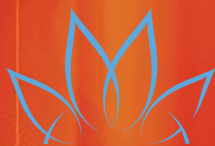




Navin Fluorine International Limited
Annual Report 2012-13



Towards **sustainable** value creation



ARVIND MAFATLAL GROUP
The ethics of excellence

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 'anticipate', 'estimate', '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 realised, 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 materialise, 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.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri H.A. Mafatlal	Chairman
Shri T.M.M. Nambiar	Director
Shri P.N. Kapadia	Director
Shri S.S. Lalbhai	Director
Shri S.M. Kulkarni	Director
Shri R. Sankaran	Director (up to 28.02.2013)
Shri V.P. Mafatlal	Director
Shri S.G. Mankad	Director
Shri A.K. Srivastava	Finance Director
Shri S.S. Khanolkar	Managing Director

COMPANY SECRETARY

Shri 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

UNITS

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

REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.

Samhita Warehousing Complex 2nd floor
Gala No.52 to 56 Bldg. No.13A-B
Near Sakinaka Telephone Exchange Andheri-Kurla Road
Sakinaka Mumbai 400072
Tel: 91 22 6772 0300 / 0400, Fax: 91 22 2859 1568 /
2850 8927
E-mail: sharepro@shareproservices.com

INVESTOR RELATIONS CENTRE

Sharepro Services (India) Pvt. Ltd.

1. 912 Raheja Centre Free Press Journal Road Nariman Point Mumbai 400021 Tel: 91 22 6613 4700 Fax: 91 22 2282 5484	2. Devnandan Mega Mall Office No.416-420 4th floor, Opp. Sanyas Ashram Ahmedabad 380006 Tel: 079 2658 2381 / 84
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15TH ANNUAL GENERAL MEETING

On Monday, 24 June, 2013
At 3.00 p.m. at Rama Watumull Auditorium
K.C. College Dinshaw Wacha Road
Churchgate Mumbai 400020

- 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.
- 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.
- The Listing Fees for the year 2013-14 have been paid by the Company to BSE, Ahmedabad and National Stock Exchange where the shares of the Company are listed.

CORPORATE STATEMENT FROM THE CHAIRMAN

Dear Shareholders,

In a year of global uncertainty led by the Euro-zone crisis, coupled with increased feedstock and energy costs, Navin Fluorine International Limited continued to work towards achieving sustainability.

Credible performance

The Company's 2012-13 performance reflect business model strengths comprising levers like the right strategy, people, assets, products and markets. The Company's growing competence in research, newly-established contract research and long-standing customer relationships has enabled the Company to strengthen its prospects.

Navin Fluorine reported a non-CER turnover of ₹ 46,700 lacs compared to ₹ 45,600 lacs of the earlier year despite serious downturn in the international refrigerant business. The turnover could be sustained by increasing the sales volumes of key specialty products coupled with selective price increases in the face of stiff Chinese competition.

Stubborn inflation and market ambiguity resulted in feedstock volatility. The Company's quick responses in resource procurement and efficient inventory management practices ensured that resource costs were controlled and plant operations sustained. However, a complete erosion of the CER market adversely impacted the Company's bottomline.

'Mind' to market

Navin Fluorine is widely recognised as a serious player in the fields of specialty fluorochemicals, fluorinating agents and other performance chemicals. These areas are marked by deep complex chemistry skills. To reinforce its market position, the Company established the Contract Research and Manufacturing Services (CRAMS) / Contract Research Organisation (CRO) division manned by an efficient talent pool. The division has been ably supported by the company's 51 percent UK-based subsidiary, Manchester Organics, a pure-play research organisation specialising in fluorination chemistry.

Over 2012-13, the acquisition was vindicated following the commercialisation of some value-added fluoro-chemicals and a large product development pipeline. The Company also combined the marketing and distribution chains with Manchester Organics and presented a unified front trying to address a large share of the customers' wallets. Based on the success of the CRO division and pilot manufacturing plant, the Company expects to progressively commission a full-fledged manufacturing facility in the near future.

Some 2012-13 highlights of the

The Company's growing competence in research, newly-established contract research and long-standing customer relationships has enabled the Company to strengthen its prospects.

Company's strategic business units comprised the following:

- Specialty chemicals: Launched six customised value-added products, strengthening market penetration and customer relationships especially among the Company's pharmaceuticals and agro-chemical customers

- Refrigerants: Reported lower volume of HCFC 22, which was partially offset by higher contributions through optimised raw material and packaging costs. CER benefits stand finally withdrawn from 31 December 2012. The Company continued to focus on trading of some of the refrigerant gases with stable realisations

- Bulk fluorides: Introduced a couple of niche fluorine-based performance chemicals, which were well accepted. The Company also realised higher HF volume and value sales, the key constituent of bulk fluorides

Outlook

At Navin Fluorine, several initiatives to strengthen the core business are underway.

- Operationalise the joint venture company with Gujarat Fluorochemicals and GMDC for beneficiation of our key

fluorspar resource in the near future

- Continue to develop and launch niche specialty chemicals in both organic and inorganic segments

- Scale up the CRO business to support contract manufacturing, positioning the Company as a truly global CRAMS player

Corporate social responsibility

In honour of our late Chairman Emeritus Shri Arvind Mafatlal, the Company created the Arvind Mafatlal Foundation last year to engage in various public charitable initiatives covering education, health and hygiene. Your Company contributed ₹ 522 lacs towards these public causes during the year.

Acknowledgements

In conclusion, I would like to express my deep gratitude to our shareholders, employees, bankers, customers, suppliers, advisors and other associates for their continued support and cooperation.

Sincerely,

H.A. Mafatlal

Chairman

Dated: 30 April, 2013

Navin Fluorine is widely recognised as a serious player in the fields of specialty fluorochemicals, fluorinating agents and other performance chemicals.

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of the Members of the Company will be held on Monday, the 24 June, 2013 at 3.00 p.m. at Rama 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 31 March, 2013 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To confirm the payment of Interim Dividend on equity shares for the year 2012-13 and to declare a final dividend on equity shares for the year 2012-13.
3. To appoint a Director in place of Shri S.M. Kulkarni who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri S.G. Mankad who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby granted to the reappointment of Shri H.A. Mafatlal as Chairman of the Company for a period of 5 years with effect from 1 May, 2013 on the terms and conditions as to remuneration as set out in the draft Letter of Appointment 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 acceptable to Shri H.A. Mafatlal within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments made thereof

from time to time by the Government in this behalf."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby granted to the reappointment of Shri A.K. Srivastava as a Whole Time Director designated as Finance Director of the Company for a period of 2 years with effect from 1 May, 2013 on the terms and conditions as to remuneration as set out in the draft Letter of Appointment laid before the meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and acceptable to Shri A.K. Srivastava within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments made thereof from time to time by the Government in this behalf."

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

"RESOLVED THAT pursuant to Section 309(4) of the Companies Act 1956, 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(1) of the Companies Act 1956, for a period of 5 years commencing from 1 April, 2013."

Regd. Office:
2nd floor Sunteck Centre
37/40 Subhash Road
Vile Parle (East)
Mumbai 400057
Mumbai
Dated: 30 April, 2013

By Order of the Board,
N.B. Mankad
Company Secretary

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.

2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos.6-8 mentioned in the above Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday the 17 June, 2013 to Friday the 21 June, 2013 (both days inclusive) for the purpose of payment of dividend, if any.
4. The final dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on 27 June, 2013.

In order to enable the Company to directly credit the dividend amount in the bank account;

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 the 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 along with a copy of cancelled cheque.

5. Shri S.M. Kulkarni, a Non-Executive Independent Director, seeking reappointment at this meeting holds NIL equity shares singly / jointly in the Company and Shri S.G. Mankad, a Non-Executive Independent Director seeking reappointment at this meeting holds NIL equity shares singly / jointly in the Company.
6. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 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

(Fund) set up by the Central Government. The Company has already transferred the unclaimed / unpaid dividend declared for the year 2005 to the said fund. Members who have so far not claimed the dividends declared for any subsequent financial year(s) thereafter are requested to make claim with the Company immediately as no claim shall lie against the fund or the company in respect of individual amounts once credited to the said fund.

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.

ANNEXURE TO NOTICE

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts in respect of Item Nos.6 to 8.

In respect of Item No.6

Shri H.A. Mafatlal is overall in-charge of the affairs of the Company. He is 58 years of age and is an Industrialist having diversified experience of more than 35 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc.

The term of office of Shri H.A. Mafatlal as Chairman expires on 30 April, 2013. The Board of Directors of the Company at their Meeting held on 30 April, 2013 reappointed Shri H.A. Mafatlal as the Chairman of the Company for a period of 5 years from 1 May, 2013 subject to the consent of the members of the Company on the following terms and conditions:

TERMS OF REMUNERATION

- I (a) Basic Salary: ₹ 1765200/- per annum
- (b) Perquisites and allowances, the aggregate monetary

value of which shall not exceed ₹ 1921536/- per annum. These perquisites and allowances would be in addition to the items mentioned in clause 'c', 'd' and 'e' below.

(c) Perquisites:

- i. Fully furnished house or House Rent Allowance in lieu thereof.
- ii. 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 the absence of any such Rules, perquisites shall be valued at actual cost.

d) He will also be 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.

(e) Apart from remuneration, Shri H.A. Mafatlal is 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 309(5) of the Companies Act, 1956, subject to the ceiling laid down in Sections 198 and 309 of the Companies Act, 1956 on the total remuneration.
- III In the case of absence or inadequacy of profits in any financial year of the Company during 1 May, 2013 to 30 April, 2016, Shri H.A. Mafatlal will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies

Act, 1956. The perquisites mentioned in para 1(d) above shall not be included in the computation of the ceiling on minimum remuneration.

The Board may alter or vary the above referred terms of appointment, salary commission and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Shri H.A. Mafatlal provided that such alterations are within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made thereof from time to time.

Shri H.A. Mafatlal is also the Managing Director of Mafatlal Industries Limited (MIL). In view of the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956, Shri H.A. Mafatlal may draw remuneration from one or both the Companies, provided that the total remuneration drawn from both the Companies does not exceed the higher maximum limit admissible from any one of the Companies. Shri H.A. Mafatlal does not draw any remuneration from MIL.

Shri H.A. Mafatlal shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Shri H.A. Mafatlal shall not be liable to retire by rotation.

The draft Letter of Appointment of Shri H.A. Mafatlal recording the terms of his reappointment for a period of 5 years from 1 May, 2013 and referred to in the said resolution is available for inspection by the Members between 2.00 p.m. and 4.00 p.m. on any working day at the Registered Office of the Company.

Other particulars pertaining to the Company which are required to be disclosed as required under Section II of Part II of Schedule XIII and Clause 49 of Listing Agreement with the Stock Exchanges are given in Annexure 'A' to the Explanatory Statement.

None of the Directors, except Shri H.A. Mafatlal and Shri V.P. Mafatlal, being the nephew of Shri H.A. Mafatlal may be deemed to be interested in the resolution.

The Notice convening ensuing Annual General Meeting of the members of the Company along with the above Explanatory Statement may be treated as an abstract of the terms of Agreement relating to the reappointment of Shri H.A. Mafatlal as Chairman of the Company as required by

Section 302 of the Companies Act, 1956.

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

IN RESPECT OF ITEM NO.7

Shri A.K. Srivastava is in-charge of the Finance functions of the company. He is 61 years of age and is a Bachelor of Science and a Chartered Accountant having experience of more than 35 years in the areas of Finance, Accounts and Taxation in big corporates.

The term of office of Shri A.K. Srivastava as Finance Director expires on 30 April, 2013. The Board of Directors of the Company at their meeting held on 30 April, 2013 reappointed Shri A.K. Srivastava as a Whole Time Director designated as Finance Director for a period of 2 years with effect from 1 May, 2013 subject to the consent of the Members of the Company, on the following terms and conditions:

TERMS OF REMUNERATION

I a) Basic Salary

₹ 7200000/- per annum.

b) Perquisites and Allowances, the aggregate monetary value of which shall not exceed ₹ 356000/- per annum. These Perquisites and Allowances would be in addition to the items mentioned below in clause 'c', 'd' and 'e' below:

c) Perquisites:

- i. Fully furnished house or house rent @ 25% of his basic salary.
- ii. 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 the absence of any such Rules, perquisites shall be valued at actual cost.

d) He will also be 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.

e) Apart from remuneration, Shri A.K. Srivastava is 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 In the case of absence or inadequacy of profits in any financial year of the Company during his tenure of appointment, Shri A.K. Srivastava will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The perquisites mentioned in para 1(d) above shall not be included in the computation of the ceiling on minimum remuneration.

The Board may alter or vary the above referred terms of appointment, salary and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Shri A.K. Srivastava provided that such alterations are within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made thereof from time to time.

Shri A.K. Srivastava shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Subject to the provisions of Section 255 of the Companies Act, 1956, Shri A.K. Srivastava shall not be liable to retire by rotation.

The draft Letter of Appointment of Shri A.K. Srivastava recording the terms of his reappointment for a period of 2 years from 1 May, 2013 and referred to in the said resolution is available for inspection by the Members between 2.00 p.m. and 4.00 p.m. on any working day at the Registered Office of the Company.

Other particulars pertaining to the Company which are required to be disclosed as required under Section II of Part II of Schedule XIII and Clause 49 of Listing Agreement with the Stock Exchanges are given in Annexure 'A' to the Explanatory Statement.

None of the Directors, except Shri A.K. Srivastava, is concerned or interested in the resolution.

The Notice convening ensuing Annual General Meeting of the members of the Company along with the above Explanatory Statement may be treated as an abstract of the terms of Agreement relating to the reappointment of Shri A.K. Srivastava as Whole Time Director designated as Finance Director of the Company as required by Section 302 of the Companies Act, 1956.

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

IN RESPECT OF ITEM NO.8

Section 309(4) of the Companies Act, 1956, provides that, in case of a Director who is neither a Managing Director nor in the whole time employment, the Company may, by Special Resolution, authorize the payment of commission for a period of 5 years in addition to the fees for attending the Meetings of the Board or any Committees thereof.

At the 10th Annual General Meeting of the Company held on 23rd June 2008, a Special Resolution was passed authorizing payment of commission to Non-Executive Directors at the rate not exceeding 1% of the net profits computed in the manner laid down under Section 198(1) of the Companies Act, 1956.

Pursuant to the provisions of Section 309(7) the said Special Resolution was valid for a period of 5 years and it is therefore proposed to renew the said Special Resolution authorizing the payment of commission up to 1% of the net profits of the Company computed in the manner laid down in Section 198(1) of the Companies Act, 1956 in each year to the Non-Executive Directors for a further period of 5 years with effect from 1 April, 2013 in terms of Section 309(7) of the Companies Act, 1956.

All the Non-Executive Directors of the Company are interested in the Resolution to the extent commission is payable to them in accordance with the proposed resolution.

The Board of Directors recommend passing of the Special Resolution at Item No.8 of the Notice.

Regd. Office:
2nd floor Sunteck Centre
37/40 Subhash Road
Vile Parle (East)
Mumbai 400057
Mumbai
Dated: 30 April, 2013

By Order of the Board,
N.B. Mankad
Company Secretary

ANNEXURE 'A' TO THE EXPLANATORY STATEMENT

Statement as required under Section II of Part II of Schedule XIII of the Companies Act, 1956 giving details in respect of reappointment of Shri H.A. Mafatlal and Shri A.K. Srivastava.

I GENERAL INFORMATION

1. **Nature of industry:**
Chemical industry
2. **Date or expected date of commencement of commercial production:**
2002-2003 was the first year of operationalization of the Company. Pursuant to the Rehabilitation Scheme of Mafatlal Industries Limited (MIL) sanctioned by the Hon'ble BIFR vide its Order dated 30 October, 2002, the Chemical Business of MIL vested as a going concern in the Company w.e.f. Appointed Date of 1 March, 2002.
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:

	Current Year ₹ In lacs	Previous Year ₹ In lacs
Turnover (Net)	52469.37	70385.85
Profit after Tax	4316.33	23123.56

5. Export performance and net foreign exchange earnings:

	Current Year ₹ In lacs	Previous Year ₹ In lacs
A) FOB value of exports	13571.10	16162.31
B) FOB value of carbon credits	5710.54	25190.01
C) Others	1368.34	186.47
Net Foreign Exchange Earnings	5942.01	22346.94

6. Foreign investments or collaborators, if any: NIL

II INFORMATION ABOUT THE APPOINTEE

1. Background details:

Shri H.A. Mafatlal is 58 years of age and is an industrialists having diversified experience of more than 35 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc.

Shri A.K. Srivastava is 61 years of age and is a graduate in Science and a Fellow member of the Institute of Chartered Accountants of India. He is having over 35 years of experience in the areas of Finance, Accounting, Taxation and Commerce.

2. Past remuneration:

During the year ended 31 March, 2013:

Shri H.A. Mafatlal had a Basic Salary of ₹ 1633200/- p.a. plus perquisites of ₹ 1699776/- apart from commission on the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956.

Shri A.K. Srivastava had a Basic Salary of ₹ 6344400/- p.a. He also enjoyed perquisites and other allowances aggregating to ₹ 2453916/- p.a. apart from commission of ₹ 5000000/-.

3. Job Profile:

Shri H.A. Mafatlal is a Promoter-Director and overall in-charge of the affairs of the Company. Looking at the overall exposure and experience of Shri H.A. Mafatlal in diversified areas and responsibilities to be shouldered by him, he is suitable for the position.

Shri A.K. Srivastava is a Finance Director in-charge of the finance functions of the Company reporting to Shri H.A. Mafatlal, the Chairman. He also interacts at group level in the areas of finance. Looking at the overall exposure and experience of Shri A.K. Srivastava in the areas of finance, responsibilities to be shouldered by him as well as his association with the group, he is suitable for the position.

4. Remuneration proposed:

As mentioned in the Explanatory Statement in respect of Item Nos. 6 & 7.

5. 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 the appointees and the responsibilities to be shouldered by them, the proposed remuneration is commensurate with the remuneration paid to similar appointees in other companies.

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Besides their proposed remuneration, Shri H.A. Mafatlal and Shri A.K. Srivastava do not have any pecuniary relationship with the Company and its managerial personnel except as mentioned under the heading 'Related Party Transaction' in the Notes to the Accounts.

III OTHER INFORMATION**1. Reasons of loss or inadequate profits – N.A.****2. Steps taken or proposed to be taken for improvement – N.A.****3. Expected increase in productivity and profits in measurable terms – N.A.****Particulars of the Directors seeking appointment / reappointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.**

Name	Shri S.M. Kulkarni	Shri S.G. Mankad	Shri H.A. Mafatlal	Shri A.K. Srivastava
Age	74 years	65 years	58 years	61 years
Date of Appointment/ Reappointment	19.10.2006	29.04.2011	25.06.1998	21.01.2003
Expertise in functional areas	Corporate and Business Advisor	He is a retired IAS Officer. He was the Chief Secretary to Government of Gujarat from 2005 to 2007 and has also held important positions in Government of India (Ministries of Finance, Agriculture and Human Resource Development) and Government of Gujarat.	He is an Industrialist having diversified experience of more than 35 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc	Finance Accounting, Taxation and Commerce
Brief resume	B.E., Fellow Institute of Management – U.K., Fellow Indian Institute of Engineers and Fellow Institute of Directors, U.K. He is currently a Consultant and acts as a Corporate and Business Advisor to several Indian and International Corporate entities and has vast expertise in the areas of International Business, Alliance Management, Strategic Planning, Corporate Governance, Business	I.A.S.(Retd.) MA (History) Delhi University, Diploma in Development Studies Cambridge University	B.Com. (Hons.)	B.Sc. (Hons.), FCA Having experience of over 35 years in large corporates in the areas of Finance, Accounting, Taxation and Commerce.

(Contd.)

