doubtful debts / advances	7.61	69.63
<b>Operating profit before working capital changes</b>	<b>17,746.80</b>	<b>13,615.56</b>
Decrease / (Increase) in trade receivables	1,551.51	(3,132.06)
(Increase) / Decrease in inventories	(3,722.04)	53.62
Decrease / (Increase) in loans and advances	6,373.53	(3,148.86)
Increase in trade and other payables	4,112.52	2,882.28
	<b>8,315.52</b>	<b>(3,345.02)</b>
<b>Cash generated from operations</b>	<b>26,062.32</b>	<b>10,270.54</b>
Net income tax paid	(3,231.52)	(2,675.09)
<b>Net cash flow from operating activities</b>	<b>22,830.80</b>	<b>7,595.45</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(18,417.86)	(1,789.73)
Share of loss / profit in the partnership firm where the Company is a partner	(0.12)	0.05
Bank balances not considered as cash and cash equivalents	(245.93)	541.84
Purchase of investments	(31,897.93)	(17,346.55)
Amount invested in subsidiary	-	(5,014.11)
Sale of fixed assets	27.90	21.28
Sale of investments	33,377.46	17,766.96
Dividend income	173.65	199.13
Interest income	367.91	356.06
<b>Net cash flow used in investing activities</b>	<b>(16,614.92)</b>	<b>(5,265.07)</b>

## Consolidated Cash Flow Statement (contd.) for the year ended 31st March, 2017 (₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Calls in arrears received during the year (including securities premium)	0.09	1.32
Proceeds from allotment of Employee Stock Option Plan (ESOP)	16.30	65.49
Proceeds from long term borrowings	4,000.56	3,186.67
Repayments from long term borrowings	(3,645.15)	(1,178.09)
Proceeds from other borrowings	-	27.01
Repayments of other borrowings (net)	(1,486.92)	-
Compensation received pursuant to Montreal Protocol for phasing out production of Ozone Depleting Substances - Capital reserve no. 2	211.99	-
Dividend paid (including Corporate tax on dividend)	(3,430.39)	(2,161.95)
Minority Interest	(0.03)	(1,290.61)
Interest expense	(183.02)	(377.93)
<b>Net cash used in financing activities</b>	<b>(4,516.57)</b>	<b>(1,728.09)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,699.31</b>	<b>602.29</b>
Cash and cash equivalents at the beginning of the year	1,646.23	1,043.94
Cash and cash equivalents at the end of the year	3,345.54	1,646.23
<b>Note,</b>		
<b>Reconciliation of cash and cash equivalents</b>		
As per Balance sheet - note 19	3,345.54	1,646.23
As per Consolidated Cash Flow statement	3,345.54	1,646.23

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 117364W

**Ketan Vora**  
Partner  
Membership No. 100459

**V. P. Mafatlal**  
Chairman

**S. S. Khanolkar**  
Managing Director

**T. M. M. Nambiar**  
**S. S. Lalbhai**  
**P. N. Kapadia**  
**S. M. Kulkarni**  
**R. V. Haribhakti**  
**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer** } *Directors*

Mumbai, 28th April, 2017

**N. B. Mankad**  
Company Secretary

**Sitendu Nagchaudhuri**  
Chief Financial Officer

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

#### b. Principles of consolidation

The consolidated financial statements relate to Navin Fluorine International Ltd. (the 'Company'), its subsidiary companies & jointly controlled entities. The consolidated financial statements have been prepared on the following basis:

The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31st March, 2017.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

#### c. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize or are known.

#### d. Tangible fixed assets - Property, Plant and Equipment

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortisation and impairment loss, if any.

#### e. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries, jointly controlled entities and associates has been provided on straight-line method as per the estimated useful life of such assets.

#### f. Intangible assets and Amortisation

Intangible assets are stated at cost of acquisition less accumulated amortization.

Computer Software which are capitalized, are amortized over a period of 3 years on straight-line basis.

#### g. Impairment of tangible and intangible assets

Impairment loss is provided to the extent that the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Goodwill arising on consolidation is not amortized, but instead, it is evaluated for impairment periodically, if the events or changes in circumstances indicate that carrying value may be impaired.

#### h. Investments

Long-term investments are carried at cost. Provision is made to recognize a diminution, other than temporary, in the carrying amount of long-term investments.

Current investments are carried individually, at the lower of cost and fair value.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

#### i. Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods, stores and spares - Weighted average

Process stocks and finished goods - At material cost plus appropriate value of overheads

#### j. Retirement and other employee benefits

i. Contributions are made towards provident fund, family pension fund and superannuation 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.

ii. Gratuity liability, a defined benefit scheme, and provision for compensated absences is accrued and provided for on the basis of actuarial valuations made at the year end.

#### k. Foreign currency transactions

i. Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization / payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

ii. Foreign Subsidiaries (Non-integral operations):

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the Subsidiaries.

#### l. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### m. Operating lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lesser are recognized as Operating lease. Operating lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and loss on a straight-line basis over the lease term.

#### n. Revenue recognition

Revenue is recognized when no significant uncertainty as to its determination or realization exists.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

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**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)**

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**o. Export Incentives**

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

**p. Government grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are treated as deferred income which are recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

**q. Taxes on income**

Tax expense comprises of both current and deferred tax at the applicable enacted / substantively enacted rates. Current tax represents the amount of income-tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

**r. Provisions and contingencies**

A provision is recognized where there is a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when there is a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

**s. Employee stock option**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. Compensation expense is amortized over the vesting period of the option on a straight line basis. Compensation cost relating to employee stock options is measured using the intrinsic value method.

**t. 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 capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Fixed Assets.

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**NOTE 2**

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Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised shares</b>		
3,50,00,000 equity shares of ₹ 10/- each	3,500.00	3,500.00
<b>Issued, subscribed and fully paid shares</b>		
97,91,297 (as at 31st March, 2016, 97,87,297) equity shares of ₹ 10/- each, fully paid-up	979.13	978.73
Less: Calls in arrears (refer note 3e)	0.13	0.15
<b>Total</b>	<b>979.00</b>	<b>978.58</b>

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening balance	Buyback	ESOP	Closing balance
<b>Equity shares with voting rights</b>				
Year ended 31st March, 2017				
- Number of shares	97,87,297	-	4,000	97,91,297
- Amount (₹ in lacs)	978.73	-	0.40	979.13
Year ended 31st March, 2016				
- Number of shares	97,69,797	-	17,500	97,87,297
- Amount (₹ in lacs)	976.98	-	1.75	978.73

b. Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2017, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 18.50 (year ended 31st March, 2016, ₹ 21/-).

c. Details of shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 10/- each fully paid	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	% holding	Nos.	% holding
Mafatlal Impex Private Limited	23,31,284	23.81	10,95,448	11.19
Suremi Trading Private Limited	-	-	9,83,960	10.05
NOCIL Limited	-	-	5,66,340	5.79

d. For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 33.

