



**Navin Fluorine International Limited**  
**Regd. & Head Office:** 2nd Floor, Sunteck Centre, 37/40, Subhash Road,  
Vile Parle (East), Mumbai - 400 057 India. T: 91 22 6650 9999 F: 91 22 6650 9800  
E: info@nfil.in W: www.nfil.in CINNO.: L24110MH1998PLC115499



July 26, 2016

**Bombay Stock Exchange Ltd.,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001.  
Scrip Code: 532504

**Ahmedabad Stock Exchange Ltd.,**  
1<sup>st</sup> floor, Kamdhenu Complex,  
Opp. Sahajanand College, Panjara Pole  
Ahmedabad 380 015.  
Scrip Code: 45433

**National Stock Exchange of India Ltd.,**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai 400 051  
Scrip Code: NAVINFLUOR EQ

Dear Sirs,

**Sub: 18<sup>th</sup> Annual General Meeting**

We submit herewith the following with respect to 18<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> July, 2016 at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020:

1. Voting Results pursuant to Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Scrutinizers Report (Combined - on remote E-voting and poll taken at the Annual General Meeting) dated 25<sup>th</sup> July, 2016 pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of The Companies (Management and Administration) Rules, 2014. All the Resolutions for approval at the 18<sup>th</sup> Annual General Meeting as set out in the Notice dated 30<sup>th</sup> April, 2016 have been passed by the Members with requisite majority.
3. Annual Report for the Financial Year 2015-16 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approved and adopted at the aforesaid Annual General Meeting as per the provisions of the Companies Act, 2013.

Kindly take the above on record.

Thanking you,

**Yours faithfully,**  
**For Navin Fluorine International Limited,**

**Niraj B. Mankad**  
**Vice-President Legal & Company Secretary**

Encl: as above.



**ARVIND MAFATLAL GROUP**  
The ethics of excellence



Navin Fluorine International Limited

# Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such

as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or

should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

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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 V. P. Mafatlal	Director
Shri S. G. Mankad	Director
Shri H. H. Engineer	Director
Smt. R. V. Haribhakti	Director
Shri A. K. Srivastava	Director (Finance Director upto 30.04.2015)
Shri S. S. Khanolkar	Managing Director

### COMPANY SECRETARY

Shri N.B. Mankad

### BANKERS

State Bank of Hyderabad  
AXIS Bank Limited  
HDFC Bank Limited

### AUDITORS

Deloitte Haskins & Sells,  
Chartered Accountants

### SOLICITORS

Vigil Juris

### REGISTERED OFFICE

2<sup>nd</sup> 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.)  
Navin Fluorine, Dahej 392130 (Gujarat)

### REGISTRAR & SHARE TRANSFER AGENT (w.e.f. 21<sup>st</sup> May, 2016)

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot No 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad 500 032.  
Tel : 91-040-6716 2222  
Fax : 91-040-2300 1153 / 2342 0814  
E-mail: einward.ris@karvy.com, navin.ris@karvy.com  
Website: www.karvycomputershare.com

### INVESTOR RELATIONS CENTRE

#### Karvy Computershare Private Limited

24 B, Rajabhadur Mansion, Ground Floor,  
Ambalal Doshi Marg, Fort, Mumbai 400 023.  
Tel 022- 6623 5454 Fax 022- 6633 1135

201, Shail Complex, Opp. Madhusudan House,  
Off: C G Road, Nr. Navrangpura Telephone Exchange,  
Ahmedabad 380006  
Tel: 079-2640 0527, 6515 0009  
E-mail : ahmedabad@karvy.com

### 18<sup>th</sup> ANNUAL GENERAL MEETING

On Monday, the 25<sup>th</sup> July, 2016,  
At 3.00 p.m.  
at Rama & Sundri Watumull Auditorium,  
K. C. College, Dinshaw Wacha Road,  
Churchgate, Mumbai 400020

1. Shareholders intending to require information about accounts to be explained in the meeting, are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.
3. The Listing Fees for the year 2016-17 have been paid by the Company to BSE Limited, National Stock Exchange of India Ltd and Ahmedabad Stock Exchange Ltd where the shares of the Company are listed.



# NOTICE

NOTICE IS HEREBY GIVEN THAT the 18th Annual General Meeting of the Members of the Company will be held on Monday, the 25th July, 2016 at 3.00 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020 to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, the Audited Financial Statements including the Statement of Profit and Loss for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Auditors' Report thereon as also Consolidated Financial Statements for that Financial Year.
2. To confirm the payment of Interim Dividend on equity shares for the year 2015-16 and to declare final dividend on equity shares for the year 2015-16.
3. To appoint a Director in place of Shri V.P. Mafatlal (holding DIN 00011350) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Registration No.117364W), as Auditors of the Company, by resolution passed at the 16th Annual General Meeting of the Company, to hold office from the conclusion of the 16th Annual General Meeting until the conclusion of the 19th Annual General Meeting, be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 18th Annual General Meeting until the conclusion of the 19th Annual General Meeting on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

## SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any of the Companies Act, 2013, payment of Remuneration of ₹ 3,50,000 (Rupees Three lacs fifty thousand only) (apart from re-imbursement of out-of-pocket expenses incurred for the purpose of Audit) to Shri B.C. Desai, Cost Auditor (Membership Number M-1077) for conducting the audit of Cost Records relating to the chemical products manufactured by the Company for the year 1st April, 2016 to 31st March, 2017, be and is hereby approved and ratified."