Name	Shri S.M. Kulkarni	Shri S.G. Mankad	Shri H.A. Mafatlal	Shri A.K. Srivastava
	Development, Venture Capital Funding and Education.			
Names of the Companies in which he holds Directorship / Committee Memberships.	Director in: RPG Enterprises Ltd. Hindustan Construction Co. Ltd. Styrolution ABS (India) Ltd. (formerly known as INEOS ABS (India) Ltd. HCC Real Estate Ltd. Bayer CropScience Ltd. Camlin Fine Sciences Ltd. Lavasa Corporation Ltd. KEC International Ltd. Raychem RPG Pvt. Limited J.M. Financial Trustee Co. Pvt. Ltd. Navin Fluorine International Ltd. Committee Membership: Audit Committee: Bayer CropScience Ltd.-Chairman Hindustan Construction Co. Ltd.-Chairman Camlin Fine Sciences Ltd.-Chairman Lavasa Corporation Ltd. - Chairman HCC Real Estate Ltd.-Chairman Styrolution ABS (India) Ltd.-Chairman KEC International Ltd.-Member Navin Fluorine International Ltd.-Member Remuneration Committee: Bayer CropScience Ltd.-Member Hindustan Construction Co. Ltd.-Member Camlin Fine Sciences Ltd.-Member Styrolution ABS (India) Ltd.-Member KEC International Ltd.-Member Navin Fluorine International Ltd.- Member Shareholders Grievances Committee: Bayer CropScience Ltd.-Member	Director in: Gujarat International Finance Tec-City Co. Ltd. Bhavnagar Energy Co. Ltd. IL&FS Education and Technology Services Ltd. Deepak Nitrite Ltd. Gruh Finance Ltd. Shri Dinesh Mills Ltd. IL&FS Skills Development Corporation Ltd. Gujarat Gas Company Ltd. Swaraj Engines Ltd. Mahindra Intratrade Ltd. NSDL Depository Ltd. Navin Fluorine International Ltd. Committee Memberships: Audit Committee: Deepak Nitrite Ltd.-Member Gujarat Gas Company Ltd.-Member Mahindra Intratrade Ltd.-Member NSDL Depository Ltd.-Member Shareholders Grievances Committee: Gruh Finance Ltd. - Member Remuneration Committee: Deepak Nitrite Ltd.-Member NSDL Depository Ltd.-Member Mahindra Intratrade Ltd.-Member	Director in: Mafatlal Industries Ltd. NOCIL Ltd. Mafatlal Services Ltd. Mafatlal Denim Ltd. Cebon Apparel Pvt. Ltd. Mafatlal Asset Management Co. Ltd. Eyeindia.com.pvt.ltd. Techergo Solutions Ltd. Tropical Clothing Co. Pvt. Ltd. Mafatlal Global Apparel Ltd. Manchester Organics Ltd. U.K. HPA Sports Pvt. Ltd. Navin Fluorine International Ltd. Committee Memberships: Shareholders Grievances Committee Mafatlal Industries Ltd. - Member NOCIL Ltd. - Member	Director in: Mafatlal Industries Ltd. Mafatlal Denim Ltd. Navin Fluorine International Ltd. Committee Memberships: Audit Committee: Mafatlal Denim Ltd. - Member Shareholders Grievances Committee: Navin Fluorine International Ltd. - Member

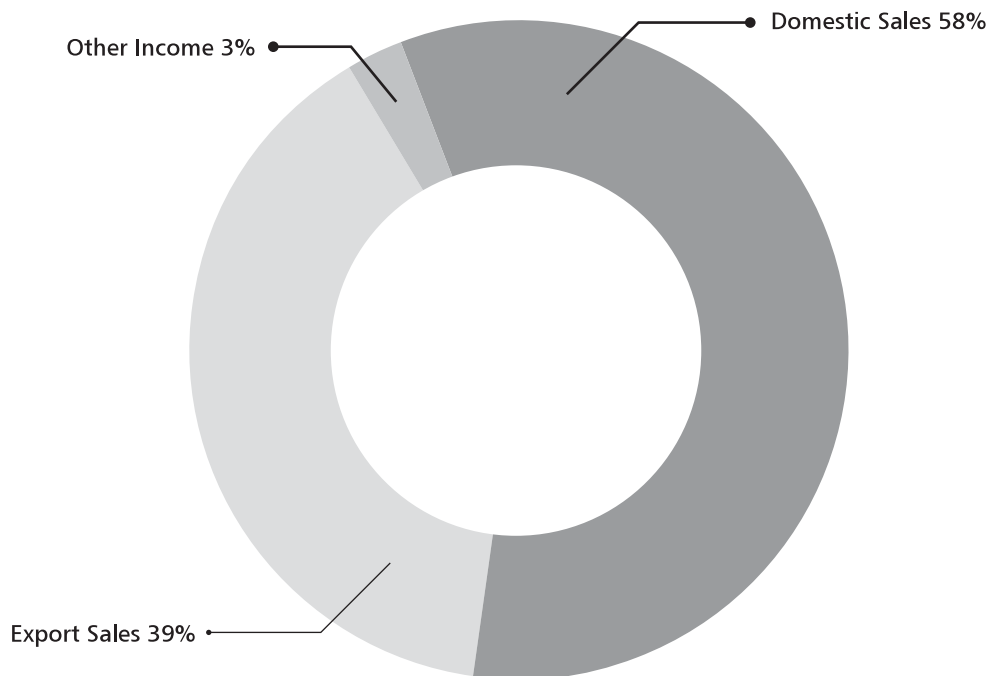
SUMMARISED FINANCIAL DATA

₹ in lacs

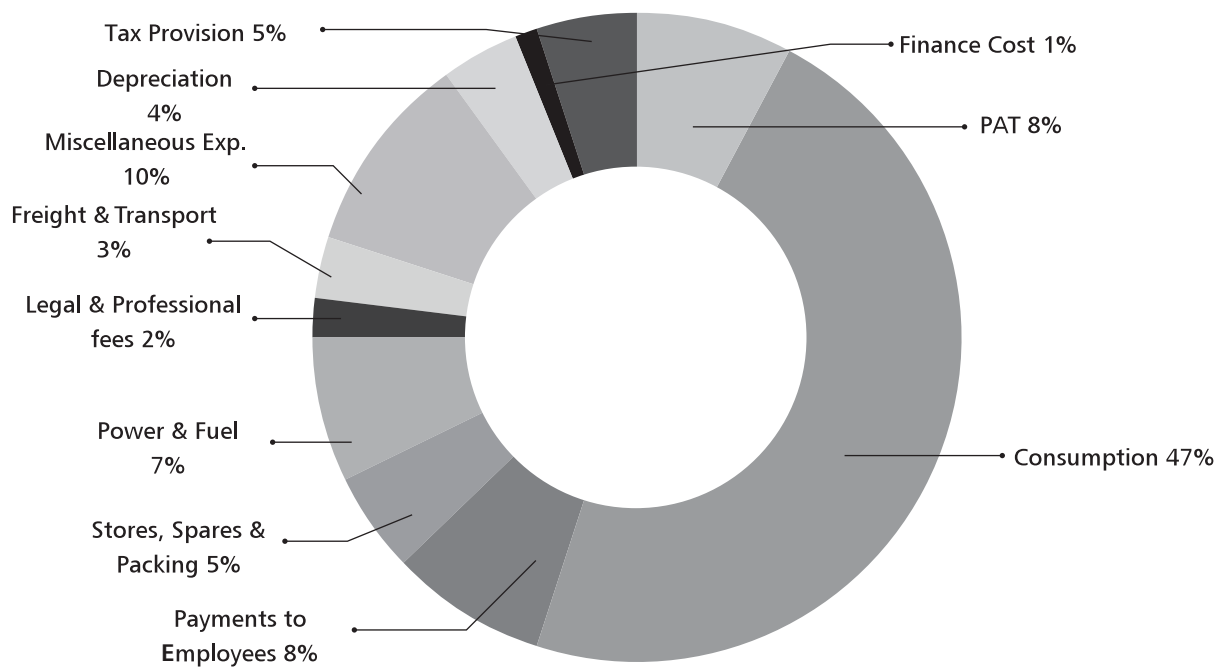
Particulars	Financial Year								
	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13
PROFIT & LOSS ACCOUNT									
Total Income	24712	23828	27392	29544	42262	43723	44113	79486	53855
Profit before Depreciation, Interest, Exceptional Items and Tax	5579	3483	4580	4058	10178	13589	12313	34071	9429
Exceptional Items	(2181)	(121)	(260)	(506)	(757)	-	-	-	-
Finance costs	(711)	(818)	(783)	(890)	(863)	(249)	(360)	(354)	(610)
Depreciation, Amortisation and Impairment	(657)	(750)	(883)	(1148)	(1718)	(1107)	(1354)	(1773)	(1961)
Profit before Tax	2030	1794	2655	1514	7309	12233	10599	31944	6858
Profit after Tax	242	855	1260	788	4529	7436	7164	23124	4316
Dividend (₹ per share)	2.00	3.00	4.00	4.00	10.00	14.00	15.00	75.00 *	15.00
Earning per share (EPS) ₹	3.59	9.54	12.47	7.81	44.84	73.63	71.11	236.90	44.22
BALANCE SHEET									
Net Fixed Assets	11801	14166	17252	18312	17396	17793	20491	24168	23918
Investments	2262	2262	1743	1625	1625	85	4776	20494	24664
Current Assets (Net)	7619	9963	9780	9942	10860	14455	14734	15873	13945
Total Application	21946	26391	28775	29879	29881	32333	40002	60536	62527
Borrowings	7009	8807	9247	9175	5264	1136	4907	9334	8324
Net Worth	14937	17426	18567	19239	22902	29098	33180	48337	50946
Total Sources	21946	26391	28775	29879	29881	32333	40002	60536	62527
Book value per Equity Share ₹	147.90	172.54	183.84	190.48	226.75	288.10	339.92	495.20	521.93
(Face value - ₹ 10 per Share)									
Debt/ Equity Ratio	0.47	0.51	0.50	0.48	0.23	0.04	0.15	0.19	0.16
Operating EBIDTA (%)	23%	15%	17%	14%	25%	31%	28%	43%	18%
Profit After Tax (%)	1%	4%	5%	3%	11%	17%	16%	29%	8%
Return on Net Worth (%)	2%	5%	7%	4%	21%	29%	23%	57%	9%
Return on Capital Employed (%)	14%	11%	12%	8%	27%	40%	30%	64%	12%

* including special dividend of Rs 60 /-

RUPEE EARNED (%)



RUPEE SPENT (%)



DIRECTORS' REPORT

To,
The Members,
Navin Fluorine International Limited

Your Directors are pleased to present the Fifteenth Annual Report together with the audited accounts for the year ended 31 March, 2013.

1. FINANCIAL RESULTS

₹ in lacs

	Current Year	Previous Year
Operating Income	52469	70386
Other income (including non-recurring income)	1385	9101
EBIDTA	9428	34071
Less: Depreciation	1961	1773
Interest	610	354
Tax	2541	8820
Profit After Tax	4316	23124
Add: Surplus brought forward from the previous year	25518	13223
Amount available for appropriation	29834	36347
Appropriation		
Transfer to general reserve	432	2320
Interim Dividend	732	830
Proposed Final Dividend	732	634
Proposed Special Dividend	-	5857
Corporate Dividend Tax	243	1188
Surplus carried to Balance Sheet	27695	25518

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

2. DIVIDEND

Your Company paid an interim dividend of ₹ 7.50 per share on 97,61,097 equity shares of nominal value of ₹10/- each, aggregating to ₹ 732.08 lacs in the month of October 2012. The Board of Directors is pleased to recommend a final dividend for the year of ₹ 7.50 per share on 97,61,097 equity shares of nominal value of ₹ 10/- each, aggregating to ₹ 732.08 lacs.

3. YEAR IN RETROSPECT

Revenue from operations declined by 25% from ₹ 70386 lacs to ₹ 52469 lacs during the year. Though the Specialty business grew by 13% over the previous year and the Contract Research and Manufacturing (CRAMS) business grew by six times over the previous year, they were not enough to offset the decline in income from carbon credits from ₹ 25190 lacs to ₹ 5711

lacs. Due to lower income from carbon credits and reversal of provision with regard to non-current investment in the previous year of ₹ 7493 lacs, profit before tax declined by 79% from ₹ 31944 lacs to ₹ 6858 lacs and profit after tax declined by 81% from ₹ 23124 lacs to ₹ 4316 lacs as compared to the previous year.

During the year there has been a dramatic change in the economic and regulatory environment within the European Union which was the primary market for the carbon credits generated by the company. Henceforth, carbon credits generated from destruction of Hydro fluorocarbons are not allowed to be used as a carbon offset instrument within the European Union. Further, as a consequence of lower economic activity within the European Union, the demand for carbon credits sharply declined bringing the value down to a near zero.

The weakening of the rupee against the US Dollar continued to put inflationary pressures on the economy for the second consecutive year. From a level of ₹ 49 to a US dollar in 2012, it weakened to a level of ₹ 54/55 during the last half of the current fiscal year. Inflation also remained at a fairly high level during the year. The compounded effect resulted in stagnation of govt. spends, low capex and the depressed consumer demand resulting into weakening of overall demand pull for the products of the Company.

As you are aware, the company decided to get into the global Contract Research and Manufacturing Services (CRAMS) space three years back and some initial investments were made to that end. During the year these investments have started bearing their first fruits and the revenues from this business has come along the lines of the business plan. The Contract Research Organisation (CRO) built in Surat has supported the contract manufacturing operations at Dewas as per the business plan. Manchester Organics Limited (MOL), our subsidiary in the U.K. has been an integral part of the overall CRAMS strategy of the Company. The CRO at Surat, the Contract Manufacturing Operations (CMO) at Dewas and MOL has been able to work in a well co-ordinated manner to deliver the desired objectives. During the year the company partnered with several global pharma majors in their respective R&D initiatives. In the coming years a significant growth is expected from this vertical both by improving capacity utilization and through additional capex spends.

Five new products have been introduced in the Bulk and Specialty businesses during the year for seeding the markets. We expect good potential upsides from these products in the coming years.

The Refrigerant Gases business has been under severe price pressures. This has been further accentuated by the mismatch in the movement of inputs cost and prevailing market prices of the finished products. The Bulk Fluorides business retained a steady performance along with the lines of the previous year.

As you are aware, the prices of some of the major raw materials of the Company e.g. fluorspar and chloroform increased substantially during the second half of the last fiscal and part of the inventories were carried forward into the current fiscal. This, along with weakening of the Rupee against the USD for the second consecutive year, impacted the margins of the

Company adversely. As a matter of procurement strategy, now the Company has decided to reduce the inventory levels and move on to contracting smaller parcel sizes with its major suppliers.

The Rupee depreciation also resulted into higher fuel cost. There has been a more than 20% rise in the price of natural gas which travelled farther to depress the margins. Part of this negative has been made up by reducing the overall cost of power by participation in power trading, thereby moving on to sources which are cheaper than the local grid power.

The company maintained a good financial health with a sizeable treasury income. The Basel II rating of the Company is maintained at 'CARE AA-' (indicating high degree of safety regarding timely servicing of financial obligations and very low credit risk) for borrowings with a tenure of more than one year and fund-based facilities. The rating for short-term facilities (less than one year) has been maintained at 'CARE A1+' (indicating very strong degree of safety regarding timely servicing of financial obligations and lowest credit risk) for its non-fund based facilities.

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.

During the year, the Company embarked on the "Responsible Care" an internationally acclaimed comprehensive Health, Safety and Environment (HSE) initiative which once implemented, will take the Company to an elite club of community, climate and nature conscious organizations.

The Company is conscious about its social responsibilities and during the year, it started a mobile medical facility for the neighboring areas in Surat. During the year, it also participated in supporting and upgrading a school for physically challenged children in Surat.

4. SUBSIDIARY AND ASSOCIATES

Sulakhshana Securities Limited (SSL), created through the Sanctioned Scheme of Rehabilitation (SS) of Mafatlal Industries Limited (MIL) to settle dues of the term lenders of MIL, continued to remain a wholly-owned subsidiary of your Company.

The Company holds 51% stake in Manchester Organics Limited (MOL), an operating specialised chemical research company

in Runcorn, U.K. Its accounts have been considered in the consolidated results of the Company.

As per the general exemption granted under Section 212(8) of the Companies Act, 1956, by the Government of India, Ministry of Corporate Affairs, New Delhi vide its General Circular No.2/2011, dated 8 February, 2011, Balance Sheet and Profit and Loss Account, Directors' Report and the Auditors' Report of the subsidiary companies have not been attached with the Balance Sheet of the Company.

However, other details required to be given as per the said General Circular No.2/2011, dated 8 February, 2011 have been disclosed in the Annual Report.

The Annual Accounts and related information of the subsidiary companies are open for inspection by any member/investor at the Registered Office of the Company on any working days between 2.00 p.m. and 4.00 p.m. and the Company will make available these documents/ details upon request by any member of the Company who may be interested in obtaining the same. The annual accounts and related information of the subsidiary company are also available on the Company's website.

Your Company holds 43% of the equity share capital of Mafatlal Denim Limited (MDL) which is its only associate company. The Board of Directors of the Company at its meeting held on 17 December, 2012 consented to the Scheme of Arrangement and Amalgamation inter-alia, of MDL with Mafatlal Industries Limited, the appointed date being 1 April, 2012. On the said Scheme becoming effective, Mafatlal Denim Limited will cease to be an Associate. Consent of the Hon'ble High Courts of Gujarat and Bombay for the Scheme of Arrangement and Amalgamation was received on 8 April, 2013 and 26 April, 2013 respectively and will be filed with the Registrar of Companies shortly. As the substantive requirements of the amalgamation process have been completed, financials of Mafatlal Denim Limited have not been consolidated in the current year.

Pursuant to the agreement entered into by the Company with the Gujarat Mineral Development Corporation Limited (GMDC) and Gujarat Fluorochemicals Limited (GFL), Swarnim Gujarat Fluorspar Private Limited, a Joint Venture company (JV), has been incorporated during the year for beneficiation of fluorspar ore to be supplied by GMDC to ensure long term supply of fluorspar, which is a key raw material of the Company. The

Company has subscribed to 25% of the initial equity share capital by payment of ₹ 1.25 lacs. The JV is to yet start its operations and the final accounts have not been prepared as on 31 March, 2013. No significant impact is expected on the revenue, expenses, assets and liabilities in consolidated accounts of the Company.

5. INDUSTRIAL RELATIONS

There were cordial and harmonious industrial relations during the year and the management received full cooperation from the employees. The long term wage settlement at Bhestan has expired on 31 March, 2013 and has been taken up by both the management and the employees for re-negotiation in a spirit of cooperation.

During the year, extensive training and developmental activities were undertaken, both in-house and out-bound for the employees. Various efficiency and quality improvement initiatives, including some functional and behavioral training programs were undertaken. The total number of employees as on 31 March, 2013 was 594.

6. INSURANCE

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

7. PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms a part of this report and will be sent on demand to the shareholders. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary.

8. 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 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of this report.

9. EMPLOYEE STOCK OPTION SCHEME 2007

Pursuant to the provisions of Guidelines 12 of the 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 31 March, 2013 under the "Employee Stock Option Scheme 2007" are set out in the Annexure to the Directors' Report.

10. REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

As required under the Listing Agreement with Stock Exchanges, reports on corporate governance as well as management discussion and analysis are attached and forms part of the Directors' Report.

11. DIRECTORATE

The Board wishes to inform with profound grief, the sad and sudden demise of Shri R. Sankaran, a Director of the Company, on 28 February 2013. Shri Sankaran was associated with the Company since March 2007. The Board places on record its sincere appreciation of the invaluable and active contribution made by Shri Sankaran in the progress of the Company.

Shri H.A. Mafatlal has been reappointed as Chairman and Executive Director for a period of 5 years with effect from 1 May, 2013. Shri A.K. Srivastava has been reappointed as Whole Time Director designated as "Finance Director" for a period of 2 years with effect from 1 May, 2013. Both these reappointments are subject to approval of the members in the General Meeting. Accordingly the necessary approval of the members is sought at the ensuing Annual General Meeting. Shri S.M. Kulkarni and Shri S.G. Mankad both retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

12. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors report that:

- i) In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures
- ii) The Directors selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent. The purpose was to give a true and fair view of the state of affairs of your Company and the profit of the Company at the end of the financial year.

- iii) The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding your Company's assets and for preventing and detecting fraud and other irregularities.

- iv) The Directors prepared the annual accounts on a going concern basis.

13. AUDITORS

At the Annual General Meeting, members are requested to appoint Auditors for the current year and fix their remuneration. The specific notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and give complete information.

14. COST AUDITORS

As per the requirements of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the audit of the Cost Accounts relating to sulphuric acid is being carried out every year. The Company has appointed Shri I.V. Jagtiani, Cost Auditor, Mumbai to audit the cost accounts for the year 2012-13 from 1 April, 2012 to 31 March, 2013 for which necessary approval from the Central Government has been received. The Cost Audit Report in respect of Financial Year 2012-13 will be filed on or before the due date i.e. 27 September, 2013.

15. DONATION

During the year under review, the Company made donations of ₹ 5.22 crores for various charitable and other purposes.

16. 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,
H.A. Mafatlal
 Chairman

Mumbai
 Dated: 30 April, 2013

ANNEXURE TO THE DIRECTORS' REPORT

1. CONSERVATION OF ENERGY

A. Energy Conservation measures taken:

1. Power saving was achieved by optimizing the Cooling Water network in BF3-B4 complex.
2. Replacing inefficient pumps of the cooling water in the same network.
3. Recycling the condensate from two plants to the Waste Heat Boiler. This was achieved by increasing the pressure of steam in WHB.
4. Steam network modified by shortening the path of some consumers.
5. De-scaling of cooling water circuits.

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

1. Modification of two 1000TR Cooling Tower Circuits to minimize the Cooling Water Pump Energy.
2. Maximizing the efficiency of compressors by supplying optimum quantity of cooling water.
3. Replacement of old, inefficient pumps and motors in the circuit.
4. Optimization of brine compressor network.
5. Waste heat recovery in kiln heating system to save additional natural gas.
6. Replacement of mal-functioning steam traps with more efficient steam traps.

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. Power requirement in certain products has come down to 2000 KWH/MT from 2600 KWH/MT.
2. This saving is due to maximizing production rate and optimizing cooling water circuit, which has saved 150 KWH of power.
3. Compressor circuit optimization will allow to switch-off minimum one chilling compressor and maximum of two.
4. Steam condensate recycle has given us additional steam of 150 KG/HR (approx.)

5. By shortening path of steam, we have reduced the pressure drops in the line and are in a position to provide 6 KG steam required for certain reactions.

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.

More than 30 % of the Companies non-CER revenues come from exports of refrigerant gases, bulk fluorides, specialty chemicals and contract manufacturing. The Company along with its UK based subsidiary Manchester Organics Limited is present in all the major industry exhibitions in Europe, USA and China along with the technical and R&D teams. Participation in the major trade fairs and exhibitions such as CPHI, Chem Outsourcing, Chemspec and Informex improve the Company's visibility amongst global customers and expose the marketing, technical and R&D teams to newer markets, geographies and developments. Inquiries emerging out of such trade fairs and exhibitions are followed up by teams through customer visits and interactions in addition to making dedicated regular visits to international customers. With India's growing importance as a low-cost manufacturing base with good health, safety and environment practices, the Company sees a great export potentia in many of its products.

B. TOTAL FOREIGN EXCHANGE USED AND EARNED

₹ in lacs

	Current Year	Previous Year
Total foreign exchange used	15600.92	20166.60
Total foreign exchange earned	20649.98	41538.79

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

		Current Year	Previous Year
(A) POWER & FUEL CONSUMPTION			
(1)	Electricity		
(a)	Purchased		
	Units (in Kwh)	11802703	8484125
	Total Cost (₹)	76159016	62866359
	Rate/Unit (₹)	6.45	7.41
(b)	Own Generation		
	Through captive power plant		
	Units (kwh)	19664201	24075011
	Unit per.M³ of Natural Gas (kwh)	3.52	3.50
	Cost / unit (₹)	8.48	6.31
(2)	Others		
(a)	High Speed Diesel (HSD)	168	215
	Quantity (K.Ltrs)	8283608	9607306
	Total Cost (₹)	49254	44685
	Rate/Unit (Per K.Ltr.)		
(b)	Natural Gas		
	Quantity (Cub. Mtrs.)	9830630	11534436
	Total Cost (₹)	292958081	254816190
	Rate (₹/Cub Mtrs.)	29.80	22.09
(c)	Water		
	Quantity (K. Ltrs.)	911506	849339
	Total Cost (₹)	4378436	2464047
	Rate (₹/K.Ltrs)	4.80	2.90
(d)	Light Diesel Oil (L.D.O.)		
	Quantity (K. Ltrs.)	45404	5294
	Total Cost (₹)	1834280	220274
	Rate (₹/K.Ltrs)	40.40	41.61
(B) CONSUMPTION PER UNIT OF PRODUCTION:			
(1)	Electricity (Kwh/Mt.)	1110	1120
(2)	Furnace Oil (K Ltrs/Mt.)	0.00	0.00
(3)	Natural Gas (Cub.Mtrs/Mt.)	346.93	396.82
(4)	Others (K Ltrs/Mt.)	31.32	28.66
Production		MT	MT
Synthetic Cryolite, Aluminium Fluoride & Fluorocarbon Gases		7636	8823
Misc. Fluorides		20700	20244
Total		28336	29067

FORM B

A) RESEARCH AND DEVELOPMENT

1. Specific areas in which R&D is carried out by your Company

The R&D efforts of the Company are directed towards the following:

- Work with the technical services and manufacturing team members to improvement of process norms of existing products manufactured in-house for higher efficiencies and better quality output and thereby reduction in cost.
- Working on new chemical entities with Fluorine based on the recommendation of the sales team and customer inputs to develop new and cost effective processes for these entities.
- Introduce new fluorination technique and reagent for successfully carrying out fluorination of various chemical entities, which are used as a high end fluorinated intermediates for agro, pharmaceutical and renewable energy applications in industry.
- Develop relevant analytical tools to analyze these fluorinate analogues and intermediates which are being developed at the Company's R&D.
- To work with the team of engineers to convert the process developed for such new chemical entities with a scale up development and process optimization activities so that such processes can be made into commercial quantities later.

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

Following benefits were derived from the above R&D:

- Contributed to manufacturing of higher value Chain new products and enhance business opportunities for Specialty Fluoro-chemicals, which includes both Aromatic and Inorganic Fluoro-specialities.
- Further strengthened the customers resolve by addressing their increasing demands of quality enhancement for the existing products to continue the existing business relationships both in domestic and overseas markets.
- Enhanced opportunities with potential and strategic partnership for new large volume products to strategic interest containing fluorine by developing cost effective processes as per the customer specific needs.