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

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
2,645 (as at 31st March, 2016, 2,911) equity shares of ₹ 10/- each, ₹ 5/- called up but unpaid	0.13	0.15

f. Out of the rights issue made in 2004-05, 109 equity shares could not be offered on rights basis due to the non-availability of details of beneficial holders from depositories. The same are kept in abeyance.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 4 RESERVES AND SURPLUS</b>		
<b>Capital reserve no. 1</b>		
Balance of excess of assets over liabilities and reserves taken over pursuant to the scheme of demerger of MIL		
As per last Balance sheet	8,035.17	8,035.17
	<b>8,035.17</b>	<b>8,035.17</b>
<b>Capital reserve no. 2</b>		
Compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances		
As per last Balance sheet	6,823.20	6,823.20
Add: Received during the year	211.99	-
	<b>7,035.19</b>	<b>6,823.20</b>
<b>Capital redemption reserve</b>		
As per last Balance sheet	33.88	33.88
	<b>33.88</b>	<b>33.88</b>
<b>Securities premium account</b>		
As per last Balance sheet	1,149.55	1,084.48
Add: Received during the year	15.90	65.07
Less: amount in arrears (net of receipts during the year, ₹ 0.07 lacs; as at 31st March, 2016, ₹ 0.01 lacs)	0.66	0.73
	<b>1,164.79</b>	<b>1,148.82</b>
<b>General reserve</b>		
As per last Balance sheet	7,333.34	7,333.34
	<b>7,333.34</b>	<b>7,333.34</b>
<b>Foreign currency translation reserve</b>		
As per last Balance sheet	148.80	324.92
Less: Amount transferred on account of resulting exchange difference on conversion of a non-integral foreign subsidiary	(30.53)	176.12
	<b>179.33</b>	<b>148.80</b>
<b>Surplus in Statement of Profit and loss</b>		
Balance as per last Balance Sheet	40,119.68	34,205.25
Add: profit for the year	13,873.06	8,387.41
	<b>53,992.74</b>	<b>42,592.66</b>
<b>Share of Joint Venture</b>		
Brought forward loss	(87.03)	(50.09)
Adjustment for brought forward of JV	-	0.09
Add: profit for the year	(35.40)	(37.03)
<b>Share of Joint Venture</b>	<b>(122.43)</b>	<b>(87.03)</b>
	<b>53,870.31</b>	<b>42,505.63</b>
<b>Less: appropriations</b>		
Dividend for previous year on equity shares issued after the year end pursuant to allotment of ESOP	-	0.14
Interim dividend (₹ 10/- per share, previous year, ₹ 7.50 per share)	1,076.60	977.95
Special dividend (₹ 7.50 per share, previous year, ₹ nil)	734.05	-
Proposed final dividend (as at 31st March, 2016, ₹ 11/- per share)	-	1,076.60
Corporate tax on dividend	368.61	418.29
<b>Total appropriations</b>	<b>2,179.26</b>	<b>2,472.98</b>
	<b>51,691.05</b>	<b>40,032.65</b>
<b>Total</b>	<b>75,472.75</b>	<b>63,555.86</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 5 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loan from bank *	1,109.52	2,182.17
<b>Share of Joint Venture</b>		
<b>Secured</b>		
Term loan from bank **	4,000.56	2,572.50
<b>Total</b>	<b>5,110.08</b>	<b>4,754.67</b>

### Terms of repayment and security

- \* Repayable in 7 half-yearly installments from September 2016  
Being secured by second charge on fixed assets of the Parent Company
- \*\* Repayable in 20 quarterly installments from November 2018  
To be secured by first charge on all moveable and immoveable fixed assets, present and future of the Company. The Company is in the process of creation of charge.

### NOTE 6 DEFERRED TAX LIABILITIES (NET)

Difference between book and tax written down values of fixed assets	4,628.86	3,698.83
Others	56.44	39.10
<b>Gross deferred tax liability</b>	<b>4,685.30</b>	<b>3,737.93</b>
Provision for doubtful debts / advances	27.60	32.16
Provision for compensated absences	314.91	10.38
<b>Gross deferred tax asset</b>	<b>342.51</b>	<b>42.54</b>
<b>Net deferred tax liability</b>	<b>4,342.78</b>	<b>3,695.39</b>

### NOTE 7 OTHER LONG-TERM LIABILITIES

Advance against project contracts	303.24	303.24
Security deposits received	378.03	586.72
Others		
- Iraq gas project (refer note 36)	1,031.70	1,031.70
- Land development	329.95	329.95
- Deferred Government grant	22.09	-
<b>Total</b>	<b>2,065.01</b>	<b>2,251.61</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 8 LONG-TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences	743.04	614.44
<b>Total</b>	<b>743.04</b>	<b>614.44</b>

<b>NOTE 9 SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loan from bank *	739.69	-
<b>Unsecured</b>		
Commercial paper	-	2,990.40
Others	2.55	67.34
<b>Share of Joint Venture</b>		
<b>Unsecured</b>		
Other loan repayable on demand	1,180.90	352.31
<b>Total</b>	<b>1,923.14</b>	<b>3,410.05</b>

\* Being secured by Second Charge on the Fixed Assets of the Parent Company

<b>NOTE 10 TRADE PAYABLES</b>		
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	651.82	481.37
- Total outstanding dues of Creditors other than micro enterprises and small enterprises	8,726.99	9,076.14
	<b>9,378.81</b>	<b>9,557.51</b>
<b>Share of Joint Venture</b>		
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	3.06	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5.81	4.55
	<b>8.87</b>	<b>4.55</b>
<b>Total</b>	<b>9,387.68</b>	<b>9,562.06</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 11 OTHER CURRENT LIABILITIES</b>		
Unpaid dividend	268.09	223.45
Unpaid money on buy-back of shares	1.09	1.08
Other payables		
- Statutory dues payable	279.37	249.59
- Trade / security deposits	841.96	547.36
- Advance from customers	209.52	121.53
- Gratuity (refer note 32)	-	54.50
- Other liabilities	1,438.80	2,659.84
- To related party (refer note 45)	5,755.42	-
	<b>8,794.25</b>	<b>3,857.35</b>
<b>Share of Joint Venture</b>		
- Statutory dues payable	21.43	15.04
- Other liabilities	445.78	987.47
	<b>467.21</b>	<b>1,002.51</b>
<b>Total</b>	<b>9,261.46</b>	<b>4,859.86</b>

### NOTE 12 SHORT-TERM PROVISIONS

<b>Provision for employee benefits</b>		
Provision for compensated absences	171.57	153.31
	<b>171.57</b>	<b>153.31</b>
<b>Provisions - Others</b>		
Provision for tax (net of advance tax ₹ 9,510.02 lacs, as at 31 March, 2016, ₹ 6,749.01 lacs)	1,290.61	356.44
Provision for proposed equity dividend	-	1,076.60
Provision for tax on proposed dividend	-	219.17
	<b>1,290.61</b>	<b>1,652.21</b>
<b>Total</b>	<b>1,462.18</b>	<b>1,805.52</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 13 FIXED ASSETS

Tangible asset - Property, Plant and Equipment	Gross Block (At cost)			Depreciation / amortisation			Net Block	
	As at 1st April, 2016	Additions / Deductions / adjustments	Effect of foreign currency exchange differences	As at 31st March, 2017	For the year Deductions / adjustments	Effect of foreign currency exchange differences	As at 31st March, 2017	As at 31st March, 2016
<b>Owned assets</b>								
Freehold land	10.56	-	-	10.56	-	-	10.56	10.56
Leasehold land	2,595.99	-	-	2,595.99	26.21	-	2,463.28	2,489.50
Buildings	7,033.95	944.88	-	7,978.83	266.83	-	6,621.95	5,943.90
Plant and machinery	34,636.25	15,764.25	(304.58)	50,517.43	2,380.33	(118.76)	32,624.34	19,189.39
Furniture and fixtures	446.08	119.23	(5.89)	590.00	49.84	(5.51)	242.47	211.11
Vehicles	188.62	111.74	58.83	241.53	21.33	45.89	142.05	64.58
Office equipment	1,228.61	297.76	(7.06)	984.09	141.81	(5.59)	743.11	708.75
	<b>46,140.06</b>	<b>17,237.86</b>	<b>(200.60)</b>	<b>62,918.44</b>	<b>2,886.35</b>	<b>(129.86)</b>	<b>42,847.76</b>	<b>28,617.79</b>
Share of Joint Venture	0.43	-	-	0.43	-	(0.02)	0.37	0.08
<b>Total</b>	<b>46,140.49</b>	<b>17,237.86</b>	<b>(200.60)</b>	<b>62,918.87</b>	<b>2,886.35</b>	<b>(129.86)</b>	<b>42,847.82</b>	<b>28,617.87</b>
<b>Intangible assets</b>								
Computer software	216.20	16.26	-	232.46	20.89	(34.46)	294.1	68.50
	216.20	16.26	-	232.46	20.89	(34.46)	294.1	68.50
Share of Joint Venture	0.08	-	-	0.08	-	-	-	-
<b>Total</b>	<b>216.28</b>	<b>16.26</b>	<b>-</b>	<b>232.54</b>	<b>20.89</b>	<b>(34.46)</b>	<b>294.1</b>	<b>68.50</b>
Capital work-in-progress							3,106.44	2,042.14

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 14 NON-CURRENT INVESTMENTS</b>		
<b>(a) Investment property</b> (at cost less accumulated depreciation, given on operating lease)		
Cost of premises	5,108.81	5,108.81
Less: accumulated depreciation	616.25	531.01
<b>Net</b>	<b>4,492.56</b>	<b>4,577.80</b>
<b>(b) Non-trade investments</b> (valued at cost unless stated otherwise)		
Investment in equity instruments	21.77	2,712.34
Investment in bonds	1.50	1.50
Less: adjustments to the carrying amount of investments	(1.50)	(1.50)
Investment in mutual funds	6,325.00	4,379.91
<b>Total</b>	<b>10,839.33</b>	<b>11,670.05</b>
Aggregate amount of quoted investments	-	2,690.57
Aggregate market value of quoted investments	-	7,954.88
Aggregate amount of unquoted investments	10,839.33	8,979.48
<b>NOTE 15 LONG-TERM LOANS AND ADVANCES</b>		
<b>Capital advances</b>		
- Unsecured, considered good	181.00	81.56
<b>Security deposits</b>		
- Unsecured, considered good	689.28	692.19
<b>Loans and advances to related parties (refer note 45)</b>		
- Unsecured, considered good	1.00	38.86
Loans and advances to employees (unsecured, considered good)	-	0.93
Prepaid expenses (unsecured, considered good)	3.31	0.54
Advance income-tax (net of provision ₹ 22,090.84 lacs, as at 31st March, 2016, ₹ 21,302.47 lacs) (unsecured, considered good)	1,881.13	1,629.25
Advance fringe benefit tax (net of provision ₹ 89.00 lacs, as at 31st March, 2016, ₹ 89.00 lacs)	12.08	12.08
<b>Other loans and advances (unsecured, considered good)</b>		
- Iraq gas project (refer note 36)	162.70	162.70
- Land development	205.64	205.64
- Others	122.47	118.12
	<b>3,258.61</b>	<b>2,941.87</b>
<b>Share of Joint Venture</b>		
- Unsecured, considered good	0.47	6,702.31
<b>Total</b>	<b>3,259.09</b>	<b>9,644.18</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 16 CURRENT INVESTMENTS</b> (Valued at lower of cost or fair value)		
Investment in equity instruments	1,581.59	-
Investment in mutual funds	6,406.85	5,321.02
<b>Total</b>	<b>7,988.44</b>	<b>5,321.02</b>
Aggregate amount of quoted investments	1,581.59	-
Aggregate market value of quoted investments	6,319.96	-
Aggregate amount of unquoted investments	6,406.85	5,321.02

<b>NOTE 17 INVENTORIES</b> (valued at lower of cost and net realizable value)		
Raw materials	3,445.14	2,746.97
Work-in-progress - Fluoro chemicals	2,005.07	1,138.34
Finished goods	3,298.94	1,379.54
Traded goods	1,474.72	1,349.80
Stores and spares	1,050.74	937.92
<b>Total</b>	<b>11,274.61</b>	<b>7,552.57</b>

<b>NOTE 18 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	40.97	22.14
Doubtful	64.90	78.08
	105.87	100.22
Less: provision for doubtful trade receivables	64.90	78.08
	<b>40.97</b>	<b>22.14</b>
<b>Other receivables</b>		
Unsecured, considered good	13,537.54	15,037.91
Doubtful	12.41	12.41
	13,549.95	15,050.32
Less: provision for doubtful trade receivables	12.41	12.41
	<b>13,537.54</b>	<b>15,037.91</b>
<b>Total</b>	<b>13,578.51</b>	<b>15,060.05</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 19 CASH AND CASH EQUIVALENTS</b>		
<b>Cash and cash equivalents</b> (As per Accounting Standard 3 - Cash Flow Statement)		
Cash on hand	9.17	7.61
Balances with banks		
in current accounts	2,420.49	1,442.75
in deposits accounts		
- original maturity of 3 months or less	246.00	167.00
	<b>2,675.66</b>	<b>1,617.36</b>
<b>Share of Joint Venture</b>		
Balances with banks		
in current accounts	664.79	21.98
in deposits accounts		
- original maturity of 3 months or less	5.09	6.88
	<b>669.88</b>	<b>28.86</b>
	<b>3,345.54</b>	<b>1,646.23</b>
<b>Other bank balances</b>		
in deposit accounts		
- original maturity of more than 3 months	200.00	180.00
in other deposit accounts	943.17	762.42
in earmarked accounts		
- unpaid dividend account	268.09	223.45
- buy-back account	1.09	1.09
- balances held as margin money	20.32	19.01
- unclaimed settled liabilities	34.92	35.70
	<b>1,467.60</b>	<b>1,221.67</b>
<b>Total</b>	<b>4,813.14</b>	<b>2,867.90</b>

One current account with bank, which has been transferred from Mafatlal Industries Ltd pursuant to its scheme of demerger, is in the process of being transferred in the Company's name.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE 20 SHORT TERM LOANS AND ADVANCES</b>		
<b>Loan and advances to related parties</b> (refer note 45)		
- Unsecured, considered good	-	275.34
<b>Security deposits</b>		
- Unsecured, considered good	49.47	54.69
Loans to employees (unsecured, considered good)	1.23	2.22
Prepaid expenses (unsecured, considered good)	162.14	175.28
MAT credit entitlement - Unsecured, considered good	666.20	-
<b>Balances with statutory / government authorities</b> (unsecured, considered good)		
- CENVAT credit receivable	872.00	1,144.43
- Service tax credit receivable	663.26	765.70
	<b>2,364.83</b>	<b>2,087.63</b>
<b>Other loans and advances</b> (unsecured, including advance to suppliers)		
Unsecured, considered good	1,364.88	1,025.38
Doubtful	2.43	2.43
	1,367.31	1,027.81
Provision for doubtful advances	2.43	2.43
	<b>1,364.88</b>	<b>1,025.38</b>
<b>Share of Joint Venture</b>		
- TDS receivable	0.05	0.07
<b>Balances with statutory / government authorities</b> (unsecured, considered good)		
- Service tax credit receivable	17.67	4.64
<b>Total</b>	<b>3,796.90</b>	<b>3,447.75</b>