3. Future plan of action

The R&D centre has already been responsible to plant seeds for robust growth plans of the company by developing a number of new and cost effective fluorinated intermediates for Agro, and Pharmaceutical Industries and shall continue to do so by enhancing the value addition in the niche area of fluorination.

4. Expenditure on R&D

₹ in lacs

	Current Year	Previous Year
Capital Expenditure	93.07	241.73
Recurring Expenditure	726.35	587.46
Total Expenditure	819.42	829.19
Total R & D expenditure as a % of total turnover	1.52%	1.04%

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief were made towards technology absorption, adaptation and innovation:

R&D center with its Scientists having wide knowledge, from varied technical experience and backgrounds and using the modern techniques and advanced online literature methods developed many cost effective, environmental friendly synthetic procedures for fluorinated analogues and intermediates, which are being used in manufacture of niche pharmaceutical and agrochemicals.

The rich knowhow in Fluorination technology gathered over years of experience have enhanced the technical collaborations with customers from all over the globe. These are evident as this difficult and niche area of expertise is increasingly finding its use in newer and important areas such as electronics and non-conventional energy, anesthetics, orphan drugs and in other pharmaceutically relevant areas of new developments.

2. Benefits derived as a result of above efforts:

- More sales for Specialty fluoro-chemicals, both in organic and inorganic fluorochemicals
- Enhancement in customer confidence building and portfolio enhancement for the future
- Possible joint venture and contractual research and manufacturing opportunities for the company

3. Information regarding technology imported during the last five years: NIL

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

a.	Options in force at the beginning of the year	32300
b.	Options granted	Nil
c.	Options vested	Nil
d.	Options exercised	Nil
e.	Options lapsed / surrendered	Nil
f.	Total number of shares arising as a result of exercise of options	Nil
g.	Total number of options in force at the end of the year	32300
h.	Money realised by exercise of options	Nil
i.	Employee wise details of options granted	
j.	Variation in terms of option	Nil
k.	Employee wise details of options granted	
	i. Senior managerial personnel	given herein below*
	ii. Any other employee who receives a grant in any one year of option amounting to 5 % or more of option granted during that year	Nil
	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']	Nil, since no option has been exercised
m.	Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP	Nil, since there has been no vesting
n.	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options	
	(1) Weighted average exercise price	₹ 381 per share
	(2) Weighted average fair value (Black Scholes model)	₹ 191 per share
	(3) The price of the underlying share in market at the time of option granted	₹ 374 and ₹ 407

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

	Name	Nos.
1	Shri Atul Srivastava	8700
2	Shri Shekhar Khanolkar	8000
3	Shri Partha Roy Chowdhury	4000
4	Shri Sunil Tandon	2200
5	Shri Biren V Kapadia	2100
6	Shri Niraj B Mankad	1900
7	Shri Ketan Sablok	1400
8	Shri Manoj Pandya	1600
9	Shri Laxminarayan N Ravi	1500
10	Shri Roshan Adhikari	900
	Total number of Options in force at the end of the year	32300

CORPORATE GOVERNANCE REPORT

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.

1. BOARD OF DIRECTORS

As on 31 March, 2013, your Company's Board of Directors consisted of nine 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 Clause 49 of the Listing Agreement(s). Shri H.A. Mafatlal, the Company Chairman, heads the Board. The Board comprises of one Executive Promoter Director, one Non-Executive Promoter Director, two Executive Professional Directors and five Independent Non-Executive Directors.

Sr. No.	Names of Directors	Category (Executive / Non-Executive)	Number of Board Meetings attended	Whether last AGM held on 18 June, 2012 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.	Shri H.A. Mafatlal	Promoter Executive	7	Yes	13*	2
2.	Shri T.M.M. Nambiar	Independent Non-Executive	6	Yes	2	1
3.	Shri P.N. Kapadia	Independent Non-Executive	7	Yes	7**	3
4.	Shri S.S. Lalbhai	Independent Non-Executive	7	Yes	5	2
5.	Shri S.M. Kulkarni	Independent Non-Executive	7	Yes	10***	8
6.	Shri R. Sankaran (up to 28.2.2013)	Independent Non-Executive	5	No	4****	3
7.	Shri V.P. Mafatlal	Promoter Non-Executive	7	Yes	20*****	1
8.	Shri S.G. Mankad	Independent Non-Executive	7	Yes	11	5
9.	Shri A.K. Srivastava	Professional Executive	7	Yes	2	1
10.	Shri S.S. Khanolkar	Executive	7	Yes	1	-

* In four Private Limited Companies and one Foreign Company ** In four Private Limited Companies *** In two Private Limited Companies **** In two Private Limited Companies ***** In thirteen Private Limited Companies and one Foreign Company

\$ Under this column, membership / chairmanship of Audit Committee and Shareholders' / Investors' Grievance Committee is considered.

Shri V.P. Mafatlal is the nephew of Shri H.A. Mafatlal, Chairman of the Company.

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

A total of seven meetings of the Board of Directors were held on 30 April 2012, 18 June, 2012, 29 July, 2012, 15 October, 2012, 17 December, 2012, 23 January, 2013 and 14 March, 2013. The Company has thus observed the provisions of the Listing Agreement(s), allowing not more than four months gap between two such meetings.

Personal shareholding of Non-Executive Directors is as follows:

Names of the Directors	Number of equity shares as at the year end
Shri T.M.M. Nambiar	1000
Shri P.N. Kapadia	1385
Shri S.S. Lalbhai	1000
Shri S.M. Kulkarni	NIL
Shri V.P. Mafatlal	112343
Shri S.G. Mankad	NIL

2. AUDIT COMMITTEE

As required under Section 292 A of the Companies Act, 1956, read with the provisions of Clause 49 of the Listing Agreement(s) with the Stock Exchange(s), the Board constituted an Audit Committee. Shri T.M.M. Nambiar is the Chairman of the Committee with Shri P.N. Kapadia, Shri S.S. Lalbhai and Shri S.M. Kulkarni are the other members. The terms of reference of the Audit Committee are as outlined in the Companies Act, 1956 and the Listing Agreement(s).

During 2012-2013, a total of four meetings of the Audit Committee were held on 30 April, 2012, 29 July, 2012, 15 October, 2012 and 23 January, 2013. The attendance of the members of the Audit Committee was as follows:

Sr. No.	Dates of Audit Committee Meetings	Attendance of Directors			
		Shri T.M.M. Nambiar	Shri P.N. Kapadia	Shri S.S. Lalbhai	Shri S.M. Kulkarni
1.	30 April, 2012	No	Yes	Yes	Yes
2.	29 July, 2012	Yes	Yes	Yes	Yes
3.	15 October, 2012	Yes	Yes	Yes	Yes
4.	23 January, 2013	Yes	No	Yes	Yes

Yes – Attended

No – Not Attended

Executive Chairman, Managing Director, Finance Director, Vice-President Finance and Accounts, Statutory Auditors and Internal Auditors, usually attend the meetings of the Audit Committee. The Company Secretary, Shri N.B. Mankad acts as the Secretary of the Audit Committee.

3. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Shri P.N. Kapadia is the Chairman of the Shareholders' / Investors' Grievance Committee. Shri T.M.M. Nambiar and Shri A.K. Srivastava are the other members of the Committee. The Committee looks into redressing the investors' grievances / complaints viz non-receipt of transferred shares and non-receipt of dividend, among others. During 2012-2013, one meeting of the Shareholders' / Investors' Grievances Committee was held on 14 March, 2013. The attendance of the members of the Shareholders' / Investors' Grievance Committee was as follows.

Sr. No.	Date of Shareholders' / Investors' Grievance Committee Meeting	Attendance of Directors		
		Shri P.N. Kapadia	Shri T.M.M. Nambiar	Shri A.K. Srivastava
1.	14 March, 2013	Yes	Yes	Yes

Yes – Attended

The other relevant details are as under:

a)	Number of complaints received from shareholders from 1 April, 2012 to 31 March, 2013	13
b)	Number of complaints resolved during the year	13
c)	Number of complaints pending at the end of the year	0
d)	Number of pending transfers as on 31 March, 2013 due to certain defects	NIL

Shri N.B. Mankad, Company Secretary is the Compliance Officer.

4. REMUNERATION COMMITTEE

Shri S.S. Lalbhai is the Chairman of the Remuneration Committee and Shri T.M.M. Nambiar and Shri S.M. Kulkarni are the other members of the Remuneration Committee.

During the year, two meetings of the Remuneration Committee were held on 30 April, 2012 and 29 July, 2012. The Committee is authorized to decide on the remuneration for the Executive Directors including annual increments, pension rights and compensation payments, if any and granting of stock options to Senior Management Personnel. The details of attendance of the members of the Remuneration Committee are as follows:

Sr. No.	Date of Remuneration Committee Meetings	Attendance of Directors		
		Shri S.S. Lalbhai	Shri T.M.M. Nambiar	Shri S.M. Kulkarni
1.	30 April, 2012	Yes	No	Yes
2.	29 July, 2012	Yes	Yes	Yes

Yes – Attended

No – Not Attended

5. REMUNERATION OF DIRECTORS

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

₹ in lacs

Sr. No.	Director	Salary and Perquisites	Commission*	Sitting Fees
1	Shri H.A. Mafatlal	43.31	111.00	-
2	Shri A.K. Srivastava	131.41	50.00	-
3	Shri S.S. Khanolkar	128.54	33.00	-
4	Shri T.M.M. Nambiar	-	5.00	2.20
5	Shri P.N. Kapadia	-	5.00	2.20
6	Shri S.S. Lalbhai	-	5.00	2.60
7	Shri S.M. Kulkarni	-	5.00	2.60
8	Shri R. Sankaran (up to 28.02.2013)	-	4.60	1.00
9	Shri V.P. Mafatlal	-	5.00	1.40
10	Shri S.G. Mankad	-	5.00	1.40

* Payable in financial year 2013-2014

Note: Other service contracts, notice period and severance fees, among other – None

In terms of the Company's "Employee Stock Option Scheme – 2007" approved by the shareholders at the 9th Annual General Meeting held on 20 July, 2007, Shri A.K. Srivastava and Shri S.S. Khanolkar have been granted 8700 and 8000 stock options respectively. 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, are given in Annexure to 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. Besides the above remuneration, there is no other material pecuniary relationship or transaction by the Company with Non-Executive Directors.

6. DISCLOSURE

a) Disclosure on material transactions i.e. transactions of the Company of material nature, with its promoters, the

Directors or the management and their subsidiaries or relatives, among others, 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.

b) 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

c) The Company has framed a Whistle Blower Policy which is one of the non-mandatory requirements of Clause 49 of the Listing Agreement. The said policy was approved and adopted by the Board at its meeting held on 29 July, 2012. The objectives of the policy are:

1. To provide a mechanism for employees 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
 2. To safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimization, who notice and report any unethical or improper practices.
 3. To appropriately communicate the existence of such mechanism, within the organization and to outsiders.
- d) 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.
- e) Disclosure of accounting treatment different from accounting standards.
None

7. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors, at its Meeting held on 27 October, 2005, laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – www.nfil.in. A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.

8. CEO / CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results to the Board in terms of Clause 41.

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
14th	2011-12	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road Churchgate, Mumbai 400020	18 June, 2012	3.00 p.m.	-
13th	2010-11	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road Churchgate, Mumbai 400020	22 June, 2011	3.00 p.m.	1
12th	2009-10	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road Churchgate, Mumbai 400020	21 June, 2010	3.00 p.m.	2

Whether special resolutions:

a) Were put through postal ballot last year	:	No
Details of voting pattern	:	N.A.
Person who conducted the postal ballot exercise	:	N.A.
b) Are proposed to be conducted through postal ballot this year	:	N.A.
Procedure for postal ballot	:	N.A.

10. MEANS OF COMMUNICATION

The financial results of the Company are reported as mentioned below

Half yearly report sent to shareholders	No
Quarterly results proposed to be published in which newspaper	In English – Economic Times and In Marathi – Maharashtra Times
Any website	www.nfil.in
Whether it displays official news release and the presentation made to institutional investors or to the analysts:	Yes
Whether management discussion and analysis report is a part of the annual report	Yes

11. GENERAL SHAREHOLDERS INFORMATION

A. 15th Annual General Meeting	
Date	24 June, 2013
Time	3.00 p.m.
Venue	Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road Churchgate, Mumbai 400020
B. Financial Calendar	1 April, 2013 to 31 March, 2014 (tentative)
First quarterly results	End of July 2013
Second quarterly results	End of October 2013
Third quarterly results	End of January 2014
Audited yearly results	End of May 2014
C. Date of Book Closure (both days inclusive)	17 June, 2013 to 21 June, 2013
D. Dividend payment date	27 June, 2013
E. Listing	BSE Ltd. (BSE) Ahmedabad Stock Exchange Ltd. (ASE) National Stock Exchange of India Ltd. (NSE)
F. Stock Code	BSE 532504 ASE 45433 NSE NAVINFLUOR EQ
G. ISIN Number	INE 048 G 01018

H. MONTHLY HIGH AND LOW**Bombay Stock Exchange**

Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	Number of shares traded
April 2012	384.75	344.10	17664.10	17010.16	215873
May 2012	437.70	391.00	17432.38	15809.71	966966
June 2012	435.80	301.00	17448.48	15748.98	550959
July 2012	331.00	291.00	17631.19	16598.48	155941
August 2012	307.75	285.85	17972.54	17026.97	90799
September 2012	307.25	284.00	18869.94	17250.80	113280
October 2012	333.90	282.20	19137.29	18393.42	212133
November 2012	297.60	278.10	19372.70	18255.69	65387
December 2012	300.00	281.00	19612.18	19149.03	62002
January 2013	306.00	271.00	20203.66	19508.93	80940
February 2013	277.00	230.10	19966.69	18793.97	80155
March 2013	243.90	210.15	19754.66	18568.43	68523

National Stock Exchange

Month	Highest	Lowest	NSE Sensex Highest	NSE Sensex Lowest	Number of shares traded
April 2012	384.90	349.00	5378.75	5154.30	263521
May 2012	439.85	384.85	5279.60	4788.95	1601053
June 2012	436.00	305.00	5286.25	4770.35	896293
July 2012	332.80	291.65	5348.55	5032.40	240809
August 2012	303.45	285.00	5448.60	5164.65	151788
September 2012	303.80	284.00	5735.15	5215.70	187593
October 2012	330.65	289.10	5815.35	4888.20	392894
November 2012	297.90	271.65	5885.25	5548.35	121932
December 2012	301.80	282.80	5965.15	5823.15	115458
January 2013	300.85	272.50	6111.80	5935.20	150561
February 2013	276.95	228.00	6052.95	5671.90	126143
March 2013	248.35	206.10	5971.20	5604.85	95984

I. REGISTRAR AND SHARE TRANSFER AGENTS

Sharepro Services (India) Pvt. Ltd.

Samhita Warehousing Complex,
2nd floor Gala No.52 to 56
Building No.13A-B Near Sakinaka Telephone Exchange
Andheri-Kurla Road Sakinaka Andheri (East)
Mumbai 400072
Tel: 91 22 6772 0300 / 6772 0400
Fax: 91 22 2859 1568 / 2850 8927
E-mail: sharepro@shareproservices.com

Investor Relations Centre

Sharepro Services (India) Pvt. Ltd.

1. 912 Raheja Centre	2. Devnandan Mega Mall
Free Press Journal Road	Office No.416-420 4th floor
Nariman Point	Opp. Sanyas Ashram
Mumbai 400021	Ashram Road
Tel: 91 22 6613 4700	Ahmedabad 380006
Fax: 91 22 2282 5484	Tel: 079 26582381 / 84

J. SHARE TRANSFER SYSTEM

All the share related work is being undertaken by our R&T Agent, Sharepro Services (India) Pvt. Ltd., Mumbai. A Share Transfer Committee of three Directors approves the share transfer, transmission, split and consolidation, among others, of shares. The share transfers are registered and returned within 15 days from the date of receipt if relevant document are complete in all respects. The shareholders' / investors' grievances are also taken up by our R&T Agent.

K. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2013

Slab	Total number of shareholders	%	Number of Shares	% of total share capital
Less than 500	102800	98.67	2125224	21.77
501-1000	782	0.75	597787	6.13
1001-2000	293	0.28	439681	4.50
2001-3000	101	0.10	255212	2.62
3001-4000	56	0.05	198086	2.03
4001-5000	40	0.04	184383	1.89
5001-10000	59	0.06	418157	4.28
10001-above	53	0.05	5542567	56.78
Total	104184	100.00	9761097	100.00

L. SHAREHOLDING PATTERN AS ON 31 MARCH, 2013

Sr. No.	Category	Number of shares held	% of holding
1.	Promoters' holding	3790494	38.83
2.	Mutual Funds and UTI	295919	3.03
3.	Bank, Financial Institutions, Insurance Companies, Central / State Government Institutions	14849	0.15
4.	FII's (Foreign Institutional Investors)	461642	4.73
5.	Private Corporate Bodies	634115	6.50
6.	Indian Public	4446214	45.55
7.	NRIs / OCBs	117864	1.21
	Total	9761097	100.00

M. DEMATERIALISATION DETAILS

As on 31 March, 2013, 32961 shareholders were holding 9327794 equity shares in demat form which constitutes 95.56% of the total share capital of the company.

N. OUTSTANDING GDR / ADR : N.A.**O. PLANTS / FACTORIES:**

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

P. 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: 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 (East)
Mumbai 400069
Tel: 91 22 6771 3800
Fax: 91 22 6771 3924

The Company has complied with all the mandatory requirements of Clause 49 and has also complied with two of the non-mandatory requirements viz. setting up of the Remuneration Committee and framing of Whistle Blower Policy.

ANNEXURE TO CORPORATE GOVERNANCE REPORT OF NAVIN FLUORINE INTERNATIONAL LIMITED

Declaration regarding Affirmation of Code of Conduct

In terms of the requirement of Clause 49 of the Listing Agreement, 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 31 March, 2013.

Place: Mumbai
Date: 30 April, 2013

Shekhar S. Khanolkar
Managing Director

AUDITOR'S CERTIFICATE

To,
The Members of
Navin Fluorine International Limited

We have examined the compliance of conditions of corporate governance by Navin Fluorine International Limited for the year ended on 31 March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreements.

We further 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.

Place: Mumbai
Dated: 30 April, 2013

For Deloitte Haskins & Sells,
Chartered Accountants,
Registration No.117364W,
R. Salivati
Partner
Membership No.34004

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The growth in the Indian economy slowed for the second year in succession to 5% in 2012-13 against 6.2% in 2011-12, the lowest in the last decade as a result of policy uncertainty resulting into weak growth in manufacturing, agriculture and service sectors. The Central Statistics Organisation's advance estimate lowered growth in agriculture and allied activities to 1.8% in 2012-13 against 3.6% in 2011-12; manufacturing growth dropped to an estimated 1.9% in 2012-13 from 2.7% in 2011-12 while the services sector grew at 8.6% in 2012-13 against 11.7% in the previous fiscal.

In 2012-13, the industrial sector was plagued by a slowdown in investment and consumption, driven by policy slowdown. The manufacturing sector was impacted by declining private consumption, corporate investment and export demand. Overall, India's GDP growth is expected to climb to 6-6.5% in 2013-14 (CRISIL estimates) due to a consumption revival. With advanced economies expected to record only a slight improvement in growth and depleted domestic investment pipeline, India's GDP growth in 2013-14 will be largely dependent on the revival of private consumption growth. Other factors expected to shape India's growth prospects in 2013-14 could comprise a pick-up in agriculture, normal monsoon, lower interest rates, higher government spending and increased private consumption.

INDUSTRY OVERVIEW

The global fluorochemicals market remained volatile on account of various international agreements, including the Kyoto and Montreal Protocols, as well as uncertainties around newer generation climate friendly alternatives. Internationally the HCFC 22 market also remained depressed due to demand-supply and capacity imbalances. Even feed-stock demand was at an all time low.

The HFCs, which replaced HCFCs in the developing world and grew at a considerable pace until FY2011 is suffering from a policy limbo as there is no clear scientific and regulatory direction in terms of deciding on a basket of newer generation climate friendly alternatives.

OUTLOOK

The global demand for fluoro-chemicals is forecast to rise 3.9% per year to 3.5 million metric tons by 2016, valued at USD 19.7 billion. Gains will be fuelled by increasing production of refrigeration and cooling equipment worldwide, as well as

by acceleration in primary aluminium output. Among other fluorochemicals products, fluoropolymers are expected to witness the most rapid gains in demand, driven by expanding opportunities for high-performance materials in motor vehicles, chemical processing, electronics and coatings markets. Demand for inorganic and specialty fluorochemicals will rise at a pace close to the overall average through 2016.

However, fluoro-chemicals suppliers will face a number of challenges including fluorspar availability as exports from China (world's leading producer) have increasingly come under restrictions. The other challenge will be to deal with the ever-shifting regulatory environment for fluorocarbons benefitting from strong growth in global aluminium production (Source: The Freedonia Group).

GROWTH DRIVERS

Pharmaceuticals and healthcare: Potentially the Indian pharmaceutical industry is poised to grow rapidly. Currently, it ranks third in the world by drug volume (10% of global share) and fourteenth by value (about 3% of global sales). The top ten Indian pharma companies cater to 1.1% of the global spending (about USD 11 billion) on health care. The Indian pharma industry grew 16% year-on-year in 2012 to Rs 629 billion, representing one of the fastest growth rates in the world. Global spending on medicines is estimated to grow at 4.5% CAGR during the period driven by higher generic spending. In terms of geographies, pharmerging (emerging pharmaceutical markets) countries will be the key drivers with market share estimated to increase to 30% by CY16.

Automobiles, air-conditioners and refrigerators market: Though the Indian automotive industry faced one of its slowest growth rates in a decade, the long-term prospects for the sector remain optimistic, considering India's low car penetration. According to estimates by JD Power and Ernst & Young, the Indian automobile market is tipped to become the third largest by 2020. India's share of the global passenger vehicle market could jump from 4% in 2010-11 to 8% in 2020.

As per a study titled Demand of AC Industry: An Analysis, released by The Associated Chambers of Commerce and Industry in India, about 4.2 million units of room air-conditioners were sold in India in 2011. According to a TechSci Research report, the country's air-conditioner market is forecast to grow at 13.6% CAGR for five years fuelled by a rapid increase in middle-class households from 31.4 million to 53.4 million by 2015 (NCAER

report) and a deeper penetration of room air-conditioners in the middle class Indian households.

The Indian refrigerator market is estimated in excess of 8 mn units per year, with the market growing at almost twice the rate of the overall growth of the country's consumer durables sector (Source: ICMR).

Agrochemicals: India is the fourth largest producer of agrochemicals, after United States, Japan and China whereas, India's agrochemicals consumption is one of the lowest with per

hectare consumption of just 0.58 Kg compared to US (4.5 Kg/ha) and Japan (11 Kg/ha). Given the thin base, the consumption in this sector can also be expected to grow rapidly.

CRAM/CRO: A business conceived two years back, is now coming of age. By leveraging its existing relationships with global pharma and agro majors and presence in Europe through Manchester Organics, this vertical is slated to double its revenues over the near future.