### NOTE 21 OTHER CURRENT ASSETS

Interest accrued on fixed deposits with banks	62.83	59.30
Rent receivable	181.12	252.41
Excess contribution towards Gratuity (refer note 32)	5.14	-
Others	188.36	108.36
	<b>437.46</b>	<b>420.07</b>
<b>Share of Joint Venture</b>		
Interest accrued on fixed deposits with banks	0.03	0.03
<b>Total</b>	<b>437.49</b>	<b>420.10</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 22 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Finished goods	77,389.55	71,301.75
Traded goods	1,354.55	705.71
	<b>78,744.10</b>	<b>72,007.46</b>
<b>Other operating Revenue</b>		
Scrap sales	131.90	154.41
Export Incentives	61.49	34.40
	<b>193.39</b>	<b>188.81</b>
<b>Revenue from operations (gross)</b>	<b>78,937.49</b>	<b>72,196.27</b>
Less: excise duty *	4,171.75	4,228.69
<b>Revenue from operations (net)</b>	<b>74,765.74</b>	<b>67,967.58</b>
* Excise duty deducted from turnover represents excise duty collected on sale of goods. Excise duty shown under 'expenditure' (note 29) represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stocks of finished goods.		
<b>NOTE 23 OTHER INCOME</b>		
Interest income (refer note 1, below)	371.44	353.50
Dividend income:		
Current investments	38.20	30.65
Long-term investments	135.45	168.48
Other non-operating income (refer note 2, below)	2,513.03	1,895.06
	<b>3,058.11</b>	<b>2,447.69</b>
<b>Share of Joint Venture</b>		
Interest income (refer note 1, below)	0.47	0.73
<b>Total</b>	<b>3,058.58</b>	<b>2,448.42</b>
<b>Notes,</b>		
<b>1. Interest income:</b>		
Interest from banks on deposits	39.95	33.40
Interest on loans & advances	331.55	309.98
Interest on Investments	-	10.71
Other interest	0.41	0.14
	<b>371.91</b>	<b>354.23</b>
<b>2. Other non-operating income:</b>		
Rental income from investment property	1,616.30	1,404.81
Provision for doubtful debts / advances written back / credit balances written back	20.79	5.67
Excess provision of earlier years written back (net)	30.38	0.07
Insurance claims	17.37	45.47
Profit on sale of current investments	669.02	366.32
Share of profit in the partnership firm where the Company is a partner	-	0.05
Miscellaneous income	159.17	72.68
	<b>2,513.03</b>	<b>1,895.06</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 24 COST OF RAW MATERIALS CONSUMED</b>		
Inventories at the beginning of the year	2,746.97	2,656.17
Add: Purchases	32,957.42	30,640.10
	<b>35,704.39</b>	<b>33,296.27</b>
Less: Inventories at the end of the year	3,445.14	2,746.97
Cost of raw materials consumed	<b>32,259.25</b>	<b>30,549.30</b>
Purchase of stock-in-trade	1,160.71	678.26
	<b>1,160.71</b>	<b>678.26</b>

<b>NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year</b>		
Finished goods	3,298.94	1,379.54
Work-in-process	2,005.07	1,138.34
Stock-in-trade	1,474.72	1,349.80
	<b>6,778.73</b>	<b>3,867.68</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	1,379.54	2,197.19
Work-in-process	1,138.34	499.55
Stock-in-trade	1,349.80	1,017.11
	<b>3,867.68</b>	<b>3,713.84</b>
	2,911.05	153.84
Add / (Less): Foreign currency translation adjustments	222.24	(36.68)
<b>Net increase</b>	<b>3,133.29</b>	<b>117.16</b>

<b>NOTE 26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	8,109.85	7,105.83
Contribution to provident and other funds	550.24	506.70
Gratuity expenses	244.86	210.06
Staff welfare expenses	281.74	226.58
	<b>9,186.69</b>	<b>8,049.17</b>
<b>Share of Joint Venture</b>		
Salaries, wages and bonus	21.81	12.00
Contribution to provident and other funds	1.13	0.14
	<b>22.94</b>	<b>12.14</b>
<b>Total</b>	<b>9,209.64</b>	<b>8,061.31</b>

<b>NOTE 27 FINANCE COSTS</b>		
Interest on borrowings	104.61	320.98
Interest on others	16.08	21.20
Other borrowing costs	62.32	35.75
<b>Total</b>	<b>183.02</b>	<b>377.93</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>NOTE 28 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation of Tangible assets - Property, Plant and Equipment	2,886.35	2,143.24
Amortisation of intangible assets	20.89	20.56
Depreciation of investment property	85.24	85.27
	<b>2,992.48</b>	<b>2,249.07</b>
<b>Share of Joint Venture</b>		
Depreciation and amortisation of Tangible assets - Property, Plant and Equipment	-	0.03
Amortisation of intangible assets	0.02	0.02
	<b>0.02</b>	<b>0.05</b>
<b>Total</b>	<b>2,992.50</b>	<b>2,249.12</b>

### NOTE 29 OTHER EXPENSES

Consumption of stores and spares	2,675.07	1,956.67
Consumption of packing materials	2,431.75	2,249.74
Excise duty	94.48	20.62
Power and fuel	4,498.05	4,146.10
Rent	644.24	638.18
Repairs to buildings	121.47	278.13
Repairs to machinery	806.11	553.72
Labour charges	1,267.72	815.60
Property maintenance expenses	12.36	7.28
Insurance	156.70	154.40
Rates and taxes	477.67	305.17
Commission and discounts	615.30	624.98
Transport and freight charges (net)	1,564.06	1,590.99
Loss on sale / write off of fixed assets (net)	57.38	111.12
Adjustment to the carrying amount of investments	-	1.50
Provision for doubtful debts / advances	7.61	69.63
Share of loss in the partnership firm where the Company is a partner	0.12	-
Net loss on foreign currency transactions and translations	36.64	113.67
Expenditure on Corporate Social Responsibility (refer note 44)	302.08	194.81
Legal and professional fees	1,219.90	1,049.25
Miscellaneous expenses	2,484.42	2,154.02
	<b>19,473.13</b>	<b>17,035.56</b>
<b>Share of Joint Venture</b>		
Rent	1.76	1.63
Rates and taxes	0.06	10.80
Legal and professional fees	8.01	9.52
Miscellaneous expenses	3.45	3.62
	<b>13.28</b>	<b>25.57</b>
<b>Total</b>	<b>19,486.40</b>	<b>17,061.13</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 30

The consolidated financial statements of Navin Fluorine International Limited (the parent company - NFIL) and its subsidiaries and a joint ventures have been prepared in accordance with Accounting Standard (AS) 21 on 'Consolidated Financial Statements' and AS 27 on 'Financial Reporting of Interests in Joint Venture' issued by The Institute of Chartered Accountants of India. The details of such enterprises are as under:

	% holding of NFIL	Date of financial statements
<b>Subsidiaries</b>		
Sulakshana Securities Limited - SSL (a company incorporated in India)	100.00	31st March, 2017
Manchester Organics Limited – MOL* (a company incorporated in United Kingdom)	100.00	31st March, 2017
NFIL (UK) Limited (a company incorporated in United Kingdom)	100.00	31st March, 2017
Navin Fluorine (Shanghai) Company Limited (a company incorporated in China)	100.00	31st March, 2017
Urvija Associates (a partnership firm in India)	80.00	31st March, 2017
<b>Joint Ventures</b>		
Swarnim Gujarat Fluorspar Private Limited – SGFPL (a company incorporated in India)	49.43	31st March, 2017
Convergence Chemicals Private Limited – CCPL (a company incorporated in India)	49.00	31st March, 2017

#### Note,

There has been no change in the percentage holding of NFIL.