I. DIVISIONAL ANALYSIS

	Refrigerants	Specialty chemicals	Bulk fluorides	CRO/ CRAMS
Sales contribution (percent of non CER sales)	38%	38%	21%	3%
Applications	Air-conditioning (residential and cars) and household refrigerators	Pharmaceutical, agrochemical and petrochemical industries	Metal industries (mostly steel, abrasive and glass)	Research for a broad range of pharma and agro companies
Geographical presence	India, Southeast Asia, Middle East and South Africa	India, Europe, the US and Asia	India and Asia	India, Europe and the US
Revenue by geography	* Domestic: 68% * Exports: 32%	* Domestic: 54% * Exports: 46%	* Domestic: 97% * Exports: 3%	Exports more than 90%
Growth/ decline over 2011-12	11% decline	13% growth	Same as the previous year	6 times growth

Product REFRIGERANTS

Segment revenue in 2012-13: ₹ 176 cr

Navin Fluorine pioneered the manufacture of refrigerant gases in India in 1967. Its Mafron brand is a generic name for refrigerant gases in the country, a preferred choice for original equipment manufacturers, service technicians and equipment owners. The product facilitates safe, reliable and efficient refrigeration and air-conditioning solutions. The product is distributed through a strong distribution network of over 120 dealers in India and overseas. The Company's refrigerant products are exported to South Asia, Southeast Asia, the Middle East and Turkey.

In 2012-13, the Company derived 32% of its refrigerant revenues from international markets (40% in 2011-12) while the rest was marketed within India. Though volumes for HCFC22 declined over the previous year, the segment derived higher contributions mostly on account of raw material and packaging value engineering. The division also engaged in HFC134A trading, whose prices remained stable through most of the year.

As informed earlier the division's CER income ceased with effect from 31 December, 2012.

Product**SPECIALTY CHEMICALS****Segment revenue in 2012-13: ₹ 178 cr**

The Company's specialty segment manufactures fluorine-based molecules with niche applications in the pharmaceutical and agrochemical segments.

The division has a rich fluorine chemistry competence backed by a robust research set-up. Almost 46% of sales have come from international business.

During the year the division introduced six new fluorinated compounds with growing applications in the pharmaceutical and agrochemical sectors. The Company expects to work closely with customers, creating cost-efficient processes to widen its customer base.

Product**BULK FLUORIDES****Segment revenue in 2012-13: ₹ 99 cr**

Bulk fluorides cater mainly to the steel sector with dominant applications in the glass, pharmaceutical and agrochemical industries. The division launched two new products during the year with sizable potential upside to be harnessed in the coming years.

The division plans to introduce specific compounds for the glass industry and increase its export reach on the back of efficient cost levers.

Contract research and manufacturing services (CRAMS) and research and development (R&D)

The contract research and manufacturing services is a new vertical the Company ventured into two years back and during the year the division posted sales of ₹ 14 cr, which is expected to double in FY14. This is a research and knowledge-based initiative to cater to the rapid product development needs of major global pharma and agro companies in Europe, US and Japan. In addition to bringing forth the advantages of cost and time, Navin Fluorine also brings its deep and wide experience in fluorine-based chemicals.

The good work done over the last couple of years can be built on by establishing full-fledged manufacturing facility on a standalone basis or in partnership with others, culminating in a significant revenue generating stream over the next three to four years.

Manchester Organics, a UK-based subsidiary of Navin Fluorine, complemented the India operations to yield benefits of scale, complex chemistry, marketing and distribution.

Overall, the segment reported a six times higher topline over FY 2012.

II. HUMAN RESOURCES

At Navin Fluorine, human resources represent our biggest asset. In 2012-13, the company launched the Balanced Scorecard, a performance measure tool to align the organisational goals with the functional and individual aspirations.

The Company invested in training (functional and soft skills), inviting reputed external faculties to coach with emphasis on team building and communication. The company also organised workshops for shopfloor workers. It expects to start the employee referral programme under Parichay and 10-point competency framework to improve entrepreneurial action, quality orientation, teamwork, analytical thinking, communication and interpersonal relations, etc. The Company enjoyed peaceful industrial relations.

The Company had 594 employees as on 31 March, 2013 and enjoyed full co-operation from all its employees with peaceful industrial relations.

III. ANALYSIS OF OUR FINANCIAL STATEMENTS

The significant financial highlights of the Company are mentioned below:

- Decline in revenues by 25% from ₹ 70386 lacs in 2011-12 to ₹ 52469 lacs on the back of severely curtailed CER income.
- Decline in profit before tax by 79% from ₹ 31944 lacs in 2011-12 to ₹ 6857 lacs due to significant decline in revenues from CER sales and write-back of ₹ 7493 lacs provisions (no longer required) in 2011-12.

- Decline in net profit by 81% from ₹ 23124 lacs in 2011-12 to ₹ 4316 lacs for reasons mentioned above.

IV. OPPORTUNITIES AND THREATS

The management is aware of the environment in which the Company operates. There is a process of constantly identifying, monitoring and reviewing potential opportunities and threats to the business and take appropriate actions at suitable times.

The significant opportunities comprise of:

- The Company's positioning in the fluoro-specialities space, a niche segment with high entry barriers providing the necessary protection from emerging competitive threats
- High capacity of HF and other specialty and refrigerant gas plants provide scale benefits
- Strong reputation as a reliable provider of fluorinated chemicals and established presence among major pharmaceutical and agrochemicals producers
- Significant investments made in R&D, CRO and CRAMS provide the launching pad to venture into value-added molecules and full-fledged manufacture of high-potential compounds

The threats to the Company, closely monitored and addressed, comprise of:

- Currency volatility
- Unpredictable pricing by Chinese competitors in some of the Company's products
- Increased population around the Surat site of the Company leading to the potential HSE vulnerability
- Continuance of policy paralyzes and the economic uncertainties in the Euro zone and the US

V. RISK MANAGEMENT

At Navin Fluorine, risks are measured, estimated and controlled with the objective to enhance shareholder value. Irrespective of the type of risk or activity that creates it, 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
- Flexibility 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 prioritised risks and attached each risk with a designated owner, who monitored the likelihood of occurrence and the probable impact on the business.

VI. INTERNAL CONTROL SYSTEMS

All the Company's major business processes are currently run on SAP, the latest in ERP. The Company has an adequate internal audit system commensurate with its size and nature of operations. An independent firm of chartered accountants carries out the internal audit across the organisation including Manchester Organics, the UK based subsidiary.

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.

FINANCIAL SECTION

STANDALONE

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
NAVIN FLUORINE INTERNATIONAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NAVIN FLUORINE INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2013, 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 Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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 books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)

Signature
(R. Salivati)
(Partner)

Mumbai, 30 April, 2013

(Membership No. 34004)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business / activities / result, clauses (vi), (x), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable to the Company for the year.
- (ii) In respect of its fixed assets:
 - (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) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima-facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima-facie*, the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales

Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ In lakhs)
Income Tax Act, 1961	Income Tax	ITAT, Mumbai	2005-06	0.37
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	70.42
Central Excise Act	Excise Duty	High Court	1993-94 to 2005-06	90.33
Central Excise Act	Excise Duty	Commissioner of Central Excise	2005-06 & 2006-07	0.17
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 of Central Excise	2008-09	30.68
M.P. Sales Tax Act	Sales Tax	Deputy Commissioner	2006-07	47.97
The West Bengal Value Added Tax Act	Value Added Tax	Deputy Commissioner Appeals	2000-01 to 2004-05	11.87
M.P. Commercial Tax Act 1994	Commercial Tax	Assistant Commissioner of Commercial Taxes	1992-93, 1994-95 to 1996-97	8.30
U.P. VAT Act	Value Added Tax	Sales Tax Appellate Tribunal	2001-02	1.68
M.P. Sales Tax Act	C.S.T. & Entry Tax	Appellate Board	1996-97 & 2005-06	18.52
M.P. Sales Tax Act	C.S.T. & Commercial Tax	Department of Industries M.P. Government	1997-98	12.42
M.P. Commercial Tax Act	Commercial Tax	Madhya Pradesh High Court	1990-91 to 1995-96	28.51
U.P VAT Act	Value Added Tax	Allahabad High Court	1998-99 to 2000-01	69.14
The West Bengal Value Added Tax Act	Value Added Tax	Appellate Revisional Board	1994-95	1.08

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(xi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

(xii) 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 has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)

Signature
(R. Salivati)
(Partner)

Mumbai, 30 April, 2013

(Membership No. 34004)

Balance Sheet as at 31 March, 2013

₹ in lacs

	Note no.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	975.72	975.69
Reserves and surplus	4	49,970.60	47,361.51
		50,946.32	48,337.20
Non-current liabilities			
Deferred tax liabilities (net)	5	3,256.46	2,863.92
Other long term liabilities	6	2,049.59	2,014.05
Long-term provisions	7	339.58	283.51
		5,645.63	5,161.48
Current liabilities			
Short-term borrowings	8	8,323.92	9,334.39
Trade payables	9	5,014.88	4,515.37
Other current liabilities	10	1,238.86	1,018.32
Short-term provisions	11	972.94	7,653.29
		15,550.60	22,521.37
Total		72,142.55	76,020.05
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		22,956.65	23,545.98
Intangible assets		90.76	99.13
Capital work-in-progress		870.64	523.04
		23,918.05	24,168.15
Non-current investments	13	16,517.89	18,594.20
Long-term loans and advances	14	5,181.09	4,591.68
		45,617.03	47,354.03
Current assets			
Current investments	15	8,146.18	1,900.00
Inventories	16	7,193.22	8,401.61
Trade receivables	17	7,084.55	6,239.35
Cash and bank balances	18	2,746.56	10,502.18
Short-term loans and advances	19	1,241.17	1,121.40
Other current assets	20	113.84	501.48
		26,525.52	28,666.02
Total		72,142.55	76,020.05
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

R. Salivati
Partner
Membership No. 34004

H. A. Mafatlal
Chairman

S. S. Khanolkar
Managing Director

N. B. Mankad
Company Secretary

V. P. Mafatlal
S. S. Lalbhai
A. K. Srivastava
P. N. Kapadia
S. G. Mankad
S. M. Kulkarni
T.M.M. Nambiar

} Directors

Mumbai, dated, 30 April, 2013

■ Statement of Profit and Loss

for the year ended 31 March, 2013

₹ in lacs

	Note no.	As at March 31, 2013	As at March 31, 2012
Revenue from operations (gross)	21	55,934.16	73,039.08
less: excise duty		3,464.79	2,653.23
Revenue from operations (net)		52,469.37	70,385.85
Other income	22	1,385.25	9,100.53
Total		53,854.62	79,486.38
Expenses			
Cost of materials consumed	23	24,788.66	25,196.51
Purchases of stock-in-trade	23	619.86	557.09
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(14.76)	(1,073.79)
Employee benefits expense	25	4,416.19	4,087.57
Finance costs	26	609.74	354.19
Depreciation and amortization expense	27	1,961.17	1,773.42
Other expenses	28	14,615.99	16,647.88
Total		46,996.85	47,542.87
Profit before tax		6,857.77	31,943.51
Tax expense			
Current tax		2,171.00	7,870.00
Excess provision for tax relating to prior years		(22.10)	-
Deferred tax		392.54	949.95
		2,541.44	8,819.95
Profit for the year		4,316.33	23,123.56
Earnings per share (of ₹ 10/- each)			
Basic	29	44.22	236.90
Diluted	29	44.22	236.90
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

R. Salivati
Partner
Membership No. 34004

H. A. Mafatlal
Chairman

S. S. Khanolkar
Managing Director

N. B. Mankad
Company Secretary

V. P. Mafatlal
S. S. Lalbhai
A. K. Srivastava
P. N. Kapadia
S. G. Mankad
S. M. Kulkarni
T.M.M. Nambiar

Directors

Mumbai, dated, 30 April, 2013

■ Cash Flow Statement for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,857.77	31,943.51
adjustments for,		
Depreciation / amortization	1,961.17	1,773.42
Loss on sale / write off of fixed assets (net)	56.10	804.05
Profit on sale of current investments	(172.15)	-
Provision for doubtful debts / advances written back	(36.03)	(123.44)
Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of non-current investments	-	(7,492.72)
Interest expense	609.74	354.19
Interest income	(415.67)	(876.55)
Net loss / (gain) on foreign currency translations	32.69	431.95
Share of loss in the partnership firm where the Company is a partner	0.11	0.13
Dividend on long-term investments (non-trade)	(53.47)	(56.92)
Bad debts written off	-	34.36
Excess provision of earlier years written back	(75.03)	(3.83)
Provision for doubtful debts / advances	23.21	-
Operating profit before working capital changes	8,788.44	26,788.15
(Increase) / decrease in trade receivables	(906.72)	(472.81)
(Increase) / decrease in inventories	1,208.39	(2,891.41)
(Increase) / decrease in loans and advances	(195.67)	1,186.60
Increase / (decrease) in trade and other payables	864.93	(2,198.23)
	970.93	(4,375.85)
Cash generated from operations	9,759.37	22,412.30
Net income tax paid	(2,743.80)	(8,791.75)
Net cash flow from operating activities	7,015.57	13,620.55
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,716.93)	(6,196.84)
Capital contribution in partnership firm where Company is a partner (current)	(0.11)	(0.13)
Share of loss in the partnership firm where the Company is a partner	(0.11)	(0.13)
Bank balances not considered as cash and cash equivalents	8,817.89	(7,978.14)
Amounts paid for acquiring Mafatlal Industries Ltd. debts from a bank on assignment basis	-	(197.74)
Advances to Sulakshana Securities Ltd.	(8.00)	(7.50)
Amounts refunded by Sunanda Industrial Machinery Ltd.	-	2,706.39
Amounts refunded by Mafatlal Industries Ltd.	-	3,480.93
Redemption of investments in preference shares	-	3,000.00
Purchase of investments	(6,146.18)	(8,037.84)
Amount invested in joint venture	(1.25)	-
Amount paid for acquisition of subsidiary	-	(3,265.12)
Sale of fixed assets	27.32	19.98
Sale of investments	2,072.15	-
Dividend income	53.47	56.92
Interest income	886.95	1,010.99
Net cash flow from / (used in) investing activities	3,985.20	(15,408.23)

Cash Flow Statement for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Calls in arrears received during the year (including securities premium)	0.13	0.09
Repayment of debenture	-	(140.00)
(Repayments) / proceeds of other borrowings (net)	(1,010.47)	4,426.99
Compensation received pursuant to Montreal Protocol for phasing out production of Ozone Depleting Substances - Capital reserve no. 2	-	541.64
Dividend paid (including dividend distribution tax)	(8,318.42)	(1,904.11)
Interest expense	(609.74)	(354.19)
Net cash (used in) / from financing activities	(9,938.50)	2,570.42
Net increase / (decrease) in cash and cash equivalents	1,062.27	782.74
Cash and cash equivalents at the beginning of the year	1,366.90	584.16
Cash and cash equivalents at the end of the year	2,429.17	1,366.90
Note,		
Reconciliation of cash and cash equivalents		
As per Balance sheet - note 18	2,428.94	1,366.67
Foreign exchange (gains) and losses	0.23	0.23
As per Cash Flow Statement	2,429.17	1,366.90

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 117364W

R. Salivati
Partner
Membership No. 34004

H. A. Mafatlal
Chairman

S. S. Khanolkar
Managing Director

N. B. Mankad
Company Secretary

V. P. Mafatlal
S. S. Lalbhai
A. K. Srivastava
P. N. Kapadia
S. G. Mankad
S. M. Kulkarni
T.M.M. Nambiar

} Directors

Mumbai, dated, 30 April, 2013

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 1 CORPORATE INFORMATION

Navin Fluorine International Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay, Ahmedabad and National stock exchanges. The Company belongs to the reputed Arvind Mafatlal Group in India. Established in 1967, it has the largest integrated fluorochemicals complex in India. The Company primarily focuses on fluorine chemistry, producing refrigeration gases, some basic building block fluorides and specialty organofluorines. Its manufacturing facilities are located at Surat, Gujarat and Dewas, Madhya Pradesh.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles.

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

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

Depreciation has been provided for on all fixed assets on straight-line basis in accordance with the provisions of the Companies Act, 1956, (the Act) at the rates and in the manner specified in Schedule XIV of the Act except some identified items of office equipment which are depreciated over a period of five years. In respect of Specialty Chemicals, Cryolite, Aluminium Fluoride, Refrigerant Gases, ABF, Fluoroaniline Plants, R & D Pilot Plant and Captive Power Plant depreciation has been provided at the rate applicable to continuous process plants. Leasehold land is amortised over the period of lease.

e. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer Software which are capitalised, are amortised over a period of 6 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.

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:

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 lessor 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 (income) is recognized when no significant uncertainty as to its determination or realization exists. Revenue from operations includes carbon credits which are recognized on delivery thereof or sale of rights therein as the case may be, in terms of the contracts with the respective buyers.

n. 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.

o. 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.

p. 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 on 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.

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at 31 March, 2013	As at 31 March, 2012
NOTE 3 SHARE CAPITAL		
Authorised shares		
35,000,000 equity shares of ₹ 10/- each	3,500.00	3,500.00
Issued, subscribed and fully paid shares		
9,761,097 (as at 31 March, 2012, 9,761,097) equity shares of ₹10/- each, fully paid-up	976.11	976.11
<i>less:</i> Calls in arrears (refer note 3 f)	0.39	0.42
Total	975.72	975.69

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

Particulars	Opening balance	Buyback	Closing balance
Equity shares with voting rights			
Year ended 31 March, 2013			
- Number of shares	9,761,097	-	9,761,097
- Amount (₹ in lacs)	976.11	-	976.11
Year ended 31 March, 2012			
- Number of shares	9,761,097	-	9,761,097
- Amount (₹ in lacs)	976.11	-	976.11

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 dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March, 2013, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 15/- (year ended 31 March, 2012, ₹ 75/-)

c. Details of shareholders holding more than 5% shares in the company:

Equity shares of ₹ 10/- each fully paid	31 March , 2013		31 March , 2012	
Name	Nos.	% holding	Nos.	% holding
Mafatlal Impex Private Limited	1,085,193	11.12	1,085,193	11.12
Suremi Trading Private Limited	646,081	6.62	976,619	10.01
NOCIL Limited	566,340	5.80	566,340	5.80

d. For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 31.

e. During the period of five years immediately preceding the reporting date:

	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011	As at 31 March, 2010	As at 31 March, 2009
Equity shares bought back by the company	-	-	338,792	-	-

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 3 SHARE CAPITAL (Contd.)

Pursuant to the decision of the Board of Directors of the Company taken in its meeting dated 24 September, 2010, the Company bought back 338,792 equity shares of nominal value of ₹ 10/- each at a price of ₹ 400/- per share for an aggregate value of ₹ 1,355.17 lacs during 2010-11 under Section 77A of the Companies Act, 1956 through tender offer by utilising the Share premium account to the extent of ₹ 1,321.29 lacs. The Capital redemption reserve was created out of General reserve for ₹ 33.88 lacs being the nominal value of shares thus bought back. All the equity shares bought back were extinguished by 5 March, 2011.

f. Calls unpaid (by other than officers and directors)

₹ in lacs

	As at 31 March, 2013	As at 31 March, 2012
7,891 (previous year 8,307) equity shares of ₹ 10/- each, ₹ 5/- called up but unpaid	0.39	0.42

g. 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.

₹ in lacs

	As at 31 March, 2013	As at 31 March, 2012
NOTE 4 RESERVES AND SURPLUS		
Capital reserve no. 1		
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
	8,035.17	8,035.17
Capital reserve no. 2		
Compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances		
As per last Balance sheet	6,823.20	6,281.56
add: received during the year	-	541.64
	6,823.20	6,823.20
Capital redemption reserve		
As per last Balance sheet	33.88	33.88
	33.88	33.88
Securities premium account		
As per last Balance sheet	1,052.79	1,052.79
less: amount in arrears (net of receipts during the year, ₹ 0.10 lacs; as at 31 March, 2012, ₹ 0.08 lacs)	1.97	2.07
	1,050.82	1,050.72
Contingency reserve		
Reserve created in terms of a corporate guarantee given		
As per last Balance sheet	1,000.00	1,000.00
	1,000.00	1,000.00
Debenture redemption reserve		
As per last Balance sheet	-	35.00
less: transferred to General reserve	-	35.00
	-	-

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 4 RESERVES AND SURPLUS (Contd.)		
General reserve		
As per last Balance sheet	4,900.34	2,545.34
<i>add:</i> transferred from surplus in statement of Profit and loss	432.00	2,320.00
<i>add:</i> transferred from Debenture redemption reserve	-	35.00
	5,332.34	4,900.34
Surplus in Statement of Profit and loss		
Balance as per last Balance Sheet	25,518.20	13,223.09
<i>add:</i> profit for the year	4,316.33	23,123.56
	29,834.53	36,346.65
<i>less:</i> appropriations		
Interim dividend (₹ 7.50/- per share, previous year, ₹ 8.50/- per share)	732.08	829.69
Proposed final dividend (₹ 7.50/- per share, previous year, ₹ 6.50/- per share)	732.08	634.47
Proposed special dividend (₹ nil, previous year, ₹ 60/- per share)	-	5,856.66
Corporate tax on dividend	243.18	1,187.63
Transferred to General reserve	432.00	2,320.00
Total appropriations	2,139.34	10,828.45
	27,695.19	25,518.20
Total	49,970.60	47,361.51
NOTE 5 DEFERRED TAX LIABILITIES (NET)		
Difference between book and tax written down values of fixed assets	3,387.83	3,015.36
Others	13.02	-
Gross deferred tax liability	3,400.85	3,015.36
Provision for doubtful debts / advances	144.39	130.37
Others	-	21.07
Gross deferred tax asset	144.39	151.44
Net deferred tax liability	3,256.46	2,863.92
NOTE 6 OTHER LONG-TERM LIABILITIES		
Advance against project contracts	303.24	303.24
Security deposits received	384.70	349.16
Others		
- Iraq gas project	1,031.70	1,031.70
- Land development	329.95	329.95
Total	2,049.59	2,014.05
NOTE 7 LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for compensated absences	339.58	283.51
Total	339.58	283.51

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 8 SHORT-TERM BORROWINGS		
Secured		
Cash credit from banks	4,704.16	1,242.53
Buyers' credit from banks	1,636.47	8,091.86
Unsecured		
Commercial paper	1,983.29	-
Total	8,323.92	9,334.39

Cash credit and buyers' credit from banks are secured by hypothecation of certain stocks and book debts of the Company, both present and future and second charge created / to be created on all the fixed assets of the company situated at Bhestan and certain fixed assets at Dewas.