\* Navin Fluorine International Limited holds 51% and NFIL (UK) Limited holds 49% in Manchester Organics Limited

### NOTE 31 EARNINGS PER SHARE (EPS)

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:

	As at 31st March, 2017	As at 31st March, 2016
Profit attributable to equity shareholders – (₹ in lacs)	13,837.69	8,350.38
Weighted average number of equity shares outstanding during the year	97,88,338	97,77,419
Basic earnings per share – ₹	141.37	85.40
Diluted earnings per share – ₹	140.14	84.75
Nominal value per share – ₹	10.00	10.00

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 32 EMPLOYEE BENEFITS

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate to ₹ 551.37 lacs (as at 31st March, 2016, ₹ 506.84 lacs).

Contributions are made to a Recognized Gratuity Fund in respect of gratuity and provision is made for compensated absences based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit' method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and loss.

The charge on account of provision for compensated absences has been included in 'Salaries, wages and bonus'.

In respect of gratuity (funded) :

	As at 31st March, 2017	As at 31st March, 2016
(₹ in lacs)		
<b>Reconciliation of liability recognized in the Balance sheet</b>		
Present value of commitments	(1,794.01)	(1,598.46)
Fair value of plan assets	1,799.15	1,543.96
Net liability in the Balance sheet	5.14	(54.50)
<b>Movement in net liability recognized in the Balance sheet</b>		
Net liability as at beginning of the year	(54.50)	(158.20)
Net expense recognized in the Statement of Profit and loss	(244.86)	(210.06)
Contribution during the year	304.50	313.76
Net liability as at end of the year	5.14	(54.50)
<b>Expense recognized in the Statement of Profit and loss</b>		
Current service cost	129.86	125.85
Interest cost	124.52	124.28
Expected return on plan assets	(120.27)	(111.64)
Actuarial (gains) / losses	110.75	71.58
Expense charged to the Statement of Profit and loss	244.86	210.07
<b>Return on plan assets</b>		
Expected return on plan assets	120.27	111.64
Actuarial gains / (losses)	(0.98)	17.35
Actual return on plan assets	119.29	128.99
<b>Reconciliation of defined-benefit commitments</b>		
Commitments as at beginning of the year	1,598.46	1,555.49
Current service cost	129.86	125.85
Interest cost	124.52	124.28
Liability Transferred In/Acquisitions	55.92	-
Paid benefits	(224.52)	(296.09)

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 32 EMPLOYEE BENEFITS (contd.)

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
Actuarial losses	109.77	88.93
Commitments as at end of the year	1,794.01	1,598.46
<b>Reconciliation of plan assets</b>		
Plan assets as at beginning of the year	1,543.96	1,397.30
Expected return on plan assets	120.27	111.64
Contributions during the year	304.50	313.76
Liability transferred in / Acquisitions	55.92	-
Paid benefits	(224.52)	(296.09)
Actuarial gains / (losses)	(0.98)	17.35
Plan assets as at end of the year	1,799.15	1,543.96

The actuarial calculations used to estimate commitments and expenses in respect of gratuity are based on the following assumptions which if changed, would effect the commitment's size, funding requirements and expense:

	As at 31st March, 2017 (%)	As at 31st March, 2016 (%)
Discount rate	7.09	7.79
Expected return on plan assets	7.09	7.79
Expected rate of salary increase	10.00	10.00

Mortality	Indian Assured Life Mortality (2006-08) Ultimate	
Estimate of amount of contribution in the immediate next year	149.04	164.50

Experience adjustment	On plan liability (gain) / loss	On plan assets gain / (loss)
2016-17	50.04	0.98
2015-16	26.63	17.35
2014-15	68.20	(17.05)
2013-14	29.12	(10.28)
2012-13	28.70	46.72

The fair value of the plan assets is distributed in the following manner	As at 31st March, 2017 (%)	As at 31st March, 2016 (%)
Deposits with a nationalized bank	15.60	23.26
Various debt instruments	84.40	76.74

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 33 EMPLOYEE STOCK OPTION SCHEME

- The Company's Employee Stock Option Scheme has been approved by the Board of Directors of the Company on 1st May, 2007.
- The options granted on 28th April, 2014, 29th June, 2015 and 24th October, 2016 shall vest upon the expiry of two years from the date of their grant.
- Exercise period would commence one year from the date of vesting and will expire on completion of ten years from the date of vesting.
- The options will be settled in equity shares of the Company.
- The Company used the intrinsic value method to account for ESOPs.
- The exercise prices have been determined to be the market price on the days preceding the dates of respective grants.
- Consequently, no compensation cost has been recognized by the Company in accordance with the "Guidance Note on Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India.
- Details of movement of options:

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	Nos.	Nos.
Options outstanding at the beginning of the year	113,107	106,900
Options granted during the year	11,215	30,023
Options vested during the year	NIL	NIL
Options exercised during the year	4,000	17,500
Options forfeited during the year	NIL	NIL
Options lapsed/ surrendered during the year	2,320	6,316
Options outstanding at the end of the year	118,002	113,107

- Had fair value method been used, the compensation cost would have been higher by ₹ 72.40 lacs (as at 31st March, 2016 ₹ 79.89 lacs), Profit after tax would have been lower by ₹ 72.40 lacs (as at 31st March, 2016 ₹ 79.89 lacs) and EPS – both basic and diluted - would have been ₹ 140.63 & ₹ 139.41 per share respectively (as at 31st March, 2016 ₹ 84.59 & ₹ 83.94 per share respectively).
- Weighted average exercise price of the above options range between ₹ 390.00 and ₹ 2,772.00

### NOTE 34 LEASE

- The Company has taken office, residential premises and vehicles under operating lease or leave and license agreements. These are generally cancellable in nature and range between 11 months to 48 months. These leave and license agreements are generally renewable or cancellable at the option of the Company or the lessor. The lease payment recognized in the Statement of Profit and loss is ₹ 646.00 lacs (as at 31st March, 2016 ₹ 639.81 lacs).
- The Company has taken office premise under lease rental agreement. Details of minimum lease payments for non-cancellable lease are as under:

Particulars	As at	As at
	31st March, 2017	31st March, 2016
	(₹ in lacs)	(₹ in lacs)
Not later than one year	477.34	485.92
Later than one year and not later than five years	1,112.74	1,296.70
Later than five years	402.65	651.11
<b>Total</b>	<b>1,992.73</b>	<b>2,433.73</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 34 LEASE (contd.)

- (c) The Company has given office premises under lease rental agreement. Details of minimum lease payments for non-cancellable lease are as under:

Particulars	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
Not later than one year	676.73	434.23
Later than one year and not later than five years	1,934.76	1,485.27
Later than five years	0.00	40.45
<b>Total</b>	<b>2,611.49</b>	<b>1,959.95</b>
Operating lease rentals credited to the Statement of Profit and loss	1,616.30	1,404.81

- (d) Other details of premises which have been given on operating lease for a period of upto sixty months are as under:

Particulars	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
Gross block as at the year end	5,108.81	5,108.81
Accumulated depreciation as at the year end	616.25	531.01
Depreciation charged during the year	85.24	85.27

### NOTE 35 SEGMENT INFORMATION

#### Primary

The Company is engaged in the 'chemicals business' and it is the primary segment.