NOTE 9 TRADE PAYABLES		
Trade payables *	5,014.88	4,515.37
Total	5,014.88	4,515.37

* Dues to Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected. The total amount remaining unpaid as at the end of the year is ₹ 41.01 lacs (previous year, ₹ 71.50 lacs) (refer note 40)

NOTE 10 OTHER CURRENT LIABILITIES		
Unpaid dividend	173.56	96.98
Unpaid money on buy-back of shares	4.47	4.47
Other payables		
Statutory dues payable	177.90	174.98
Trade / security deposits	646.03	515.47
Advance from customers	182.28	177.32
Provision for gratuity (refer note 30)	54.62	49.10
Total	1,238.86	1,018.32

NOTE 11 SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for compensated absences	113.47	100.31
	113.47	100.31
Other Provisions		
Provision for tax (net of advance tax ₹ nil, as at 31 March, 2012, ₹ 1,163.95 lacs)	2.97	8.82
Provision for proposed equity dividend	732.08	6,491.13
Provision for tax on proposed dividend	124.42	1,053.03
	859.47	7,552.98
Total	972.94	7,653.29

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 12 FIXED ASSETS

₹ in lacs

Tangible assets	Gross block				Depreciation / amortisation				Net Block	
	As at 1 April, 2012	Addition/ adjustments	Deduction/ adjustments	As at 31 March, 2013	As at 1 April, 2012	For the year	Deduction/ adjustments	Upto 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
Owned assets										
Freehold land	10.56	-	-	10.56	-	-	-	-	10.56	10.56
	(10.56)	-	-	(10.56)	-	-	-	-	(10.56)	
Leasehold land	2,595.99	-	-	2,595.99	1.65	26.21	-	27.86	2,568.13	2,594.34
	(1.00)	(2,594.99)	-	(2,595.99)	-	(1.65)	-	(1.65)	(2,594.34)	
Buildings	2,714.54	82.75	-	2,797.29	281.79	72.94	-	354.73	2,442.56	2,432.75
	(1,621.70)	(1,092.84)	-	(2,714.54)	(229.52)	(52.27)	-	(281.79)	(2,432.75)	
Plant and machinery	26,538.03	1,184.67	104.92	27,617.78	8,867.87	1,647.27	43.64	10,471.50	17,146.28	17,670.16
	(22,591.96)	(4,417.85)	(471.78)	(26,538.03)	(7,586.41)	(1,518.49)	(237.03)	(8,867.87)	(17,670.16)	
Furniture and fixtures	319.02	0.80	-	319.82	70.06	19.14	-	89.20	230.62	248.96
	(313.22)	(44.74)	(38.94)	(319.02)	(89.66)	(18.25)	(37.85)	(70.06)	(248.96)	
Vehicles	312.87	11.12	34.46	289.53	96.56	26.75	16.37	106.94	182.59	216.31
	(365.91)	(28.24)	(81.28)	(312.87)	(107.34)	(30.88)	(41.66)	(96.56)	(216.31)	
Office equipment	560.93	74.24	5.28	629.89	188.03	67.18	1.23	253.98	375.91	372.90
	(503.47)	(159.26)	(101.80)	(560.93)	(217.35)	(52.17)	(81.49)	(188.03)	(372.90)	
Total	33,051.94	1,353.58	144.66	34,260.86	9,505.96	1,859.49	61.24	11,304.21	22,956.65	23,545.98
As at and for the year ended 31 March, 2012	(25,407.82)	(8,337.92)	(693.80)	(33,051.94)	(8,230.28)	(1,673.71)	(398.03)	(9,505.96)	(23,545.98)	

Intangible Assets	Gross block				Depreciation / amortisation				Net Block	
	As at 1 April, 2012	Addition/ adjustments	Deduction/ adjustments	As at 31 March, 2013	As at 1 April, 2012	For the year	Deduction / adjustments	Upto 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
Computer software	148.77	15.75	-	164.52	49.64	24.12	-	73.76	90.76	99.13
	(117.46)	(31.31)	-	(148.77)	(27.48)	(22.16)	-	(49.64)	(99.13)	
Total	148.77	15.75	-	164.52	49.64	24.12	-	73.76	90.76	99.13
As at and for the year ended 31 March, 2012	(117.46)	(31.31)	-	(148.77)	(27.48)	(22.16)	-	(49.64)	(99.13)	
Capital work-in-progress									870.64	523.04

Note: Figures in parentheses are as at and for the year ended 31 March, 2012.

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 13 NON-CURRENT INVESTMENTS

₹ in lacs

	As at 31 March, 2013			As at 31 March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
a) Investment property (at cost less accumulated depreciation, given on operating lease)						
Cost of premises	-	4,759.32	4,759.32	-	4,759.32	4,759.32
<i>less:</i> accumulated depreciation	-	222.44	222.44	-	144.88	144.88
Net	-	4,536.88	4,536.88	-	4,614.44	4,614.44
b) Non-trade investments (valued at cost unless stated otherwise)						
<i>Investment in equity instruments</i>						
<i>(i) of subsidiaries</i>						
150,000 (as at 31 March, 2012, 150,000) equity shares of Sulakshana Securities Limited of ₹ 10/- each, fully paid-up	-	15.00	15.00	-	15.00	15.00
5,100 (as at 31 March, 2012, 5,100) equity shares of Manchester Organics Limited of £ 0.01 each, fully paid-up	-	3,265.12	3,265.12	-	3,265.12	3,265.12
<i>(ii) of associates</i>						
17,747,072 * (as at 31 March, 2012, 17,747,072) equity shares of Mafatlal Denim Limited of ₹ 10/- each, fully paid-up (Refer note 43)	-	1,552.73	1,552.73	-	1,552.73	1,552.73
<i>(iii) of joint venture</i>						
12,500 (31 March 2012, nil) equity shares of ₹ 10/- each fully paid-up in Swarnim Gujarat Fluorspar Private Limited	-	1.25	1.25	-	-	-
<i>(iv) of other companies</i>						
481,600 (as at 31 March, 2012, 481,600) equity shares of Cebon Apparel Private Limited of ₹ 10/- each, fully paid-up	-	9.03	9.03	-	9.03	9.03
9,300 (as at 31 March, 2012, 9,300) equity shares of Mafatlal Services Limited of ₹ 100/- each, fully paid-up	-	12.74	12.74	-	12.74	12.74
6,850,000 (as at 31 March, 2012, 6,850,000) equity shares of NOCIL Limited of ₹ 10/- each, fully paid-up	1,137.84	-	1,137.84	1,137.84	-	1,137.84
	1,137.84	4,855.87	5,993.71	1,137.84	4,854.62	5,992.46
<i>less:</i> Adjustments to the carrying amount of investment	-	15.00	15.00	-	15.00	15.00
	1,137.84	4,840.87	5,978.71	1,137.84	4,839.62	5,977.46
<i>Investment in preference shares</i>						
30,000,000 (as at 31 March, 2012, 30,000,000) Fully Redeemable Non-Cumulative preference shares of Mafatlal Industries Limited of ₹ 10/- each, fully paid-up	-	3,000.00	3,000.00	-	3,000.00	3,000.00
	-	3,000.00	3,000.00	-	3,000.00	3,000.00

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 13 NON-CURRENT INVESTMENTS (Contd.)

₹ in lacs

	As at March 31, 2013			As at March 31, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<i>Investment in bonds</i>						
150 ** 11% Corporate bonds - series IV of Housing Development Finance Corporation Limited	-	1.50	1.50	-	1.50	1.50
<i>Investment in mutual funds (face value of ₹ 10/- each)</i>						
Nil (as at 31 March, 2012, 8,000,000) units of SBI Debt Fund Series 8 - 15 months	-	-	-	-	800.00	800.00
Nil (as at 31 March, 2012, 6,000,000) units of Tata Fixed Maturity Plan Series 39 Scheme B	-	-	-	-	600.00	600.00
Nil (as at 31 March, 2012, 6,000,000) units of Sundaram Fixed Term Plan - CK - 18 months	-	-	-	-	600.00	600.00
Nil (as at 31 March, 2012, 5,000,000) units of DWS Fixed Maturity Plan - Series 2	-	-	-	-	500.00	500.00
Nil (as at 31 March, 2012, 6,000,000) units of ICICI Prudential FMP Series 62 - 396 Days Plan F	-	-	-	-	600.00	600.00
Nil (as at 31 March, 2012, 6,000,000) units of DWS Fixed Maturity Plan - Series 6	-	-	-	-	600.00	600.00
Nil (as at 31 March, 2012, 5,000,000) units of Tata Fixed Maturity Plan Series 40 Scheme A	-	-	-	-	500.00	500.00
Nil (as at 31 March, 2012, 5,000,000) units of ICICI Prudential FMP Series 63 - 370 Days Plan D	-	-	-	-	500.00	500.00
Nil (as at 31 March, 2012, 3,000,000) units of Sundaram Fixed Term Plan - CQ - 370 days	-	-	-	-	300.00	300.00
3,728,255 (as at 31 March, 2012, nil) units of HDFC Income Fund Growth	-	1,000.00	1,000.00	-	-	-
2,710,064 (as at 31 March, 2012, nil) units of ICICI Prudential Income Fund	-	1,000.00	1,000.00	-	-	-
1,715,982 (as at 31 March, 2012, nil) units of ICICI Pru Corporate Bond Fund - B Growth	-	300.00	300.00	-	-	-
3,000,000 (as at 31 March, 2012, nil) units of J. P. Morgan India Income Fund series 301	-	300.00	300.00	-	-	-
4,000,000 (as at 31 March, 2012, nil) units of DSP BlackRock FTP - Series 11 - 36 Months	-	400.00	400.00	-	-	-
	-	3,000.00	3,000.00	-	5,000.00	5,000.00
<i>Investment in partnership firm</i>						
Capital contribution in Urvi Associates (subsidiary)	-	0.80	0.80	-	0.80	0.80
Total	1,137.84	15,380.05	16,517.89	1,137.84	17,456.36	18,594.20
Aggregate amount of quoted investments			1,137.84			1,137.84
Aggregate market value of listed and quoted investments			959.00			1,140.53
Aggregate amount of unquoted investments			15,380.05			17,456.36

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 13 NON-CURRENT INVESTMENTS (Contd.)

Details of investment in partnership firm - Urvija Associates	As at March 31, 2013		As at March 31, 2012	
Name of the partner	Total capital	Share of profit	Total capital	Share of profit
Navin Fluorine International Limited	0.80	80%	0.80	80%
Mayflower Textiles Private Limited	0.10	10%	0.10	10%
Myrtle Textiles Private Limited	0.10	10%	0.10	10%

* the investments have been pledged against credit facilities of Mafatlal Denim Limited

** pending transfer in the Company's name and not available for physical verification.

NOTE 14 LONG-TERM LOANS AND ADVANCES

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
Capital advances		
Unsecured, considered good	51.80	73.47
Security deposits		
Unsecured, considered good	510.12	487.34
Loans and advances to related parties (refer note 44)		
Secured, considered good	2,396.70	2,396.70
Unsecured, considered good	67.16	59.28
Doubtful	380.38	380.37
	2,844.24	2,836.35
Provision for doubtful advances	380.38	380.37
	2,463.86	2,455.98
Loans and advances to employees (unsecured, considered good)	23.79	31.90
Prepaid expenses (unsecured, considered good)	0.97	1.32
Advance income-tax (net of provision ₹ 22,301.17 lacs, as at 31 March, 2012, ₹ 19,605.15 lacs) (unsecured, considered good)	1,750.13	1,161.08
Advance fringe benefit tax (net of provision ₹ 89.00 lacs, as at 31 March, 2012, ₹ 101.50 lacs)	12.08	12.25
Other loans and advances (unsecured, considered good)		
Iraq gas project	162.70	162.70
Land development	205.64	205.64
	2,155.31	1,574.89
Total	5,181.09	4,591.68

Notes,

Loans and advances in the nature of loans, due from:

Subsidiary Company:

Sulakhana Securities Limited	2,814.57	2,806.57
Maximum amount outstanding during the year	2,814.57	2,806.57

Others:

Staff	15.97	29.68
(interest bearing with repayment schedules beyond seven years)		
Maximum amount outstanding during the year	29.68	36.81

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 15 CURRENT INVESTMENTS (valued at lower of cost or fair value)		
Unquoted		
Investment in Mutual Funds (face value of ₹ 10 each)		
Nil (as at 31 March, 2012, 7,000,000) units of ICICI Prudential Banking & PSU Debt Fund - Premium Plus	-	700.00
Nil (as at 31 March, 2012, 12,000,000) units of IDFC Money Manager Fund - Investment Plan - Plan B - (Institutional)	-	1,200.00
8,000,000 (as at 31 March, 2012, nil) units of SBI Debt Fund Series 8 - 15 months	800.00	-
6,000,000 (as at 31 March, 2012, nil) units of Tata Fixed Maturity Plan Series 39 Scheme B	600.00	-
6,000,000 (as at 31 March, 2012, nil) units of Sundaram Fixed Term Plan - CK - 18 months	600.00	-
5,000,000 (as at 31 March, 2012, nil) units of DWS Fixed Maturity Plan - Series 2	500.00	-
6,000,000 (as at 31 March, 2012, nil) units of ICICI Prudential FMP Series 62 - 396 Days Plan F	600.00	-
6,000,000 (as at 31 March, 2012, nil) units of DWS Fixed Maturity Plan - Series 6	600.00	-
5,000,000 (as at 31 March, 2012, nil) units of Tata Fixed Maturity Plan Series 40 Scheme A	500.00	-
5,000,000 (as at 31 March, 2012, nil) units of ICICI Prudential FMP Series 63 - 370 Days Plan D	500.00	-
3,000,000 (as at 31 March, 2012, nil) units of Sundaram Fixed Term Plan - CQ - 370 days	300.00	-
9,791,797 (as at 31 March, 2012, nil) units of DWS Premier Bond Regular Plan - Growth	1,896.18	-
1,047,050 (as at 31 March, 2012, nil) units of ICICI Prudential Short Term Fund	250.00	-
3,186,337 (as at 31 March, 2012, nil) units of Reliance Dynamic Bond Funds	500.00	-
1,267,482 (as at 31 March, 2012, nil) units of Templeton Income Builder Fund	500.00	-
Total	8,146.18	1,900.00
NOTE 16 INVENTORIES (valued at lower of cost and net realizable value)		
Raw materials	3,830.30	4,864.43
Work-in-progress	386.43	385.17
Finished goods	2,162.74	2,267.66
Traded goods	191.94	73.52
Stores and spares	621.81	810.83
Total	7,193.22	8,401.61
Details of work-in-progress		
Fluoro chemicals	386.43	385.17

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 17 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	6.77	25.92
Doubtful	39.30	11.11
	46.07	37.03
<i>less:</i> provision for doubtful trade receivables	39.30	11.11
	6.77	25.92
Other receivables		
Unsecured, considered good	7,077.78	6,213.43
Doubtful	2.69	7.89
	7,080.47	6,221.32
<i>less:</i> provision for doubtful trade receivables	2.69	7.89
	7,077.78	6,213.43
Total	7,084.55	6,239.35
NOTE 18 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	7.39	6.34
Cheques on hand	-	14.03
Balances with banks		
in current accounts	2,021.55	1,046.30
in deposits accounts		
- original maturity of 3 months or less	400.00	300.00
	2,428.94	1,366.67
Other bank balances		
in deposit accounts		
- original maturity more than 3 months	125.00	9,000.00
in earmarked accounts		
- unpaid dividend account	173.56	96.98
- buy-back account	4.47	38.47
- balances held as margin money	14.59	-
- post office savings bank account (security deposit)	-	0.06
	317.62	9,135.51
Total	2,746.56	10,502.18

Certain current accounts with banks, which have been transferred from MIL pursuant to its scheme of demerger, are in the process of being transferred in the Company's name.

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 19 SHORT TERM LOANS AND ADVANCES		
Loan and advances to related parties (refer note 44)		
Unsecured, considered good	24.70	10.55
Security deposits		
Unsecured, considered good	40.34	63.87
Loans to employees (unsecured, considered good)	9.95	18.28
Prepaid expenses (unsecured, considered good)	37.05	24.38
Balances with statutory / government authorities (unsecured, considered good)		
CENVAT credit receivable	242.77	279.66
Service tax credit receivable	221.29	163.14
	511.06	485.46
Other loans and advances (unsecured, including advance to suppliers)		
Unsecured, considered good	665.07	561.52
Doubtful	2.43	2.43
	667.50	563.95
Provision for doubtful advances	2.43	2.43
	665.07	561.52
Total	1,241.17	1,121.40
Notes,		
Loans and advances in the nature of loans, due from:		
Staff (interest bearing)	9.96	9.57
Maximum amount outstanding during the year	9.96	11.28
NOTE 20 OTHER CURRENT ASSETS		
Interest accrued on fixed deposits with banks	12.76	484.04
Rent receivable	101.08	17.44
Total	113.84	501.48
NOTE 21 REVENUE FROM OPERATIONS		
Sale of products		
Finished goods	55,244.34	72,234.31
Traded goods	511.18	531.03
	55,755.52	72,765.34
Other operating Revenue		
Scrap sales	178.64	273.74
Revenue from operations (gross)	55,934.16	73,039.08
less: Excise duty *	3,464.79	2,653.23
Revenue from operations (net)	52,469.37	70,385.85

*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.

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 21 REVENUE FROM OPERATIONS (Contd.)		
<i>Details of products sold</i>		
Finished goods		
Organic chemicals	-	113.07
Synthetic cryolite, aluminium fluoride, fluorocarbon gases	18,076.71	19,990.12
Carbon credits	5,710.54	25,190.01
Hydrofluoric acid and other fluorine chemicals	29,344.75	26,051.87
Others (including sulphuric acid and oleum)	2,112.34	889.24
	55,244.34	72,234.31
Traded goods		
Mafron gases	511.18	531.03
	511.18	531.03
Total	55,755.52	72,765.34
NOTE 22 OTHER INCOME		
Interest income (Refer note 1, below)	415.67	876.55
Dividend income:		
Current investments	12.37	3.46
Other investments	41.10	53.46
Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of non-current investments	-	7,492.72
Other non-operating income (Refer note 2, below)	916.11	674.34
Total	1,385.25	9,100.53
Notes,		
1. Interest income comprises:		
Interest from banks on deposits	362.56	640.68
Interest on loans & advances	14.19	3.78
Other interest	38.92	232.09
	415.67	876.55
2. Other non-operating income:		
Rental income from investment property	524.47	521.07
Provision for doubtful debts / advances written back / credit balances written back	36.03	123.44
Excess provision of earlier years written back (net)	75.03	3.83
Insurance claims	18.62	9.59
Profit on sale of current investments	172.15	-
Miscellaneous income	89.81	16.41
	916.11	674.34

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 23 COST OF RAW MATERIALS CONSUMED		
Inventories at the beginning of the year	4,864.43	2,789.55
<i>add:</i> purchases	23,754.53	27,271.39
	28,618.96	30,060.94
<i>less:</i> Inventories at the end of the year	3,830.30	4,864.43
	24,788.66	25,196.51
Details of raw materials consumed		
Fluorspar	8,953.97	8,009.61
Chloromethanes	2,702.91	5,172.27
Spor 11	1,639.24	2,260.98
Sulphur	1,398.66	1,382.69
Others	10,093.88	8,370.96
Total	24,788.66	25,196.51
Purchase of stock-in-trade - Mafron gases	619.86	557.09
	619.86	557.09
NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	2,162.74	2,267.66
Work-in-process	386.43	385.17
Stock-in-trade	191.94	73.52
	2,741.11	2,726.35
Inventories at the beginning of the year		
Finished goods	2,267.66	1,651.75
Work-in-process	385.17	-
Stock-in-trade	73.52	0.81
Total	2,726.35	1,652.56
Net increase	14.76	1,073.79
NOTE 25 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	3,806.22	3,555.66
Contribution to provident and other funds	409.24	337.25
Staff welfare expenses	200.73	194.66
Total	4,416.19	4,087.57
NOTE 26 FINANCE COSTS		
Interest on borrowings	542.95	281.60
Interest on others	18.01	18.58
Other borrowing costs	48.78	54.01
Total	609.74	354.19

Notes forming part of Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 27 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation of tangible assets	1,859.49	1,673.71
Amortisation of intangible assets	24.12	22.16
Depreciation of investment property	77.56	77.55
Total	1,961.17	1,773.42
NOTE 28 OTHER EXPENSES		
Consumption of stores and spares	1,529.94	1,532.46
Consumption of packing materials	1,436.47	1,125.37
Excise duty	(26.75)	80.11
Power and fuel	3,892.37	3,387.56
Rent	210.83	239.02
Repairs to buildings	109.40	210.47
Repairs to machinery	245.89	295.57
Labour charges	680.62	725.20
Insurance	92.59	106.88
Rates and taxes	266.20	302.93
Commission and discounts	350.76	421.50
Transport and freight charges (net)	1,600.27	1,515.27
Loss on sale / write off of fixed assets (net)	56.10	804.05
Provision for doubtful debts / advances	23.21	-
Bad debts / advances written off	-	34.36
Share of loss in the partnership firm where the Company is a partner	0.11	0.13
Net loss on foreign currency transactions and translations	866.48	751.64
Donations	522.00	531.50
Legal and professional fees *	928.55	2,849.46
Miscellaneous expenses	1,830.95	1,734.40
Total	14,615.99	16,647.88

* includes current market value of carbon credits given to overseas marketing and other service providers.

	As at March 31, 2013	As at March 31, 2012
Payments to auditors		
To statutory auditor		
For audit	15.00	12.50
For taxation matters	4.58	8.50
For other services	16.80	13.29
Reimbursement of expenses	0.27	0.08
	36.65	34.37
To cost auditor		
For audit	2.50	0.30
Reimbursement of expenses	0.04	0.03
	2.54	0.33
Total	39.19	34.70

Notes forming part of Financial Statements for the year ended 31 March, 2013

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:

	Current Year	Previous Year
Profit attributable to equity shareholders – ₹ in lacs	4,316.33	23,123.56
Weighted average number of equity shares outstanding during the year	9,761,097	9,761,097
Basic earnings per share – ₹	44.22	236.90
Diluted earnings per share – ₹	44.22	236.90
Nominal value per share – ₹	10.00	10.00

Note: Stock options granted to certain executives not being dilutive have not been considered for the purpose of computing diluted earnings per share.

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 ₹ 338.72 lacs (previous year, ₹ 288.15 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 gratuity and compensated absences has been included in 'Contribution to provident fund and other funds' and 'Salaries, wages and bonus' respectively.

In respect of gratuity (funded):

	₹ in lacs	
	Current Year	Previous Year
Reconciliation of liability recognized in the Balance Sheet		
Present value of commitments	(1016.80)	(940.44)
Fair value of plan assets	962.18	891.34
Net liability in the Balance Sheet	(54.62)	(49.10)
Movement in net liability recognized in the Balance Sheet		
Net liability as at beginning of the year	(49.10)	(113.47)
Net expense recognized in the Statement of Profit and Loss	(21.42)	(49.10)
Contribution during the year	15.90	113.47
Net liability as at end of the year	(54.62)	(49.10)
Expense recognized in the Statement of Profit and Loss		
Current service cost	42.85	37.48
Interest cost	79.94	73.12
Expected return on plan assets	(76.66)	(61.82)
Actuarial (gains) / losses	(24.71)	0.32
Expense charged to the Statement of Profit and Loss	21.42	49.10

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 30 EMPLOYEE BENEFITS (Contd.)