#### Secondary

The Company has two geographical segments based upon location of its customers - within and outside India:

Particulars	As at and for the year ended 31st March, 2017			As at and for the year ended 31st March, 2016		
	Within India	Outside India	Total	Within India	Outside India	Total
	Revenues	42,802.34	35,941.76	78,744.10	38,751.04	33,256.42
Segment assets	70,096.20	15,117.27	85,213.47	56,234.39	17,753.85	73,988.24
Cost incurred on acquisition of fixed assets	18,206.78	111.63	18,318.41	3,645.30	33.70	3,679.00

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 36

Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers have asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Company pursuant to the sanctioned scheme of MIL, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

	As at 31st March, 2017	As at 31st March, 2016
(₹ in lacs)		
<b>NOTE 37 CAPITAL AND OTHER COMMITMENTS</b>		
<b>i. Capital commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	895.90	439.96
<b>ii. Other commitments:</b>		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	92.29	47.90

	As at 31st March, 2017	As at 31st March, 2016
(₹ in lacs)		
<b>NOTE 38 CONTINGENT LIABILITIES</b>		
In respect of:		
<b>a. Excise matters disputed in appeal</b>		
These relate to MODVAT on capital purchases (pending before the Assistant Commissioner) and permit fee on purchase of alcohol (pending before the High Court)	231.34	268.13
<b>b. Claims against the Company not acknowledged as debts</b>		
Labour matters involving issues like regularization of employment, termination of employment, compensation against severance, etc.	7.00	7.00
<b>c. Sales-tax matters disputed in appeal</b>		
These relate to classification of goods and consequent dispute on the rates of sales-tax (pending at various stages from Assistant Commissioner to High Court)	128.56	136.63
<b>d. Income tax matters disputed in appeal</b>	2,034.92	1,933.49

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 39 DERIVATIVE INSTRUMENTS

- a. The Group enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to such forward contracts is a bank. These contracts are entered into to hedge the foreign currency risks on outstanding. Details of forward contracts outstanding as at the year end:

Currency	Exposure to buy / sell	As at the year end	
		₹ in lacs	Foreign currency in lacs
US Dollars	Sell	5,233.40	80.70
		(6,730.16)	(101.58)
GBP	Sell	-	-
		(37.23)	(0.39)
EURO	Sell	18.61	0.27
		(112.64)	(1.49)
US Dollars	Buy	2,387.82	36.82
		(2,986.75)	(45.08)

Note: Figures in parentheses are for the previous year.

- b. Net exchange difference in respect of forward contracts to be credited - debited in subsequent accounting year amounts to debit ₹ 9.94 lacs (as at 31st March, 2016, debit ₹ 6.86 lacs).
- c. Foreign currency exposure at the year end not hedged by derivative instruments

	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>Receivables against export of goods and services</b>		
US Dollars	-	138.06
GBP	10.77	2.26
<b>Advance received from customers</b>		
US Dollars	332.98	40.05
<b>Payables against import of goods and services</b>		
US Dollars	44.02	66.06
Euros	-	2.75
GBP	0.40	0.12
<b>Advance payment to suppliers</b>		
US Dollars	44.00	235.22
Euros	78.58	2.65

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 40 RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹1,427.54 lacs (as at 31st March, 2016 ₹1,924.21 lacs) included in the figures reported under notes 13 and 24 to 29 are as under:

	(₹ in lacs)	
	As at 31st March, 2017	As at 31st March, 2016
Capital Expenditure	32.71	506.81
Revenue Expenditure	1,394.83	1,417.40
<b>Total</b>	<b>1,427.54</b>	<b>1,924.21</b>
<b>The details of revenue expenditure incurred on research and development are as under :</b>		
Salaries / Wages	691.25	614.14
Material / Consumable / Spares	309.35	298.94
Utilities	125.23	148.98
Other expenditure	111.93	200.56
Depreciation	157.07	154.78
<b>Total</b>	<b>1,394.83</b>	<b>1,417.40</b>

### NOTE 41

Before transfer of assets to Sulakshana Securities Limited (SSL) by Mafatlal Industries Limited (MIL) pursuant to its sanctioned scheme of rehabilitation, MIL had initiated steps for revision in rent/recovery of expenses and filed legal proceedings for eviction of some of its tenants/ (now) ex-tenants who were occupying at that time some of the premises in its building at Nariman Point, Mumbai. Pending resolution of those legal cases, rent of Nil, as at 31st March, 2016, Nil, (aggregate to date, ₹66.43 lacs, as at 31st March, 2016, ₹66.43 lacs) and recovery of expenses, of ₹ Nil, as at 31st March, 2016, Nil (aggregate to date, ₹42.40 lacs, as at 31st March, 2016, ₹42.40 lacs), have not been accounted, on legal advice. The ex-tenants have filed Civil Revision Application and secured a stay from the Honorable Bombay High Court in April 2013 against the Order of the appeal bench of Honorable Small Causes Court awarding an increased amount to SSL. During the year 2014-15, pursuant to the directions of the Honorable Bombay High Court and the Undertakings provided by SSL, it received ₹655.58 lacs deposited by the ex-tenants which is subject to final disposal of the matter. SSL is liable to refund the amount if the final decision goes against it. Pending final decision on the matter, the aforesaid amount has been kept in Term deposit account and the interest thereon is not considered as an Income.

	(₹ in lacs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>NOTE 42 PAYMENT TO AUDITORS</b>		
Audit fees	19.35	19.35
Payments for other services	38.06	23.00
Reimbursement of expenses	0.38	0.11
<b>Total</b>	<b>57.79</b>	<b>42.46</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 43

As part of an agreement executed amongst Shri H. A. Mafatlal, Shri V. P. Mafatlal, their family members, family trusts & companies including the three listed entities, viz. the Company, Mafatlal Industries Ltd and NOCIL Ltd and approved by the Board of Directors on 6th August 2016, the Company has divested part of its shareholding in Mafatlal Industries Ltd and in NOCIL Ltd during the year. The profit arising out of divestment of such Long Term investments amounting to ₹ 2,733.18 lacs has been shown under "Exceptional Items" in the Statement of Profit and Loss.

### NOTE 44 EXPENDITURE IN CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY

- (a) Gross amount required to be spent by the company during the year ₹ 176.11 lacs (as at 31st March, 2016 ₹ 141.84 lacs)  
 (b) Amount spent during the year ₹ 302.08 lacs (previous year ₹ 194.81 lacs)

### NOTE 45 RELATED PARTY TRANSACTIONS

#### Enterprises over which key management personnel and their relatives are able to exercise significant influence

Mafatlal Industries Limited (upto 19th August, 2016)

NOCIL Limited (upto 19th August, 2016)

Arvind Mafatlal Foundation Trust

Sri Sadguru Seva Sangh Trust

Seth Navinchandra Mafatlal Foundation Trust

#### Joint Ventures

Swarnim Gujarat Fluorspar Private Limited

Convergence Chemicals Private Limited

#### Key management personnel

Shri Hrishikesh A. Mafatlal (in the capacity of an individual / trustee) (upto 19th August, 2016)

Shri Vishad P. Mafatlal (in the capacity of an individual / karta)

Shri Atul K. Srivastava (upto 30th April, 2015)

Shri Shekhar S. Khanolkar

Details of transactions with related parties during the year / previous year

(₹ in lacs)

Nature of transactions	1	2	3	Total
<b>Sale of finished goods</b>				
NOCIL Limited	0.81			0.81
	2.68			2.68
Mafatlal Industries Limited	-			-
	0.33			0.33
<b>Property Maintenance Expenses</b>				
Mafatlal Industries Limited	12.36			12.36
	5.38			5.38
<b>Rental income</b>				
NOCIL Limited	62.40			62.40
	156.78			156.78
<b>Dividend Income</b>				
Mafatlal Industries Limited	53.24			53.24
	53.24			53.24

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 45 RELATED PARTY TRANSACTIONS (contd.)

				(₹ in lacs)
Nature of transactions	1	2	3	Total
NOCIL Limited	82.20			82.20
	68.50			68.50
<b>Purchase of cloth for uniform</b>				
Mafatlal Industries Limited	-			-
	8.70			8.70
<b>Reimbursement of Expenses</b>				
Mafatlal Industries Limited	28.99			28.99
	127.97			127.97
<b>Managerial remuneration</b>				
Shri Hrishikesh A. Mafatlal			236.09	236.09
			246.86	246.86
Shri Vishad P. Mafatlal			269.16	269.16
			9.00	9.00
Shri Atul K. Srivastava			-	-
			163.57	163.57
Shri Shekhar S. Khanolkar			347.01	347.01
			280.78	280.78
<b>Sitting fees</b>				
Shri Vishad P. Mafatlal			1.75	1.75
			2.35	2.35
Shri Atul K. Srivastava			-	-
			2.15	2.15
<b>Sale of Investment in equity shares</b>				
Mafatlal Industries Limited	615.40			615.40
	-			-
NOCIL Limited	493.58			493.58
	-			-
<b>Advances / Reimbursement of expenses given to</b>				
Convergence Chemicals Private Limited		483.59		483.59
		2,523.87		2,523.87
<b>Repayment of advances / Reimbursement of expenses from</b>				
Convergence Chemicals Private Limited		272.39		272.39
		2,486.51		2,486.51
<b>Donation</b>				
Sri Sadguru Seva Sangh Trust	60.00			60.00
	30.00			30.00
Arvind Mafatlal Foundation Trust	100.00			100.00
	-			-

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 45 RELATED PARTY TRANSACTIONS (contd.)

(₹ in lacs)

Nature of transactions	1	2	3	Total
<b>As at the year end</b>				
<b>Amounts due to</b>				
Mafatlal Industries Limited	-			-
	<i>6.10</i>			<i>6.10</i>
NOCIL Limited	1.49			1.49
	<i>1.49</i>			<i>1.49</i>
Convergence Chemicals Private Limited		5,755.42		5,755.42
		-		-
Shri Hrishikesh A. Mafatlal			90.37	90.37
			<i>188.00</i>	<i>188.00</i>
Shri Vishad P. Mafatlal			150.63	150.63
			<i>9.00</i>	<i>9.00</i>
Shri Shekhar S. Khanolkar			92.70	92.70
			<i>58.30</i>	<i>58.30</i>
<b>Amounts due from</b>				
Mafatlal Industries Limited	0.03			0.03
	<i>0.09</i>			<i>0.09</i>
NOCIL Limited	0.22			0.22
	-			-
Convergence Chemicals Private Limited		-		-
		<i>140.42</i>		<i>140.42</i>

- Enterprises over which key management personnel and their relatives are able to exercise significant influence
- Joint Ventures
- Key management personnel

#### Note,

- There are no amounts written off or written back during the year in respect of debts due from or to related parties.
- Figures in italics are those as at and for the year ended 31st March, 2016

(₹ in lacs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>NOTE 46 GOODWILL ON CONSOLIDATION</b>		
Opening Balance	8,776.41	4,095.68
Add: On acquisition of subsidiary during the year	-	4,680.73
<b>Total</b>	<b>8,776.41</b>	<b>8,776.41</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### NOTE 47

The Ministry of Corporate Affairs (MCA) in its notification dated 30th March, 2017 amended Schedule III to the Companies Act, requiring companies to provide the following disclosure in the financial statements in respect of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016:

(₹ in lacs)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	8.93	0.81	9.74
(+) Permitted receipts	-	36.75	36.75
(-) Permitted payments	-	(22.28)	(22.28)
(-) Amount deposited in Banks	(8.91)	-	(8.91)
Closing cash in hand as on 30th December, 2016	0.02*	15.28	15.30

\*SBN notes of ₹ 0.02 lacs has been written-off as at 31st March, 2017

### NOTE 48 NAME OF THE ENTITY

	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
<b>Parent</b>				
Navin Fluorine International Ltd	97.84	74,804.48	95.15	13,167.02
<b>Subsidiaries</b>				
<b>Indian</b>				
Sulakshana Securities Limited - SSL	1.39	1,054.45	1.56	215.13
Urvija Associates	-	1.54	-	(0.15)
<b>Foreign</b>				
Manchester Organics Limited - MOL	1.66	1,269.69	4.96	686.36
Navin Fluorine (Shanghai) Co. Ltd	(0.15)	(116.15)	(0.44)	(60.31)
NFIL (UK) Ltd	(0.58)	(439.78)	(0.98)	(134.99)
<b>Minority Interests in subsidiaries</b>				
<b>Indian</b>				
Urvija Associates	-	0.47	-	0.03
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
Swarnim Gujarat Fluorspar Private Limited – SGFPL	(0.04)	(29.79)	(0.03)	(4.66)
Convergence Chemicals Private Limited – CCPL	(0.12)	(92.24)	(0.22)	(30.74)

V. P. Mafatlal  
Chairman

S. S. Khanolkar  
Managing Director

T. M. M. Nambiar  
S. S. Lalbhai  
P. N. Kapadia  
S. M. Kulkarni

R. V. Haribhakti  
A. K. Srivastava  
S. G. Mankad  
H. H. Engineer

} Directors

N. B. Mankad  
Company Secretary

Sitendu Nagchaudhuri  
Chief Financial Officer

Mumbai, 28th April, 2017

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries

#### Part "A" subsidiaries

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Sulakshana Securities Limited	Navin Fluorine (Shanghai) Co. Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2016 - 31st March, 2017	01st April, 2016 - 31st March, 2017
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries	INR	RMB 1 RMB = INR 9.4071"
3	Share capital	15.00	128.92
4	Reserves & surplus	(451.48)	(116.15)
5	Total assets	2,553.36	13.06
6	Total Liabilities	2,989.84	0.29
7	Investments	-	-
8	Turnover	-	-
9	Profit / (Loss) before taxation	287.21	(60.31)
10	Provision for taxation	72.08	-
11	Profit / (Loss) after taxation	215.13	(60.31)
12	Proposed Dividend	-	-
13	% of shareholding	100%	100%

Sr. No.	Name of the Subsidiary Company	Manchester Organics Limited	NFIL (UK) Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2016 - 31st March, 2017	01st April, 2016 - 31st March, 2017
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries	GBP 1 GBP = INR 80.9025	GBP 1 GBP = INR 80.9025
3	Share capital	0.07	3,462.60
4	Reserves & surplus	2,387.32	(439.76)
5	Total assets	3,073.12	5178.91
6	Total Liabilities	685.73	2156.07
7	Investments	-	5,122.34
8	Turnover	4,922.02	-
9	Profit before taxation	766.94	111.94
10	Provision for taxation	80.58	-
11	Profit after taxation	686.36	111.94
12	Proposed Dividend	-	-
13	% of shareholding	*100%	100%

\* Navin Fluorine International Limited holds 51% and NFIL (UK) Limited holds 49% in Manchester Organics Limited

- 1 Names of subsidiaries which are yet to commence operations: None
- 2 Names of subsidiaries which have been liquidated or sold during the year: None

## Part "B" Joint Ventures

## Statement pursuant to section 129 (3) of the companies Act 2013 related to Joint Ventures

		(₹ in lacs)	
Sr. No.	Name of the Joint Ventures	Swarnim Gujarat Fluorspar Private Limited – SGFPL	Convergence Chemicals Private Limited – CCPL
1	Latest audited Balance Sheet Date		
2	Share of Joint Ventures held by the company on the year ended		
	No. of Shares	10,82,500	3,43,04,900
	Amount of investment in Joint Venture	108.25	3,430.49
	Extend of Holding %	49.43%	49%
3	Description of how there is significant influence	By virtue of 49.43% shareholding and Joint Venture agreement in place	By virtue of 49% shareholding and Joint Venture agreement in place
4	Reason why the joint venture is not consolidated.	Not Applicable	Not Applicable
5	Net worth attributable to shareholding as per latest audited Balance Sheet	78.46	3,337.85
6	Loss for the year	(9.43)	(62.73)
I	Considered in Consolidation	(4.66)	(30.74)
I	Not Considered in Consolidation	(4.77)	(31.99)