₹ in lacs

	Current Year	Previous Year
Return on plan assets		
Expected return on plan assets	76.66	61.82
Actuarial gains / (losses)	46.72	3.10
Actual return on plan assets	123.38	64.92
Reconciliation of defined-benefit commitments		
Commitments as at beginning of the year	940.44	886.27
Current service cost	42.85	37.48
Interest cost	79.94	73.12
Paid benefits	(68.44)	(59.85)
Actuarial (gains) / losses	22.01	3.42
Commitments as at end of the year	1016.80	940.44
Reconciliation of plan assets		
Plan assets as at beginning of the year	891.34	772.79
Expected return on plan assets	76.66	61.82
Contributions during the year	15.90	113.47
Paid benefits	(68.44)	(59.85)
Actuarial gains / (losses)	46.72	3.10
Plan assets as at end of the year	962.18	891.33

The actuarial calculations used to estimate commitments and expenses in respect of gratuity are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

	Current Year	Previous Year
Discount rate	8.50%	8.50%
Expected return on plan assets	8.60%	8.60%
Expected rate of salary increase	5.50%	5.50%
Mortality	LIC (1994-96) Ultimate	
Estimate of amount of contribution in the immediate next year	121.20	91.95

Experience adjustment:	2012-13	2011-12	2010-11	2009-10
On plan liability (gain) / loss	28.70	52.91	91.70	43.15
On plan assets gain / (loss)	46.72	3.10	0.45	(10.34)

	Current Year	Previous Year
The fair value of the plan assets is distributed in the following manner:	%	%
Deposits with a nationalized bank	21.49	22.18
Various debt instruments	78.51	77.82

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 31 EMPLOYEE STOCK OPTION SCHEME

- a. The Company's Employee Stock Option Scheme has been approved by the Board of Directors of the Company on 1 May, 2007.
- b. The vesting period is over four years from the date of grant, commencing after one year from the date of grant.
- c. Exercise Period would commence one year from date of grant and will expire on completion of ten years from the date of vesting.
- d. The options will be settled in equity shares of the Company.
- e. The Company used the intrinsic value method to account for ESOPs.
- f. The exercise price has been determined to be the market price on the days preceding the dates of grants.
- g. 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.
- h. Details of movement of options:

	As at March 31, 2013	As at March 31, 2012
Particulars	Nos.	Nos.
Options outstanding at the beginning of the year	32,300	36,300
Options granted during the year	NIL	NIL
Options vested during the year	NIL	8,075
Options exercised during the year	NIL	NIL
Options forfeited during the year	NIL	NIL
Options lapsed/ surrendered during the year	NIL	4,000
Options outstanding at the end of the year	32,300	32,300

- i. Had fair value method been used, the compensation cost would have been higher by ₹ nil (previous year ₹ 6.73 lacs), Profit after tax would have been lower by ₹ nil (previous year ₹ 5.07 lacs) and EPS – both basic and diluted - would have been ₹ 44.22 per share (previous year ₹ 236.84 per share).
- j. Weighted Average exercise price of the above options is ₹ 381/- per share.

NOTE 32 LEASES

- (a) The Company has taken office, residential premises and vehicles under operating lease or leave and license agreements. These are generally cancelable in nature and range between 11 months to 48 months. These leave and license agreements are generally renewable or cancelable at the option of the Company or the lessor. The lease payment recognised in the Statement of Profit and Loss account is ₹ 210.83 lacs (previous year ₹ 239.02 lacs).
- (b) The Company has taken office premise under lease rental agreement. Details of minimum lease payments for non-cancellable lease are as under:

	As at March 31, 2013	As at March 31, 2012
Particulars		₹ in lacs
Not later than one year	143.12	145.11
Later than one year and not later than five years	131.35	320.75
Later than five years	-	-
Total	274.47	465.86

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 32 LEASE (Contd.)

(c) The Company has given office premises under lease rental agreement. Details of rent income are as under: ₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
Not later than one year	379.70	275.23
Later than one year and not later than five years	569.13	868.09
Later than five years	-	337.42
Total	948.83	1480.74
Operating lease rentals credited to the Statement of Profit and Loss	524.47	521.07

(d) Other details of premises which have been given on operating lease for a period of upto sixty months are as under: ₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
Gross block as at the year end	4,759.32	4,759.32
Accumulated depreciation as at the year end	222.44	144.88
Depreciation charged during the year	77.56	77.55

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 31 March, 2013			As at and for the year ended 31 March, 2012		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	34,737.12	21,018.40	55,755.52	30,912.34	41,853.00	72,765.34
Segment assets	41,064.64	1,905.07	42,969.71	42,074.38	1,775.96	43,850.34
Cost incurred on acquisition of fixed assets	1,716.93	-	1,716.93	6,196.84	-	6,196.84

NOTE 34

The Company, in terms of the BIFR sanctioned Scheme of Mafatlal Industries Limited (MIL), made substantial investments in MIL and it had also extended certain financial assistance to facilitate their expeditious rehabilitation. With the residual investment of ₹ 3,000.00 lacs in preference shares (due for redemption 2013 - 2016), being redeemed subsequent to the year end, the values of all other investments including financial assistance have since been redeemed by MIL. In specific terms:

- The Company has received the redemption proceeds of its investment in preference share much before the due date.
- The Company, during the previous year, has received amounts aggregating to ₹ 6,187.32 lacs including interest towards the repayment of monies advanced to MIL and a group company for takeover of loan liabilities of MIL.
- The Company advanced interest free monies to its wholly owned subsidiary Sulakshana Securities Limited (SSL) which, at the year end, stands at ₹ 2,814.57 lacs (previous year ₹ 2,806.57 lacs). However, the market value of the assets remaining in SSL,

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 34 (Contd.)

after repayment of all the liabilities taken over by SSL from MIL, far exceeds the value owed by SSL.

- (iv) The Company has given a corporate guarantee and created a contingency reserve of ₹ 1000.00 lacs at the behest of a lender to MIL. However, the Company expects to write back this contingency reserve after the expiry of the guarantee period expiring in 2013-14 as the relevant asset value in connection with which the guarantee was given, far exceeds the value guaranteed.

NOTE 35

MIL 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 SS of MIL, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 36 CAPITAL AND OTHER COMMITMENTS		
i. Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	417.30	458.27
ii. Other commitments:		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	209.00	201.44

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 37 CONTINGENT LIABILITIES		
In respect of:		
a. Excise matters disputed in appeal		
These relate to MODVAT on capital purchases (pending before the Assistant Commissioner) and permit fee on purchase of alcohol (pending before the High Court)	158.20	158.20
b. Claims against the Company not acknowledged as debts		
Labour matters involving issues like regularization of employment, termination of employment, compensation against severance, etc.	22.65	22.65
c. Sales-tax matters disputed in appeal		
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)	199.49	201.96
d. Income tax matters disputed in appeal	805.61	629.17

In all the above matters, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.

Notes forming part of Financial Statements for the year ended 31 March, 2013

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 firm commitments. 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	796.61 (737.22)	14.67 (14.73)
	Buy	2787.97 (-)	51.36 (-)

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 ₹ 55.56 lacs (as at 31 March, 2012, ₹ 25.46 lacs).
- c. Foreign currency exposure at the year end not hedged by derivative instruments

	₹ in lacs	
	As at March 31, 2013	As at March 31, 2012
<i>Receivables against export of goods and services</i>		
Rupees	1070.76	863.85
US Dollars	8.21	13.89
Euros	0.83	2.28
Pound	6.89	0.04
<i>Advance received from customers</i>		
Rupees	129.59	128.87
US Dollars	1.08	2.53
Pound	0.86	-
<i>Payables against import of goods and services</i>		
Rupees	270.81	9000.79
US Dollars	4.99	176.91
<i>Advance payment to suppliers</i>		
Rupees	128.76	50.46
US Dollars	0.92	0.94
Euros	0.01	-
CHF	1.34	-
Pound	0.02	-

NOTE 39

Research and development expenditure debited to the Statement of Profit and Loss by charge to relevant heads of account amount to ₹ 726.35 lacs (previous year, ₹ 587.46 lacs).

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 40

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	41.01	71.50
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv. The amount of interest due and payable for the year	-	-
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

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:

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
Year to which dividend relates	2011-12	2010-11
Number of non-resident shareholders	355	345
Number of shares held by them on which dividend is due	596,885	166,027
Amount remitted to bank accounts in India of non-resident shareholders – ₹ in lacs	396.93	14.11

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
Year to which dividend relates	Interim 2012-13	Interim 2011-12
Number of non-resident shareholders	387	332
Number of shares held by them on which dividend is due	597,561	547,046
Amount remitted to bank accounts in India of non-resident shareholders – ₹ in lacs	44.82	46.50

NOTE 42

The financial statements of Swarnim Gujarat Fluorspar Private Limited, a Joint Venture were not available as the company has been newly set-up and operations are yet to commence. Hence, the disclosures under AS 27 have not been done.

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 43

Mafatlal Denim Limited (MDL), an associate, is in the process of being amalgamated with MIL, the effective date being 1 April, 2012 as per the composite scheme of arrangement and amalgamation of MDL and Mishapal Investments Ltd. with MIL. Consent of the Honorable High Courts of Gujarat and Bombay for the scheme was received on 8 April, 2013 and 26 April, 2013 respectively and will be filed with the ROC shortly. On the amalgamation becoming effective, the Company will receive shares of MIL in lieu of the MDL shares of the same value.

NOTE 44 RELATED PARTY TRANSACTIONS

Enterprises over which key management personnel and their relatives are able to exercise significant influence

Mafatlal Industries Limited

Mafatlal Fabrics Private Limited

NOCIL Limited

Seth Navinchandra Mafatlal Foundation Trust

Sri Sadguru Seva Sangh Trust

Associate

Mafatlal Denim Limited (Refer note 43)

Joint Venture

Swarnim Gujarat Fluorspar Private Limited (w.e.f. 19 June, 2012)

Names of related parties where control exists

Sulakhshana Securities Limited – subsidiary company

Manchester Organics Limited – subsidiary company

Urvija Associates – a partnership firm where the Company is a majority partner

Key management personnel

Shri Hrishikesh A. Mafatlal (in the capacity of an individual / trustee)

Shri Vishad P. Mafatlal (in the capacity of an individual / karta)

Shri Atul K. Srivastava

Shri Shekhar S. Khanolkar

Details of transactions with related parties during the year / previous year

₹ in lacs

Nature of transactions	1	2	3	4	5	Total
Sale of finished goods						
NOCIL Limited	7.02					7.02
	3.42					3.42
Mafatlal Denim Limited		0.13				0.13
		0.43				0.43
Manchester Organics Limited				92.29		92.29
				141.99		141.99
Purchase of raw materials						
Manchester Organics Limited				7.78		7.78
				2.75		2.75

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 44 Details of transactions with related parties during the year / previous year (Contd.)

₹ in lacs

Nature of transactions	1	2	3	4	5	Total
Rental income						
NOCIL Limited	96.30					96.30
	31.77					31.77
Interest income						
Mafatlal Industries Limited	-					-
	109.22					109.22
Purchase of cloth for uniform						
Mafatlal Fabrics Private Limited	-					-
	8.01					8.01
Mafatlal Industries Limited	6.20					6.20
	-					-
Managerial remuneration						
Shri Hrishikesh A. Mafatlal					154.31	154.31
					417.41	417.41
Shri Vishad P. Mafatlal					5.00	5.00
					10.00	10.00
Shri Atul K. Srivastava					181.41	181.41
					137.08	137.08
Shri Shekhar S. Khanolkar					161.54	161.54
					140.20	140.20
Sitting fees						
Shri Vishad P. Mafatlal					1.40	1.40
					1.60	1.60
Share of loss in a partnership firm						
Urvija Associates				0.11		0.11
				0.13		0.13
Capital contribution in a partnership firm						
(Urvija Associates)						
- current				0.11		0.11
				0.13		0.13
Investment in equity shares						
NOCIL Limited	-					-
	1,137.84					1,137.84
Manchester Organics Limited				-		-
				3,265.12		3,265.12

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 44 Details of transactions with related parties during the year / previous year (Contd.)

₹ in lacs

Nature of transactions	1	2	3	4	5	Total
Swarnim Gujarat Fluorspar Private Limited			1.25			1.25
			-			-
Redemption of preference shares						
Mafatlal Industries Limited	-					-
	3,000.00					3,000.00
Advances given to						
Mafatlal Industries Limited	-					-
	6.58					6.58
Sulakshana Securities Limited				8.00		8.00
				7.50		7.50
Repayment of advance from						
Mafatlal Industries Limited	-					-
	3,480.93					3,480.93
Donation						
Seth Navinchandra Mafatlal Foundation Trust	500.00					500.00
	500.00					500.00
Sri Sadguru Seva Sangh Trust	15.00					15.00
	15.00					15.00
Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of non-current investments						
Mafatlal Denim Limited		-				-
		1,552.73				1,552.73
Mafatlal Industries Limited	-					-
	5,940.00					5,940.00
As at the year end						
Amounts due to						
NOCIL Limited	1.50					1.50
	1.50					1.50
Shri Hrishikesh A. Mafatlal					111.00	111.00
					378.00	378.00
Shri Vishad P.Mafatlal					5.00	5.00
					10.00	10.00
Shri Shekhar S. Khanolkar					33.00	33.00
					43.00	43.00

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 44 Details of transactions with related parties during the year / previous year (Contd.) ₹ in lacs

Nature of transactions	1	2	3	4	5	Total
Shri Atul K. Srivastava					50.00	50.00
					36.00	36.00
Amounts due from						
Mafatlal Industries Limited	12.32					12.32
	12.32					12.32
Manchester Organics Limited				34.68		34.68
				4.77		4.77
Mafatlal Denim Limited		0.04				0.04
		0.04				0.04
Urvija Associates				29.66		29.66
				29.78		29.78
Sulakshana Securities Limited				2,814.57		2,814.57
				2,806.57		2,806.57
NOCIL Limited	15.34					15.34
	-					-
Swarnim Gujarat Fluorspar Private Limited			17.35			17.35
			-			-
Provision for amounts receivable (Note 1)				380.37		380.37
				380.37		380.37

1. Enterprises over which key management personnel and their relatives are able to exercise significant influence
2. Associate
3. Joint Venture
4. Related parties where control exists
5. Key management personnel

Notes,

1. There are no amounts written off or written back during the year in respect of debts due from or to related parties. In an earlier year, provision for doubtful advance of ₹ 380.37 lacs was made for Sulakshana Securities Limited.
2. Figures in italics are those as at and for the year ended 31 March, 2012

₹ in lacs

NOTE 45 VALUE OF IMPORTS AND VALUE OF RAW MATERIALS, STORES, SPARES AND PACKING MATERIALS CONSUMED

	As at March 31, 2013	As at March 31, 2012
(a) CIF value of imports		
Raw materials	14,599.03	18,796.98
Stores, spares and packing materials	72.03	77.88
Capital goods	36.90	316.98

Notes forming part of Financial Statements for the year ended 31 March, 2013

NOTE 45 (Contd.)

(b) Consumption of raw materials and stores, spares and packing materials

	Year ended 31 March, 2013		Year ended 31 March, 2012	
	₹ in lacs	Percentage of consumption	₹ in lacs	Percentage of consumption
Raw materials				
Imported	18,444.81	74.41	18,537.83	73.57
Indigenous	6,343.85	25.59	6,658.68	26.43
	24,788.66	100.00	25,196.51	100.00
Stores, spares and packing materials				
Imported	1.84	0.06	9.92	0.37
Indigenous	2,964.57	99.94	2,647.92	99.63
	2,966.41	100.00	2,657.84	100.00

NOTE 46 EXPENDITURE IN FOREIGN CURRENCY

₹ in lacs

	Year ended 31 March, 2013	Year ended 31 March, 2012
(a) Travelling expenses	40.89	33.35
(b) Commission	23.32	17.06
(c) Legal and professional fees	66.27	26.86
(d) ISO tank rental	309.52	293.98
(e) Others	452.96	603.51

NOTE 47 EARNINGS IN FOREIGN EXCHANGE

₹ in lacs

	Year ended 31 March, 2013	Year ended 31 March, 2012
(a) FOB value of exports	13,571.10	16,162.31
(b) FOB value of carbon credits	5,710.54	25,190.01
(c) Contract Research Income	1,368.34	186.47

NOTE 48

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

H. A. Mafatlal
Chairman

S. S. Khanolkar
Managing Director

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Company Secretary

V. P. Mafatlal
S. S. Lalbhai
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P. N. Kapadia
S. G. Mankad
S. M. Kulkarni
T.M.M. Nambiar

} Directors

Mumbai, dated, 30 April, 2013

FINANCIAL SECTION

CONSOLIDATED

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
NAVIN FLUORINE INTERNATIONAL LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **NAVIN FLUORINE INTERNATIONAL LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgement, 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

BASIS FOR QUALIFIED OPINION

As explained in note no. 30.a.3 the Company has not consolidated the financial statements of the newly set up joint venture, Swarnim Gujarat

Fluorspar Pvt. Ltd. The management has represented us that the same is yet to commence the operations. As the financial statements are not available for consolidation, the effect of the same on the financial statements cannot be determined.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Basis for Qualified Opinion paragraph, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to note no.30.a.2 regarding non-consolidation of Mafatlal Denim Ltd. in the light of the amalgamation order passed by the Honorable High Courts of Bombay and Gujarat, with the appointed date being 1 April, 2012, though the orders are pending to be filed with the Registrar of Companies. The company is of the view that with the substantive requirements of the amalgamation process having being fulfilled at this stage, it would be appropriate not to consolidate Mafatlal Denim Ltd.

Our opinion is not qualified in respect of this matter.

OTHER MATTER

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (net) of ₹ 1849.02 lacs as at 31 March, 2013, total revenues of ₹ 2616.71 and net cash flows amounting to ₹ 213.55 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)

Signature
(R. Salivati)
(Partner)

Mumbai, 30 April, 2013

(Membership No. 34004)

Consolidated Balance Sheet as at 31 March, 2013

₹ in lacs

	Note no.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	975.72	975.69
Reserves and surplus	4	49,439.24	46,794.02
		50,414.96	47,769.71
Minority Interest		697.94	626.22
Non-current liabilities			
Long-term borrowings	5	14.57	106.27
Deferred tax liabilities (net)	6	3,256.46	2,863.92
Other long term liabilities	7	2,049.59	2,014.00
Long-term provisions	8	339.58	283.51
		5,660.20	5,267.70
Current liabilities			
Short-term borrowings	9	8,363.72	9,353.79
Trade payables	10	5,061.55	4,644.89
Other current liabilities	11	1,305.15	1,048.58
Short-term provisions	12	1,055.92	7,701.32
		15,786.34	22,748.58
TOTAL		72,559.44	76,412.21
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		24,893.24	25,669.10
Intangible assets		90.76	99.13
Capital work-in-progress		870.64	523.04
		25,854.64	26,291.27
Goodwill on consolidation		4,095.68	4,095.68
Non-current investments	14	11,921.16	13,997.47
Long-term loans and advances	15	2,772.70	2,222.44
		44,644.18	46,606.86
Current assets			
Current investments	16	8,146.18	1,900.00
Inventories	17	7,739.21	8,863.01
Trade receivables	18	7,437.31	6,646.97
Cash and cash equivalents	19	3,177.85	10,682.34
Short-term loans and advances	20	1,241.17	1,113.59
Other current assets	21	173.54	599.44
		27,915.26	29,805.35
TOTAL		72,559.44	76,412.21
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

R. Salivati
Partner
Membership No. 34004

H. A. Mafatlal
Chairman

S. S. Khanolkar
Managing Director

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Company Secretary

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S. G. Mankad
S. M. Kulkarni
T.M.M. Nambiar

} Directors

Mumbai, dated, 30 April, 2013

■ Consolidated Statement of Profit & Loss for the year ended 31 March, 2013 ₹ in lacs

	Note no.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Revenue from operations (gross)	22	58,466.36	75,120.32
<i>less:</i> excise duty		3,464.79	2,653.71
Revenue from operations (net)		55,001.57	72,466.61
Other income	23	1,414.99	7,575.09
Total		56,416.56	80,041.70
Expenses			
Cost of materials consumed	24	25,787.35	26,145.13
Purchases of stock-in-trade	24	619.86	557.09
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(94.61)	(1,173.85)
Employee benefits expense	26	5,352.58	4,898.89
Finance costs	27	612.31	356.33
Depreciation and amortization expense	28	2,080.30	1,881.79
Other expenses	29	15,063.72	16,984.95
Total		49,421.51	49,650.33
Profit before tax		6,995.05	30,391.37
Tax expense			
Current tax		2,214.39	7,913.09
Excess provision for tax relating to prior years		(22.10)	-
Deferred tax		392.54	949.95
		2,584.83	8,863.04
Profit for the year (before adjustment for share in associate and minority interest)		4,410.22	21,528.33
Current year's share of profit in associate		-	221.92
Minority Interest		(71.68)	8.54
Profit for the year		4,338.54	21,758.79
Earnings per share (of ₹ 10/- each)			
Basic	31	44.45	222.91
Diluted	31	44.45	222.91
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

R. Salivati
Partner
Membership No. 34004

H. A. Mafatlal
Chairman

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T.M.M. Nambiar

} Directors

Mumbai, dated, 30 April, 2013

■ Consolidated Cash Flow Statement for the year ended 31 March, 2013 ₹ in lacs

	For the year ended 31 March, 2013	For the year ended 31 March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,995.05	30,391.37
adjustments for,		
Depreciation / amortization	2,080.30	1,881.79
Loss on sale / write off of fixed assets (net)	56.10	802.19
Profit on sale of current investments	(172.15)	-
Provision for doubtful debts / advances written back	(36.03)	(123.44)
Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of non-current investments	-	(5,939.99)
Interest expense	612.31	356.33
Interest income	(415.67)	(876.62)
Net loss / (gain) on foreign currency transactions and translations	63.11	503.22
Share of loss in the partnership firm where the Company is a partner	0.11	0.13
Dividend on long-term investments (non-trade)	(53.47)	(56.92)
Bad debts written off	-	34.36
Excess provision of earlier years written back	(75.03)	(3.83)
Provision for doubtful debts / advances	23.21	-
Operating profit before working capital changes	9,077.85	26,968.58
(Increase) / decrease in trade receivables	(851.87)	(659.32)
(Increase) / decrease in inventories	1,123.80	(3,032.29)
(Increase) / decrease in loans and advances	(126.22)	1,313.51
Increase / (decrease) in trade and other payables	855.74	(2,140.50)
	1,001.46	(4,518.61)
Cash generated from operations	10,079.31	22,449.97
Net income tax paid	(2,811.82)	(8,832.14)
Net cash flow from operating activities	7,267.49	13,617.83
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,721.29)	(6,200.56)
Share of loss in the partnership firm where the Company is a partner	(0.11)	(0.13)
Bank balances not considered as cash and cash equivalents	8,818.02	(8,015.92)
Amounts paid for acquiring Mafatlal Industries Ltd. debts from a bank on assignment basis	-	(197.74)
Amounts refunded by Sunanda Industrial Machinery Ltd.	-	2,706.39
Amounts refunded by Mafatlal Industries Ltd.	-	3,480.93
Redemption of investments in preference shares	-	3,000.00
Purchase of investments	(6,146.18)	(8,037.84)
Amount paid for acquisition of subsidiary	-	(3,265.12)
Amount invested in joint venture	(1.25)	-
Sale of fixed assets	104.62	24.22
Sale of investments	2,072.15	-
Dividend income	53.47	56.92
Interest income	886.95	1,011.06
Net cash flow from / (used in) investing activities	4,058.38	(15,437.79)

■ Consolidated Cash Flow Statement for the year ended 31 March, 2013 ₹ in lacs

	For the year ended 31 March, 2013	For the year ended 31 March, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Calls in arrears received during the year (including securities premium)	0.13	0.09
Repayment of debenture	-	(140.00)
Repayments from long term borrowings	(91.70)	-
(Repayments) / proceeds of other borrowings (net)	(990.07)	4,428.76
Compensation received pursuant to Montreal Protocol for phasing out production of Ozone Depleting Substances - Capital reserve no. 2	-	541.64
Dividend paid (including dividend distribution tax)	(8,318.42)	(1,904.11)
Minority Interest	0.04	0.18
Interest expense	(612.31)	(356.33)
Net cash (used in) / from financing activities	(10,012.34)	2,570.24
Net increase / (decrease) in cash and cash equivalents	1,313.53	750.28
Cash and cash equivalents at the beginning of the year	1,509.14	615.44
add: cash and cash equivalents acquired on acquisition of Manchester Organics Ltd.	-	143.42
Cash and cash equivalents at the end of the year	2,822.66	1,509.14
Note:		
Reconciliation of cash and cash equivalents		
As per Balance sheet - note 19	2,822.58	1,509.05
Foreign exchange (gains) and losses	0.08	0.08
As per Consolidated Cash Flow Statement	2,822.66	1,509.14

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 117364W

R. Salivati
Partner
Membership No. 34004

H. A. Mafatlal
Chairman

S. S. Khanolkar
Managing Director

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A. K. Srivastava
P. N. Kapadia
S. G. Mankad
S. M. Kulkarni
T.M.M. Nambiar

Directors

Mumbai, dated, 30 April, 2013

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles.