- Names of joint ventures which are yet to commence operation : Both the above joint ventures are yet to commence operations
- Names of joint ventures which have been liquidated or sold during the year : None

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Registration No. 117364W

**Ketan Vora**

Partner

Membership No. 100459

**V. P. Mafatlal**

Chairman

**S. S. Khanolkar**

Managing Director

**T. M. M. Nambiar**

S. S. Lalbhai

P. N. Kapadia

S. M. Kulkarni

**R. V. Haribhakti**

A. K. Srivastava

S. G. Mankad

H. H. Engineer

} Directors

Mumbai, 28th April, 2017

**N. B. Mankad**

Company Secretary

**Sitendu Nagchaudhuri**

Chief Financial Officer



NAVIN FLUORINE INTERNATIONAL LIMITED

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN L24110MH1998PLC115499

Regd. Office: 2nd Floor, Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057

Email: info@nfil.in, Website: www.nfil.in Tel. 022-66509999, Fax No.: 022-66509800

Name of the Member(s)	
Registered Address:	
E-mail id:	
Folio No./Client ID:	
DP ID:	

I / We, being the member(s) ..... Shares of the above named company, hereby appoint:

- (1) Name ..... Address .....  
Email ID:..... Signature ..... or failing him/her
- (2) Name ..... Address .....  
Email ID:..... Signature ..... or failing him/her
- (3) Name ..... Address .....  
Email ID:..... Signature ..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday, the 29th June 2017 at 3.00 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1.	Adoption of Directors' Report, Audited Financial Statements for the year ended 31st March, 2017 and Auditors' Report thereon
2.	Confirmation of Interim Dividend and Declaration of Final Dividend
3.	Re-appointment of Shri A.K. Srivastava who retires by rotation.
4.	Appointment of Auditors and fixing their remuneration
<b>Special Business</b>	
5.	SPECIAL RESOLUTION U/s 196, 197 and 203 of the Companies Act, 2013 for appointment of Shri V.P. Mafatlal as Executive Chairman designated as Chairman of the Company
6.	ORDINARY RESOLUTION U/s.61(1)(d) of the Companies Act, 2013 for sub-division of face value of equity shares
7.	ORDINARY RESOLUTION U/s.61(1)(d) of the Companies Act, 2013 for substitution of Clause V of the Memorandum of Association of the Company
8.	SPECIAL RESOLUTION U/s 62 of the Companies Act, 2013 for grant of ESOPs to eligible employees and Directors of the Company.
9.	SPECIAL RESOLUTION U/s 62 of the Companies Act, 2013 for grant of ESOPs to eligible employees and Directors of the Subsidiary Companies.
10.	ORDINARY RESOLUTION U/s.197 of the Companies Act, 2013 for payment of commission to Non-Executive Directors
11.	ORDINARY RESOLUTION U/s.148(3) of the Companies Act, 2013 for approval of remuneration of Cost Auditor.

Signed this ..... day of ....., 2017.

Signature of the Shareholder



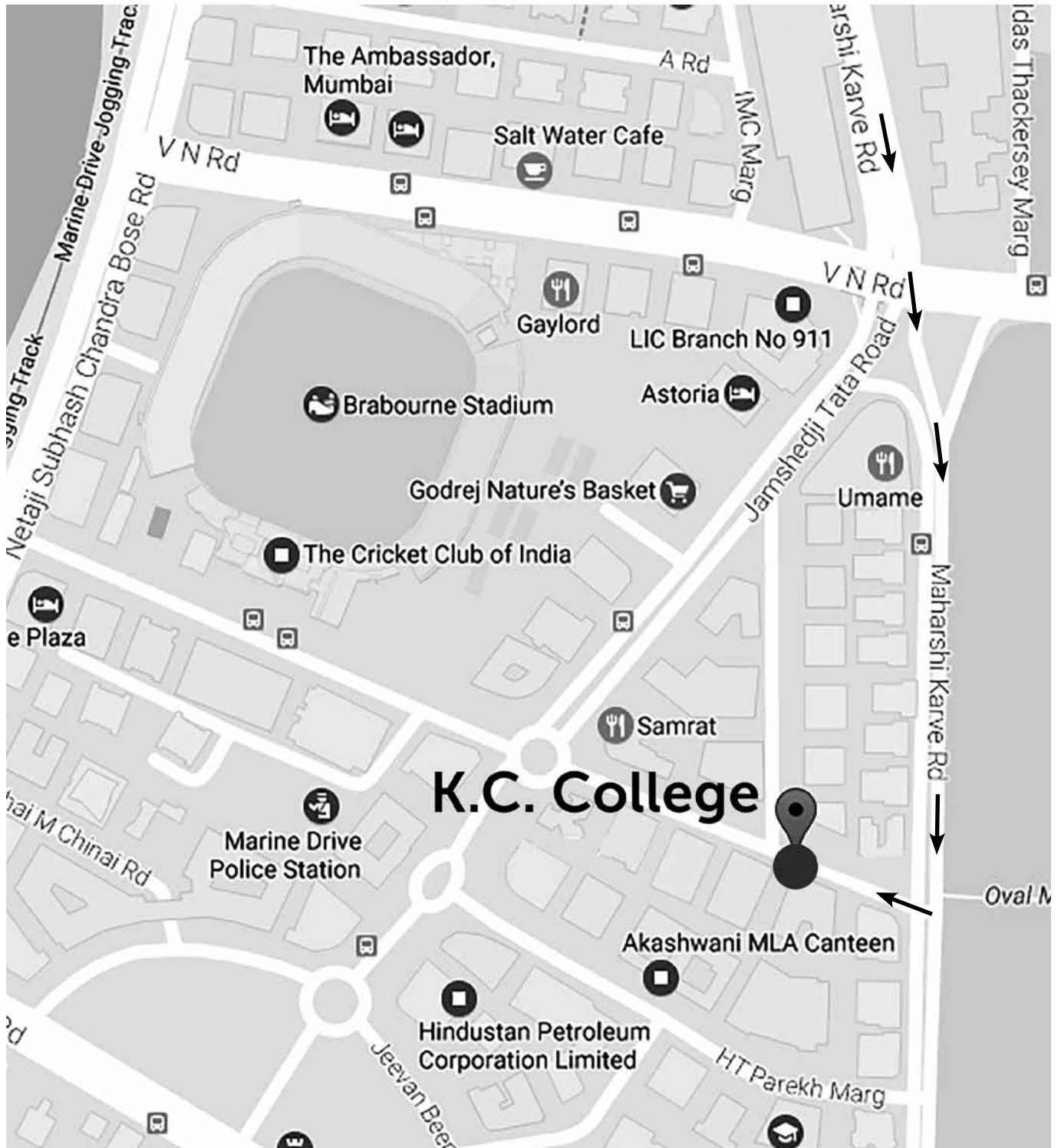
Signature of Proxy holder(s)

Notes: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



# ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Location: Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C. College),  
124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020  
Landmark: Oval Maidan







Every life is precious - Medical Van



A right to sanitation - Toilet Blocks



Water for all - RO in schools



Care for Vision - NFIL In Action- Eye Check up camp



Each one plant one – World Earth day @ Dewas