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

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

Depreciation has been provided for on all fixed assets on straight-line basis in accordance with the provisions of the Companies Act, 1956, (the Act) at the rates and in the manner specified in Schedule XIV of the Act except some identified items of office equipment which are depreciated over a period of five years. In respect of Specialty Chemicals, Cryolite, Aluminium Fluoride, Refrigerant Gases, ABF, Fluoroaniline Plants, R & D Pilot Plant and Captive Power Plant depreciation has been provided at the rate applicable to continuous process plants.

Leasehold land is amortised over the period of lease.

e. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer Software which are capitalised, are amortised over a period of 6 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.

Goodwill arising on consolidation is not amortised, but instead, it is evaluated for impairment periodically, if the events or changes in circumstances indicate that carrying value may be impaired.

g. 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 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. 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

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

basis of actuarial valuations made at the year end.

j. 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.

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 lessor 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 (income) is recognized when no significant uncertainty as to its determination or realization exists. Turnover includes carbon credits which are recognized on delivery thereof or sale of rights therein as the case may be, in terms of the contracts with the respective buyers.

n. 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.

o. 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.

p. 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 on 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.

NOTE 2

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 31 March, 2013

₹ in lacs

	31 March, 2013	31 March, 2012
NOTE 3 SHARE CAPITAL		
Authorised shares		
35,000,000 equity shares of ₹ 10/- each	3,500.00	3,500.00
Issued, subscribed and fully paid shares		
9,761,097 (as at 31 March, 2012, 9,761,097) equity shares of ₹ 10/- each, fully paid-up	976.11	975.28
<i>less:</i> Calls in arrears (refer note 3 f)	0.39	0.42
Total	975.72	975.69

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

Particulars	Opening balance	Buyback	Closing balance
Equity shares with voting rights			
Year ended 31 March, 2013			
- Number of shares	9,761,097	-	9,761,097
- Amount (₹ in lacs)	976.11	-	976.11
Year ended 31 March, 2012			
- Number of shares	9,761,097	-	9,761,097
- Amount (₹ in lacs)	976.11	-	976.11

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 dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 15/- (year ended 31 March, 2012, ₹ 75/-)

c. Details of shareholders holding more than 5% shares in the company:

Equity shares of ₹ 10/- each fully paid	31 March , 2013		31 March , 2012	
Name	Nos.	% holding	Nos.	% holding
Mafatlal Impex Private Limited	1,085,193	11.12	1,085,193	11.12
Suremi Trading Private Limited	646,081	6.62	976,619	10.01
NOCIL Limited	566,340	5.80	566,340	5.80

d. For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 33.

e. During the period of five years immediately preceding the reporting date:

	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011	As at 31 March, 2010	As at 31 March, 2009
Equity shares bought back by the company	-	-	338,792	-	-

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 3 SHARE CAPITAL (Contd.)

Pursuant to the decision of the Board of Directors of the Company taken in its meeting dated 24 September, 2010, the Company bought back 338,792 equity shares of nominal value of ₹ 10/- each at a price of ₹ 400/- per share for an aggregate value of ₹ 1,355.17 lacs during 2010-11 under Section 77A of the Companies Act, 1956 through tender offer by utilising the Share premium account to the extent of ₹ 1,321.29 lacs. The Capital redemption reserve was created out of General reserve for ₹ 33.88 lacs being the nominal value of shares thus bought back. All the equity shares bought back were extinguished by 5 March, 2011.

f. Calls unpaid (by other than officers and directors)

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
7,891 (previous year 8,307) equity shares of ₹ 10/- each, ₹ 5/- called up but unpaid	0.39	0.42

g. 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.

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
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NOTE 4 RESERVES AND SURPLUS

Capital reserve no. 1

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
	8,035.17	8,035.17

Capital reserve no. 2

Compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances

As per last Balance sheet	6,823.20	6,281.56
add: received during the year	-	541.64
	6,823.20	6,823.20

Capital redemption reserve

As per last Balance sheet	33.88	33.88
	33.88	33.88

Securities premium account

As per last Balance sheet	1,052.79	1,052.79
less: amount in arrears (net of receipts during the year, ₹ 0.10 lacs; as at 31 March, 2012, ₹ 0.08 lacs)	1.97	2.07
	1,050.82	1,050.72

Contingency reserve

Reserve created in terms of a corporate guarantee given

As per last Balance sheet	1,000.00	1,000.00
	1,000.00	1,000.00

Debenture redemption reserve

As per last Balance sheet	-	35.00
less: transferred to General reserve	-	35.00
	-	-

General reserve

As per last Balance sheet	4,900.34	2,545.34
add: transferred from surplus in Statement of Profit and Loss	432.00	2,320.00
add: transferred from Debenture redemption reserve	-	35.00
	5,332.34	4,900.34

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 4 RESERVES AND SURPLUS (Contd.)		
Foreign Currency Translation Reserve		
As per last Balance sheet	135.62	-
Amount transferred on account of resulting exchange difference on conversion of a non-integral foreign subsidiary	13.91	135.62
	149.53	135.62
Surplus in Statement of Profit and Loss		
As per last Balance sheet	24,815.10	13,884.75
add: profit for the year	4,338.54	21,758.79
	29,153.64	35,643.55
less: appropriations		
Interim dividend (₹ 7.50/- per share, previous year, ₹ 8.50/- per share)	732.08	829.69
Proposed final dividend (₹ 7.50/- per share, previous year, ₹ 6.50/- per share)	732.08	634.47
Proposed special dividend (₹ nil, previous year, ₹ 60/- per share)	-	5,856.66
Corporate tax on dividend	243.18	1,187.63
Transferred to general reserve	432.00	2,320.00
Total appropriations	2,139.34	10,828.45
	27,014.30	24,815.10
Total	49,439.24	46,794.02
NOTE 5 LONG-TERM BORROWINGS		
Term loans		
- from bank (secured)	14.57	106.27
	14.57	106.27
NOTE 6 DEFERRED TAX LIABILITIES (NET)		
Difference between book and tax written down values of fixed assets	3,387.83	3,015.36
Others	13.02	-
Gross deferred tax liability	3,400.85	3,015.36
Provision for doubtful debts / advances	144.39	130.37
Others	-	21.07
Gross deferred tax asset	144.39	151.44
Net deferred tax liability	3,256.46	2,863.92
NOTE 7 OTHER LONG-TERM LIABILITIES		
Advance against project contracts	303.24	303.24
Security deposits received	384.70	349.16
Others		
- Iraq gas project	1,031.70	1,031.70
- Land development	329.95	329.95
	2,049.59	2,014.05

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 8 LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for compensated absences	339.58	283.51
TOTAL	339.58	283.51
NOTE 9 SHORT-TERM BORROWINGS		
Secured		
Cash credit from banks	4,704.16	1,242.53
Buyers' credit from banks	1,636.47	8,091.86
Unsecured		
Commercial paper	1,983.29	-
Others	39.80	19.40
Total	8,363.72	9,353.79
NOTE 10 TRADE PAYABLES		
Trade payables	5,061.55	4,644.89
	5,061.55	4,644.89
NOTE 11 OTHER CURRENT LIABILITIES		
Unpaid dividend	173.56	96.98
Unpaid money on buy-back of shares	4.47	4.47
Other payables		
Statutory dues payable	178.27	174.98
Trade / security deposits	646.03	515.47
Advance from customers	182.28	177.32
Provision for gratuity (refer note 32)	54.62	49.10
Other liabilities	65.92	30.26
Total	1,305.15	1,048.58
NOTE 12 SHORT TERM PROVISIONS		
Provision for employee benefits		
Provision for compensated absences	196.24	145.43
	196.24	145.43
Provisions - Others		
Provision for tax (net of advance tax ₹ 6.83 lacs, as at 31 March, 2012, ₹ 1,170.78 lacs)	3.18	11.73
Provision for proposed equity dividend	732.08	6,491.13
Provision for tax on proposed dividend	124.42	1,053.03
	859.68	7,555.89
Total	1,055.92	7,701.32

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 13 FIXED ASSETS

₹ in lacs

Tangible assets	GROSS BLOCK						DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1 April, 2012	Additions on acquisition	Additions/ adjustments	Deductions/ adjustments	Effect of foreign currency exchange differences	As at 31 March, 2013	As at 1 April, 2012	Additions on acquisition	For the year	Deductions/ adjustments	Effect of foreign currency exchange differences	As at 31 March, 2013	As at 31 March, 2012
Owned assets													
Freehold land	159.21	-	-	150.05	1.40	10.56	68.87	-	3.00	72.88	1.01	(0.00)	10.56
	(10.56)	(148.65)	-	-	-	(159.21)	-	(63.77)	(5.10)	-	-	(68.87)	(90.34)
Leasehold land	2,595.99	-	-	-	-	2,595.99	1.65	-	26.21	-	-	27.86	2,594.34
	(1.00)	-	(2,594.99)	-	-	(2,595.99)	-	-	(1.65)	-	-	(1.65)	(2,594.34)
Buildings	4,499.63	-	82.75	-	-	4,582.38	573.76	-	102.04	-	-	675.80	3,925.87
	(3,406.79)	-	(1,092.84)	-	-	(4,499.63)	(492.39)	-	(81.37)	-	-	(573.76)	(3,925.87)
Plant and machinery	27,335.82	-	1,184.67	105.30	7.55	28,422.74	9,131.41	-	1,727.34	43.89	7.69	10,822.55	18,204.41
	(22,591.96)	(797.43)	(4,420.89)	(474.46)	-	(27,335.82)	(7,586.41)	(195.98)	(1,586.94)	(237.92)	-	(9,131.41)	(18,204.41)
Furniture and fixtures	350.67	-	0.80	-	0.30	351.77	94.12	-	20.92	-	0.42	115.46	256.55
	(313.22)	(31.65)	(44.74)	(38.94)	-	(350.67)	(89.66)	(21.35)	(20.96)	(37.85)	-	(94.12)	(256.55)
Vehicles	312.87	-	11.12	34.46	-	289.53	96.56	-	26.75	16.37	-	106.94	216.31
	(365.91)	(4.07)	(28.24)	(85.35)	-	(312.87)	(107.34)	(3.48)	(30.88)	(45.14)	-	(96.56)	(216.31)
Office equipment	577.87	-	78.60	5.28	5.70	656.89	196.59	-	72.36	1.23	0.30	268.02	381.28
	(503.47)	(16.26)	(159.94)	(101.80)	-	(577.87)	(217.35)	(5.55)	(55.18)	(81.49)	-	(196.59)	(381.28)
Total	35,832.06	-	1,357.94	295.09	14.95	36,909.86	10,162.96	-	1,978.62	134.37	9.42	12,016.63	25,669.10
	(27,192.91)	(998.06)	(8,341.64)	(700.55)	-	(35,832.06)	(8,493.15)	(290.13)	(1,782.08)	(402.40)	-	(10,162.96)	(25,669.10)
As at and for the year ended 31 March, 2012													

Note: Figures in parentheses are as at and for the year ended 31 March, 2012

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 13 FIXED ASSETS (Contd.)

₹ in lacs

Intangible assets	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 1 April, 2012	Additions on acquisition	Additions/ adjustments	Deductions/ adjustments	Effect of foreign currency exchange differences	As at 31 March, 2013	As at 1 April, 2012	Additions on acquisition	For the year	Deductions/ adjustments	Effect of foreign currency exchange differences	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
Computer software	148.77	-	15.75	-	-	164.52	49.64	-	24.12	-	-	73.76	90.76	99.13
	(117.46)	-	(31.31)	-	-	(148.77)	(27.48)	-	(22.16)	-	-	(49.64)	(99.13)	
Total	148.77	-	15.75	-	-	164.52	49.64	-	24.12	-	-	73.76	90.76	99.13
As at and for the year ended														
31 March, 2012	(117.46)	-	(31.31)	-	-	(148.77)	(27.48)	-	(22.16)	-	-	(49.64)	(99.13)	-
Capital work-in-progress													870.64	523.04

Note: Figures in parentheses are as at and for the year ended 31 March, 2012

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 14 NON-CURRENT INVESTMENTS		
(a) Investment property (at cost less accumulated depreciation, given on operating lease)		
Cost of premises	4,759.32	4,759.32
less: accumulated depreciation	222.44	144.88
Net	4,536.88	4,614.44
(b) Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (refer note 30a)	1,382.78	1,381.53
Investment in preference shares	3,000.00	3,000.00
Investment in bonds	1.50	1.50
Investment in mutual funds	3,000.00	5,000.00
	7,384.28	9,383.03
Total	11,921.16	13,997.47
Aggregate amount of quoted investments	1,137.84	1,137.84
Aggregate market value of listed and quoted investments	959.00	1,140.53
Aggregate amount of unquoted investments	10,783.32	12,859.63
NOTE 15 LONG-TERM LOANS AND ADVANCES		
Capital advances		
Unsecured, considered good	51.80	73.47
Security deposits		
Unsecured, considered good	510.12	470.33
Loans and advances to related parties (refer note 48)		
Unsecured, considered good	15.88	42.54
Loans and advances to employees (unsecured, considered good)	23.79	31.90
Prepaid expenses (unsecured, considered good)	0.97	1.32
Advance income-tax (net of provision ₹ 22,311.22 lacs, as at 31 March, 2012, ₹ 19,615.20 lacs) (unsecured, considered good)	1,789.72	1,200.67
Advance fringe benefit tax (net of provision ₹ 89.00 lacs, as at 31 March, 2012, ₹ 101.50 lacs)	12.08	12.25
Other loans and advances (unsecured, considered good)		
Iraq gas project	162.70	162.70
Land development	205.64	227.26
	2,194.90	1,636.10
Total	2,772.70	2,222.44
NOTE 16 CURRENT INVESTMENTS (Valued at lower of cost or fair value)		
Unquoted		
Investment in mutual funds	8,146.18	1,900.00
	8,146.18	1,900.00

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 17 INVENTORIES (Valued at lower of cost and net realizable value)		
Raw materials	3,830.30	4,907.05
Work-in-progress	386.43	385.17
Finished goods	2,207.97	2,267.66
Traded goods	692.71	492.31
Stores and spares	621.81	810.83
Total	7,739.21	8,863.01
Details of work-in-progress		
Fluoro chemicals	386.43	385.17
NOTE 18 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	6.77	25.92
Doubtful	39.30	11.11
	46.07	37.03
<i>less: provision for doubtful receivables</i>	39.30	11.11
	6.77	25.92
Other receivables		
Unsecured, considered good	7430.54	6,621.05
Doubtful	2.69	7.89
	7433.23	6,628.94
<i>less: provision for doubtful receivables</i>	2.69	7.89
	7430.54	6,621.05
Total	7,437.31	6,646.97
NOTE 19 CASH AND CASH EQUIVALENTS		
Cash and Cash equivalents		
Cash on hand	7.78	7.34
Cheques on hand	-	14.03
Balances with banks		
in current accounts	2,414.80	1,187.68
in deposits accounts		
- original maturity of 3 months or less	400.00	300.00
	2,822.58	1,509.05
Other bank balances		
in deposit accounts		
- original maturity more than 3 months	125.00	9,000.00
in earmarked accounts		
- unpaid dividend account	173.56	96.98
- buy-back account	4.47	38.47
- balances held as margin money	14.59	-
- unclaimed settled liabilities	37.65	37.78
- post office savings bank account (security deposit)	-	0.06
	355.27	9,173.29
Total	3,177.85	10,682.34

Certain current accounts with banks, which have been transferred from MIL pursuant to its scheme of demerger, are in the process of being transferred in the Company's name.

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 20 SHORT TERM LOANS AND ADVANCES		
Loan and advances to related parties (refer note 48)		
Unsecured, considered good	24.70	7.35
Security deposits		
Unsecured, considered good	40.34	80.88
Loans to employees (unsecured, considered good)	9.95	18.28
Prepaid expenses (unsecured, considered good)	37.05	24.38
Balances with statutory / government authorities (unsecured, considered good)		
CENVAT credit receivable	242.77	279.66
Service tax credit receivable	221.29	163.14
	511.06	485.46
Other loans and advances (unsecured, including advance to suppliers)		
Unsecured, considered good	665.07	539.90
Doubtful	2.43	2.43
	667.50	542.33
Provision for doubtful advances	2.43	2.43
	665.07	539.90
Total	1,241.17	1,113.59
NOTE 21 OTHER CURRENT ASSETS		
Interest accrued on fixed deposits with banks	12.76	484.04
Rent receivable	101.08	17.44
Others	59.70	97.96
Total	173.54	599.44
NOTE 22 REVENUE FROM OPERATIONS		
Sale of products		
Finished goods	57,776.54	74,315.55
Traded goods	511.18	531.03
	58,287.72	74,846.58
Other operating revenue		
Scrap sales	178.64	273.74
Revenue from operations (gross)	58,466.36	75,120.32
less: Excise Duty *	3,464.79	2,653.71
Revenue from operations (net)	55,001.57	72,466.61

* 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.

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

	As at March 31, 2013	As at March 31, 2012
NOTE 23 OTHER INCOME		
Interest income (Refer note 1, below)	415.67	876.62
Dividend income:		
Current investments	12.37	3.46
Other investments	41.10	53.46
Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of non-current investments	-	5,939.99
Other non-operating income (Refer note 2, below)	945.85	701.56
Total	1,414.99	7,575.09
Notes:		
1. Interest income comprises:		
Interest from banks on deposits	362.56	640.75
Interest on loans & advances	14.19	3.78
Other interest	38.92	232.09
	415.67	876.62
2. Other non-operating income:		
Rental income from investment property	554.21	548.29
Provision for doubtful debts / advances written back / credit balances written back	36.03	123.44
Excess provision of earlier years written back (net)	75.03	3.83
Insurance claims	18.62	9.59
Profit on sale of current investments	172.15	-
Miscellaneous income	89.81	16.41
	945.85	701.56
NOTE 24 COST OF RAW MATERIALS CONSUMED		
Inventories at the beginning of the year	4,907.05	2,789.55
add: purchases	24,710.60	28,262.63
	29,617.65	31,052.18
less: Inventories at the end of the year	3,830.30	4,907.05
Cost of raw materials consumed	25,787.35	26,145.13
Purchases of stock-in-trade	619.86	557.09
	619.86	557.09
NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	2,207.97	2,267.66
Work-in-process	386.43	385.17
Stock-in-trade	692.71	492.31
	3,287.11	3,145.14
Inventories at the beginning of the year		
Finished goods	2,267.66	1,651.75
Work-in-process	385.17	33.27
Stock-in-trade	492.31	299.05
	3,145.14	1,984.07
	141.97	1,161.07
(less)/ add: Foreign currency translation adjustments	(47.36)	12.78
Net increase	94.61	1,173.85

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
NOTE 26 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	4,732.22	4,358.40
Contribution to provident and other funds	419.64	345.84
Staff welfare expenses	200.73	194.66
Total	5,352.58	4,898.89
NOTE 27 FINANCE COSTS		
Interest on borrowings	542.95	337.75
Interest on others	69.36	18.58
Total	612.31	356.33
NOTE 28 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation and amortisation of tangible assets	1,978.62	1,782.08
Amortization of intangible assets	24.12	22.16
Depreciation of investment property	77.56	77.55
Total	2,080.30	1,881.79
NOTE 29 OTHER EXPENSES		
Consumption of stores and spares	1,529.94	1,532.46
Consumption of packing materials	1,436.47	1,125.37
Excise duty	(26.75)	80.11
Power and fuel	3,894.16	3,389.30
Rent	360.22	351.50
Repairs to buildings	109.40	210.47
Repairs to machinery	281.86	331.01
Labour charges	680.62	725.20
Property maintenance expenses	16.97	18.21
Insurance	139.34	140.36
Rates and taxes	288.51	309.42
Commission and discounts	350.76	421.50
Transport and freight charges (net)	1,600.27	1,515.27
Loss on sale / write off of fixed assets (net)	56.10	802.19
Provision for doubtful debts / advances	23.21	-
Share of loss in the partnership firm where the Company is a partner	0.11	0.13
Net loss on foreign currency transactions and translations	866.48	751.64
Donations	522.00	531.50
Legal and professional fees *	931.61	2,850.13
Miscellaneous expenses	2,002.44	1,864.82
Total	15,063.72	16,984.95

* includes current market value of carbon credits given to overseas marketing and other service providers.

NOTE 30

- a. The consolidated financial statements of Navin Fluorine International Limited (the parent company - NFIL) and its subsidiaries and an associate have been prepared in accordance with Accounting Standard (AS) 21 on 'Consolidated Financial Statements' and AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by The Institute of Chartered Accountants of India. The details of such enterprises are as under:

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 30 (Contd.)

Subsidiaries	% holding of NFIL	Date of financial statements
Sulakshana Securities Limited - SSL (a company incorporated in India)	100.00	31 March, 2013
Manchester Organics Limited - MOL (a company incorporated in the United Kingdom)	51.00	31 March, 2013
Urvija Associates (a partnership firm in India)	80.00	31 March, 2013
Associate – a company incorporated in India		
Mafatlal Denim Limited – MDL	43.29	Refer note 2
Joint Venture – a company incorporated in India		
Swarnim Gujarat Fluorspar Private Limited - SGFPL	25.00	Refer note 3

Note:

- There has been no change in the percentage holding of NFIL in SSL, Urvija Associates, MOL and MDL. The Company became a joint venturer in SGFPL on 19 June, 2012.
- MDL is in the process of being amalgamated with Mafatlal Industries Limited (MIL), the effective date being 1 April, 2012 as per the composite scheme of arrangement and amalgamation of MDL and Mishapara Investments Ltd. with MIL. Consent of the Honorable High Courts of Gujarat and Bombay for the scheme was received on 8 April, 2013 and 26 April, 2013 respectively and will be filed with the ROC shortly. As the substantive requirements of the amalgamation process have been completed, financials of Mafatlal Denim Limited have not been consolidated in the current year. On the amalgamation becoming effective, the Company will receive shares of MIL in lieu of the MDL shares of the same value.
- The financial statements of SGFPL, were not available for consolidation. There is no significant impact on the revenues, expenses, assets and liabilities in consolidated accounts as the operations are yet to commence.

b. In respect of MDL:

	₹ in lacs	
	As at March 31, 2013	As at March 31, 2012
Carrying value	2,514.12	2,514.12
Less: Capital Reserve	(961.39)	(961.39)
Post acquisition share in reserves and surplus as at the date of the financial statements	(1,330.81)	(1,330.81)
Carrying amount of investment as at the year end	221.92	221.92

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

	Current Year	Previous Year
Profit attributable to equity shareholders – ₹ in lacs	4,338.54	21,758.79
Weighted average number of equity shares outstanding during the year	9,761,097	9,761,097
Basic earnings per share – ₹	44.45	222.91
Diluted earnings per share – ₹	44.45	222.91
Nominal value per share – ₹	10.00	10.00

Note: Stock options granted to certain executives not being dilutive have not been considered for the purpose of computing diluted earnings per share.

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

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 ₹ 338.72 lacs (previous year, ₹ 288.15 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 gratuity and compensated absences has been included in 'Contribution to provident fund and other funds' and 'Salaries, wages and bonus' respectively.

In respect of gratuity (funded) :

	₹ in lacs	
	Current Year	Previous Year
Reconciliation of liability recognized in the Balance sheet		
Present value of commitments	(1016.80)	(940.44)
Fair value of plan assets	962.18	891.34
Net liability in the Balance sheet	(54.62)	(49.10)
Movement in net liability recognized in the Balance sheet		
Net liability as at beginning of the year	(49.10)	(113.47)
Net expense recognized in the Statement of Profit and Loss	(21.42)	(49.10)
Contribution during the year	15.90	113.47
Net liability as at end of the year	(54.62)	(49.10)
Expense recognized in the Statement of Profit and Loss		
Current service cost	42.85	37.48
Interest cost	79.94	73.12
Expected return on plan assets	(76.66)	(61.82)
Actuarial (gains) / losses	(24.71)	0.32
Expense charged to the Statement of Profit and Loss	21.42	49.10
Return on plan assets		
Expected return on plan assets	76.66	61.82
Actuarial gains / (losses)	46.72	3.10
Actual return on plan assets	123.38	64.92
Reconciliation of defined-benefit commitments		
Commitments as at beginning of the year	940.44	886.27
Current service cost	42.85	37.48
Interest cost	79.94	73.12
Paid benefits	(68.44)	(59.85)
Actuarial (gains) / losses	22.01	3.42
Commitments as at end of the year	1016.80	940.44

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 32 EMPLOYEE BENEFITS (Contd.)

₹ in lacs

	Current Year	Previous Year
Reconciliation of plan assets		
Plan assets as at beginning of the year	891.34	772.79
Expected return on plan assets	76.66	61.82
Contributions during the year	15.90	113.47
Paid benefits	(68.44)	(59.85)
Actuarial gains / (losses)	46.72	3.10
Plan assets as at end of the year	962.18	891.33

The actuarial calculations used to estimate commitments and expenses in respect of gratuity are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

	Current Year	Previous Year
Discount rate	8.50%	8.50%
Expected return on plan assets	8.60%	8.60%
Expected rate of salary increase	5.50%	5.50%
Mortality	LIC (1994-96) Ultimate	
Estimate of amount of contribution in the immediate next year	121.20	91.95

Experience adjustment:	2012-13	2011-12	2010-11	2009-10
On plan liability (gain) / loss	28.70	52.91	91.70	43.15
On plan assets gain / (loss)	46.72	3.10	0.45	(10.34)

	Current Year	Previous Year
The fair value of the plan assets is distributed in the following manner:	%	%
Deposits with a nationalized bank	21.49	22.18
Various debt instruments	78.51	77.82

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 1 May, 2007.
- The vesting period is over four years from the date of grant, commencing after one year from the date of grant.
- Exercise Period would commence one year from date of grant 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 price has been determined to be the market price on the days preceding the dates of 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.

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 33 EMPLOYEE STOCK OPTION SCHEME (Contd.)

h. Details of movement of options:

	As at March 31, 2013	As at March 31, 2012
Particulars	Nos.	Nos.
Options outstanding at the beginning of the year	32,300	36,300
Options granted during the year	NIL	NIL
Options vested during the year	NIL	8,075
Options exercised during the year	NIL	NIL
Options forfeited during the year	NIL	NIL
Options lapsed / surrendered during the year	NIL	4,000
Options outstanding at the end of the year	32,300	32,300

i. Had fair value method been used, the compensation cost would have been higher by ₹ nil (previous year ₹ 6.73 lacs), Profit after tax would have been lower by ₹ nil (previous year ₹ 4.98 lacs) and EPS – both basic and diluted - would have been ₹ 44.45 per share (previous year ₹ 222.86 per share).

j. Weighted Average exercise price of the above options is ₹ 381/- per share.

NOTE 34 LEASES

(a) The Company has taken office, residential premises and vehicles under operating lease or leave and license agreements. These are generally cancelable in nature and range between 11 months to 48 months. These leave and license agreements are generally renewable or cancelable at the option of the Company or the lessor. The lease payment recognised in the Statement Profit and Loss account is ₹ 360.22 lacs (previous year ₹ 351.50 lacs).

(b) The Company has taken office premise under lease rental agreement. Details of minimum lease payments for non-cancellable lease are as under:

	₹ in lacs	
Particulars	As at March 31, 2013	As at March 31, 2012
Not later than one year	143.12	145.11
Later than one year and not later than five years	131.35	320.75
Later than five years	-	-
Total	274.47	465.86

(c) The Company has given office premises under lease rental agreement. Details of rent income are as under:

	₹ in lacs	
Particulars	As at March 31, 2013	As at March 31, 2012
Not later than one year	379.70	275.23
Later than one year and not later than five years	569.13	868.09
Later than five years	-	337.42
Total	948.83	1480.74
Operating lease rentals credited to the Statement of Profit and Loss	554.21	548.29

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 34 LEASES (Contd.)

(d) Other details of premises which have been given on operating lease for a period of upto sixty months are as under: ₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
Gross block as at the year end	4,759.32	4759.32
Accumulated depreciation as at the year end	222.44	144.88
Depreciation charged during the year	77.56	77.55

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 31 March, 2013			As at and for the year ended 31 March, 2012		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	34,737.12	23,550.60	58,287.72	30,912.34	43,934.24	74,846.58
Segment assets	41,580.80	5,931.65	47,512.45	42,645.04	5,974.44	48,619.48
Cost incurred on acquisition of fixed assets	1,716.93	4.36	1,721.29	6,196.84	3.72	6,200.56

NOTE 36

The Company, in terms of the BIFR sanctioned Scheme of Mafatlal Industries Limited (MIL), made substantial investments in MIL and it had also extended certain financial assistance to facilitate their expeditious rehabilitation. With the residual investment of ₹ 3,000.00 lacs in preference shares (due for redemption 2013 - 2016) being redeemed subsequent to the year end, the values of all other investments including financial assistance have since been redeemed by MIL. In specific terms:

- The Company has received the redemption proceeds of its investment in preference share much before the due date.
- The parent company has during the previous year, received amounts aggregating to ₹ 6,187.32 lacs including interest towards the repayment of monies advanced to MIL and a group company for takeover of loan liabilities of MIL.
- The parent company, advanced monies to its wholly owned subsidiary Sulakshana Securities Limited (SSL), which at the year end, stands at ₹ 2,814.57 lacs (previous year ₹ 2,806.57 lacs). However, the market value of the assets remaining in the group company, after repayment of all the liabilities taken over by SSL from MIL, far exceeds the value owed by the group company.
- The parent company has given a corporate guarantee and created a contingency reserve of ₹ 1,000.00 lacs at the behest of a lender to MIL. However, the parent company expects to write back this contingency reserve after the expiry of the guarantee period expiring in 2013-14 as the relevant asset value in connection with which the guarantee was given, far exceeds the value guaranteed.

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 37

- (a) As mentioned in Note 36 above, BIFR had declared MIL a sick industrial undertaking and sanctioned a scheme of rehabilitation (SS). In the SS, SSL was identified as a 'special purpose vehicle' into which the Real Estate and Investment Business of MIL was demerged for settlement of MIL's secured term lenders at the values determined in the SS. Against this demerger, the shareholders of MIL were to be issued one equity share of ₹ 10/- each fully paid-up in the Company for every 500 shares of ₹ 100/- each fully paid-up held in MIL as consideration for the demerger, aggregating to ₹ 1.00 lac. Accordingly, assets valued as per SS of ₹ 14,905.59 lacs along with settled values of secured term liabilities of the like amount had been transferred to the Company on the Appointed Date (1 April, 2002) and effect given in the accounts in the relevant year.
- (b) In respect of other settled values of secured term liabilities of MIL transferred to the Company settlement had been reached in the previous years.
- For paying off settlement amounts, monies have been borrowed from the parent company. In terms of the SS, the parent company has residuary rights on the assets of SSL as available to a guarantor under section 140 and 141 of Indian Contract Act, for all payments made by it towards such repayment of dues.

NOTE 38

As mentioned in note 37 above, SSL has been identified as a 'special purpose vehicle' in the process of implementation of the SS of MIL. Therefore, though the accumulated losses have exceeded its shareholders' funds as at 31 March, 2013, the accounts of the Company have been prepared on going concern basis. Further the market value of the immovable property is much higher than the cost.

NOTE 39

MIL 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 SS of MIL, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

NOTE 40 CAPITAL AND OTHER COMMITMENTS

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
i. Capital commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for	417.30	458.27
ii. Other commitments :		
Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licences	209.00	201.44

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013 ₹ in lacs

NOTE 41 CONTINGENT LIABILITIES

	As at March 31, 2013	As at March 31, 2012
In respect of:		
a. <i>Excise matters disputed in appeal</i>		
These relate to MODVAT on capital purchases (pending before the Assistant Commissioner) and permit fee on purchase of alcohol (pending before the High Court)	158.20	158.20
b. <i>Claims against the Group not acknowledged as debts</i>		
Labour matters involving issues like regularization of employment, termination of employment, compensation against severance, etc.	22.65	22.65
c. <i>Sales-tax matters disputed in appeal</i>		
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)	199.49	201.96
d. <i>Income tax matters disputed in appeal</i>	896.67	716.88

In all the above matters, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.

NOTE 42 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 firm commitments. Details of forward contracts outstanding as at the year end: ₹ in lacs

Currency	Exposure to buy / sell	As at the year end	
		₹ in lacs	Foreign currency in lacs
US Dollars	Sell	796.61 (737.22)	14.67 (14.73)
	Buy	2787.97 (-)	51.36 (-)

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 ₹ 55.56 lacs (as at 31 March, 2012, ₹ 25.46 lacs).

- c. Foreign currency exposure at the year end not hedged by derivative instruments ₹ in lacs

	As at March 31, 2013	As at March 31, 2012
<i>Receivables against export of goods and services</i>		
Rupees	1070.76	863.85
US Dollars	8.21	13.89
Euros	0.83	2.28
Pound	6.89	0.04
<i>Advance received from customers</i>		
Rupees	129.59	128.87
US Dollars	1.08	2.53
Pound	0.86	-

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 42 DERIVATIVE INSTRUMENTS (Contd.)

₹ in lacs

	As at March 31, 2013	As at March 31, 2012
Payables against import of goods and services		
Rupees	270.81	9000.79
US Dollars	4.99	176.91
Advance payment to suppliers		
Rupees	128.76	50.46
US Dollars	0.92	0.94
Euros	0.01	-
CHF	1.34	-
Pound	0.02	-

NOTE 43

Research and development expenditure debited to the Statement of Profit and Loss by charge to relevant heads of account amount to ₹ 726.35 lacs (previous year, ₹ 587.46 lacs).

NOTE 44

Before transfer of assets to SSL by MIL (refer note 37 above) pursuant to its SS, MIL had issued notices to its erstwhile tenants in its building at Nariman Point, Mumbai for revision in rent / recovery of expenses. Pending resolution of legal cases, aggregate rent, of ₹ 66.42 lacs for the period when they were tenants (previous year ₹ 66.42 lacs) and recovery of expenses, of ₹ 42.40 lacs (Previous year ₹ 42.40 lacs), have not been accounted, on legal advice. The respondents have secured a stay from the Honorable Bombay High Court in April, 2013 against the order of the division bench of the Honorable Small Causes Court awarding an increase to the Company.

NOTE 45

SSL's current account with the Bank of Baroda had been attached by the Income-tax authorities in the earlier years against their demands.

NOTE 46

SSL has applied for the change of name to Registrar of Companies from Sulakshana Securities Private Limited to Sulakshana Securities Limited.

NOTE 47 PAYMENT TO AUDITORS

₹ in lacs

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
Audit fees	23.91	22.99
Payments for other services	30.14	21.85
Expenses and incidental	0.27	0.08
Total	54.32	44.92

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 48 RELATED PARTY TRANSACTIONS

Enterprises over which key management personnel and their relatives are able to exercise significant influence

Mafatlal Industries Limited
 Mafatlal Fabrics Private Limited
 NOCIL Limited
 Seth Navinchandra Mafatlal Foundation Trust
 Sri Sadguru Seva Sangh Trust

Associate

Mafatlal Denim Limited

Key management personnel

Shri Hrishikesh A. Mafatlal (in the capacity of an individual / trustee)
 Shri Vishad P. Mafatlal (in the capacity of an individual / karta)
 Shri Atul K. Srivastava
 Shri Shekhar S. Khanolkar

Details of transactions with related parties during the year / previous year

₹ in lacs

Nature of transactions	1	2	3	4	Total
Sale of finished goods					
NOCIL Limited	7.02				7.02
	3.42				3.42
Property Maintenance Expenses					
Mafatlal Industries Limited	21.21				21.21
	18.21				18.21
Rental income					
NOCIL Limited	96.30				96.30
	31.77				31.77
Interest income					
Mafatlal Industries Limited	-				-
	109.22				109.22
Purchase of cloth for uniform					
Mafatlal Fabrics Private Limited	-				-
	8.01				8.01
Mafatlal Industries Limited	6.20				6.20
	-				-
Managerial remuneration					
Shri Hrishikesh A. Mafatlal				154.31	154.31
				417.41	417.41
Shri Vishad P. Mafatlal				5.00	5.00
				10.00	10.00

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 48 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
Shri Atul K. Srivastava				181.41 137.08	181.41 137.08
Shri Shekhar S. Khanolkar				161.54 140.20	161.54 140.20
Sitting fees					
Shri Vishad P. Mafatlal				1.40 1.60	1.40 1.60
Investment in equity shares					
NOCIL Limited	- 1,137.84				- 1,137.84
Swarnim Gujarat Fluorspar Private Limited			1.25 -		1.25 -
Redemption of preference shares					
Mafatlal Industries Limited	- 3,000.00				- 3,000.00
Advances given to					
Mafatlal Industries Limited	- 15.58				- 15.58
Repayment of advance from					
Mafatlal Industries Limited	- 3,480.93				- 3,480.93
Donation					
Seth Navinchandra Mafatlal Foundation Trust	500.00 500.00				500.00 500.00
Sri Sadguru Seva Sangh Trust	15.00 15.00				15.00 15.00
Adjustments to the carrying amount of investments					
- reversal of reduction in the carrying amount of non-current investments					
Mafatlal Denim Limited		- 1,552.73			- 1,552.73
Mafatlal Industries Limited	- 5,940.00				- 5,940.00
As at the year end					
Amounts due to					
NOCIL Limited	1.50 1.50				1.50 1.50

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 48 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
Shri Hrishikesh A. Mafatlal				111.00 <i>378.00</i>	111.00 <i>378.00</i>
Shri Vishad P. Mafatlal				5.00 <i>10.00</i>	5.00 <i>10.00</i>
Shri Shekhar S. Khanolkar				33.00 <i>43.00</i>	33.00 <i>43.00</i>
Shri Atul K. Srivastava				50.00 <i>36.00</i>	50.00 <i>36.00</i>
Amounts due from					
Mafatlal Industries Limited	28.08 <i>54.85</i>				28.08 <i>54.85</i>
Mafatlal Denim Limited		0.04 <i>0.04</i>			0.04 <i>0.04</i>
Swarnim Gujarat Fluorspar Private Limited			17.35 <i>-</i>		17.35 <i>-</i>

1. Enterprises over which key management personnel and their relatives are able to exercise significant influence
2. Associate
3. Joint Venture
4. Key management personnel

Note:

Figures in italics are those as at and for the year ended 31 March, 2012

Notes forming part of Consolidated Financial Statements for the year ended 31 March, 2013

NOTE 49

Particulars regarding subsidiary companies in accordance with General Circular No. 2/2011 dated 8 February, 2011, from the Ministry of Corporate Affairs

Sr. No.	Name of the Subsidiary Company	Sulakhana Securities Limited (Wholly owned subsidiary)	Manchester Organics Limited (Subsidiary)
	Country	India	United Kingdom
	Reporting Currency	INR	GBP
	Exchange rate as on 31 March, 2013		1 GBP = INR 82.2275
	Extent of the Holding Company's interest in Subsidiary :-		
	No of Shares	150,000	10,000
	% of Capital	100%	51%
		(₹ in lacs)	(₹ in lacs)
1	Capital	15.00	0.07
2	Reserves	Nil	1,574.44
	Debit Balance of Profit & Loss A/c	1,302.42	-
3	Total Assets (Fixed Assets + Investments + Current Assets)	1,567.27	1,818.56
4	Total Liabilities (Debts + Current Liabilities)	2,854.69	244.05
5	Details of Investments	-	-
6	Turnover/ Income	29.74	2,616.72
7	Profit before Tax	(52.61)	189.74
8	Provision for Tax	-	43.39
9	Profit after Tax	(52.61)	146.35
10	Proposed Dividend	Nil	Nil

H. A. Mafatlal
Chairman

S. S. Khanolkar
Managing Director

N. B. Mankad
Company Secretary

V. P. Mafatlal
S. S. Lalbhai
A. K. Srivastava
P. N. Kapadia
S. G. Mankad
S. M. Kulkarni
T.M.M. Nambiar } *Directors*

Mumbai, dated, 30 April, 2013

**NAVIN FLUORINE INTERNATIONAL LIMITED**

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

(Folio Nos. DP ID*, Client ID* & Name of the Shareholder /

Joint holders in BLOCK LETTERS to be furnished below)

FORM OF PROXY

DP ID*	Client ID*	Folio	No. of Shares held

I/We _____ of _____ being a member / members of NAVIN FLUORINE INTERNATIONAL LIMITED hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on Monday the 24 June, 2013 at 3.00 p.m. at Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

Signature by the said _____

Please Affix
15 paise
Revenue
Stamp

Note: The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The form should be signed across the Revenue Stamp as per specimen signature registered with the Company.

* Applicable for investors holding shares in Electronic (Demat) Form.

**NAVIN FLUORINE INTERNATIONAL LIMITED**

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholders may obtain additional attendance slips on request. (Folio Nos., DP ID*, Client ID* & Name of the Shareholder / Joint holders / Proxy in BLOCK LETTERS to be furnished below).

Shareholder	DP ID*	Client ID*	Folio	No. of Shares held
Proxy				

I hereby record my presence at the Fifteenth Annual General Meeting of the Company to be held on Monday the 24 June, 2013 at 3.00 p.m. at Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020.

SIGNATURE OF THE

SHAREHOLDER OR PROXY _____

NOTES:

(1) Shareholders/Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.

(2) Shareholders are requested to advise, indicating their Folio Nos. DP ID*, Client ID*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Sharepro Services (India) Pvt. Ltd., Samhita Warehousing Complex, 2nd floor, Gala No.52-56, Building No.13A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai 400 072.

* Applicable for investors holding shares in Electronic (Demat) Form.





Captive incinerator for organic waste at Bhestan



cGMP Pilot Plant at Dewas



Joint participation by Navin Fluorine and Manchester Organics at CPHI-Madrid



Prestigious Rajya Shramvir Award of Government of Gujarat conferred on Shri Kiran M. Chauhan, our employee at Bhestan



Audiology centre (Mook Badhir School) at Surat



Mobile health unit at Bhestan dedicated to nearby villages




ARVIND MAFATLAL GROUP
The ethics of excellence

FORM A

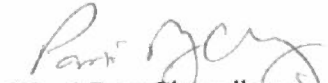
Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Navin Fluorine International Ltd.
2.	Annual Standalone financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	NA

For Navin Fluorine International Limited


Mr. S.S. Khanolkar

Managing Director

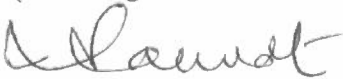

Mr. P Roy Chowdhury


Chief Financial Officer


Mr. T.M.M Nambiar

Audit Committee Chairman

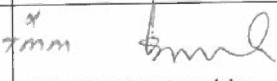
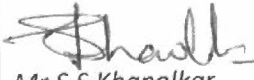
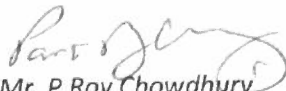
Refer our Audit Report dated 30 April 2013
on the standalone financial statements of the Company
For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)



 R. Salivati
Partner
Membership No. 34004
Mumbai, 30 April 2013

FORM B

(Pursuant to Clause 31(a) of Listing Agreement)

Name of the Company:	Navin Fluorine International Limited
Annual Consolidated financial statements for the year ended	March 31, 2013
Type of Audit qualification	<p>Qualified Page 73 of the annual report.</p> <p>The Company has not consolidated the financial statements of the newly set up joint venture, Swarnim Gujarat Fluorspar Pvt. Ltd. The management has represented us that the same is yet to commence the operations. As the financial statements are not available for consolidation, the effect of the same on the financial statements cannot be determined.</p>
Frequency of qualification	First Time
Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note no.30.a.3 on Page no.91 of the annual report states:</p> <p>The financial statements of SGFPL, were not available for consolidation. There is no significant impact on the revenues, expenses, assets and liabilities in consolidated accounts as the operations are yet to commence.</p>
Additional comments from the board/audit committee chair:	None
<p>To be signed by-</p> <p><input checked="" type="checkbox"/> Audit committee Chairman</p> <p><input checked="" type="checkbox"/> Managing Director</p> <p><input checked="" type="checkbox"/> Chief Financial Officer</p> <p>Place : Mumbai Date: April 30, 2013</p>	<p>  Mr. T.M.M Nambiar </p> <p>  Mr. S.S Khanolkar </p> <p>  Mr. P Roy Chowdhury </p> <p> Mumbai April 30, 2013 </p>

Refer our Audit Report dated April 30, 2013 on the consolidated financial statements of the Company

For **Deloitte Haskins and Sells**
Chartered Accountants
(Registration No. 117364W)

R. Salivati
RS

R. Salivati
Partner
(Membership No. 34004)

Mumbai, 30th April 2013