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

"RESOLVED THAT in supersession of the Special Resolution passed at the 12th Annual General Meeting of the shareholders of the Company held on 21st June, 2010, pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") the Register of Members, Index of Members, Register and Index of Debenture holders, if any, prepared in accordance with the provisions of Section 88 of the Act, in respect of the Shares and Debentures issued by the Company from time to time, shall be kept at the Office of the new Registrar and Share Transfer Agents of the Company Karvy Computershare Private Limited at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai 400 023 or at such other place within Mumbai to which the said Office is shifted.

By Order of the Board,

Place: Mumbai  
Dated: 30th April, 2016

**N.B. Mankad**  
Company Secretary

## Regd. Office:

Navin Fluorine International Limited  
(CIN : L24110MH1998PLC115499)  
2nd floor, Sunteck Centre, 37/40, Subhash Road,  
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E-mail: info@nfil.in, Website: www.nfil.in

## NOTES:

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

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

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Numbers 5 and 6 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 Tuesday, the 19th July, 2016 to Friday, the 22nd July, 2016 (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 28th July, 2016.

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

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

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

number, IFSC code and MICR code and a copy of cancelled cheque.

5. Members are requested to note that pursuant to the provisions of Section 125(c) of the Companies Act, 2013, the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. **The Company has already transferred the unclaimed / unpaid dividend declared for the year 2008 to the said fund. Members who have so far not claimed the dividends declared for any subsequent financial year(s) are requested to make claim with the Company immediately as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund.**
6. **The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has allowed 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.**
7. In terms of Section 108 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. Details of the e-voting process and other relevant details are being sent to all the Members along with the Notice.

## ANNEXURE TO NOTICE

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

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos.5 and 6:

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

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

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of Shri B. C. Desai, as the Cost Auditor for Cost Audit of chemical products for the Year 1st April, 2016, to 31st March, 2017 on a remuneration of ₹ 3,50,000 (Rupees Three lacs fifty thousand only) (apart from reimbursement of out-of-pocket expenses incurred for the purpose of Audit) subject to approval of remuneration by the Members.

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

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

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

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

The shareholders are aware that M/s.Sharepro Services (India) Pvt. Ltd. (Sharepro) has been the Registrar and Share Transfer Agents of the Company since 2003. Recently, SEBI has initiated investigation into the affairs of Sharepro for certain irregularities in conduct of their share related operations. SEBI has vide its interim Order dated 22nd March, 2016 restrained Sharepro and certain persons mentioned in the said Order from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner. SEBI has also advised Companies who are clients of Sharepro to carry out/switchover their activities related to a registrar to an issue and share transfer agent, either in-house or through another registrar to an issue or share transfer agent registered with SEBI.

The Board of Directors at their meeting held on 30th April 2016 approved appointment of M/s. Karvy Computershare Private Limited, having their corporate headquarters at Hyderabad and branch offices throughout the country including at Mumbai and Ahmedabad, as the Registrar and Share Transfer Agent of the Company w.e.f. 21st May, 2016, in place of Sharepro.

Section 94 of the Companies Act, 2013 stipulates that registers required to be kept and maintained by the Company under Section 88 and copies of the Annual Return filed under Section 92 shall be kept at the Registered Office of the Company. Provided that such documents may also be kept at any other place in India in which more than one tenth of the total number of members entered in the Register of Members reside, if approved by a Special Resolution passed at the General Meeting and the Registrar has been given a copy of the proposed Special Resolution in advance. Accordingly, approval of the Members is sought in terms of Section 94(1) of the Companies Act, 2013 for keeping the aforementioned registers and documents at the premises of the new Registrars M/s. Karvy Computershare Private Limited as stated in the Resolution. A copy of the proposed Resolution is being forwarded to the Registrar of Companies, Maharashtra, Mumbai.

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

None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the resolution.

By Order of the Board,

Place: Mumbai  
Dated: 30th April, 2016

**N.B. Mankad**  
Company Secretary

**Regd. Office:**  
Navin Fluorine International Limited  
(CIN : L24110MH1998PLC115499)  
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Particulars of the Director seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Name	Age	Date of Appointment/ Reappointment	Expertise in functional areas	Brief Resume	Names of the Listed Companies in which he holds Directorships/Committee Membership
Shri V. P. Mafatlal	42 years	21.01.2003	Textiles and Chemicals, Industrialist having business experience of more than 19 years in Textiles and Chemicals.	B.Sc. (Economics), University of Pennsylvania, Wharton School, U.S.A.	<p><b><u>Director in:</u></b>  Mafatlal Industries Ltd.  Navin Fluorine International Ltd.  NOCIL Ltd.</p> <p><b><u>Committee Memberships:</u></b>  Stakeholders Relationship Committee  Mafatlal Industries Ltd.  NOCIL Ltd.  Corporate Social Responsibility Committee  Mafatlal Industries Ltd.  Navin Fluorine International Ltd.</p>

Shri V. P. Mafatlal is a nephew of Shri H. A. Mafatlal, Chairman of the Company and he holds 1,87,350 equity shares in the Company.



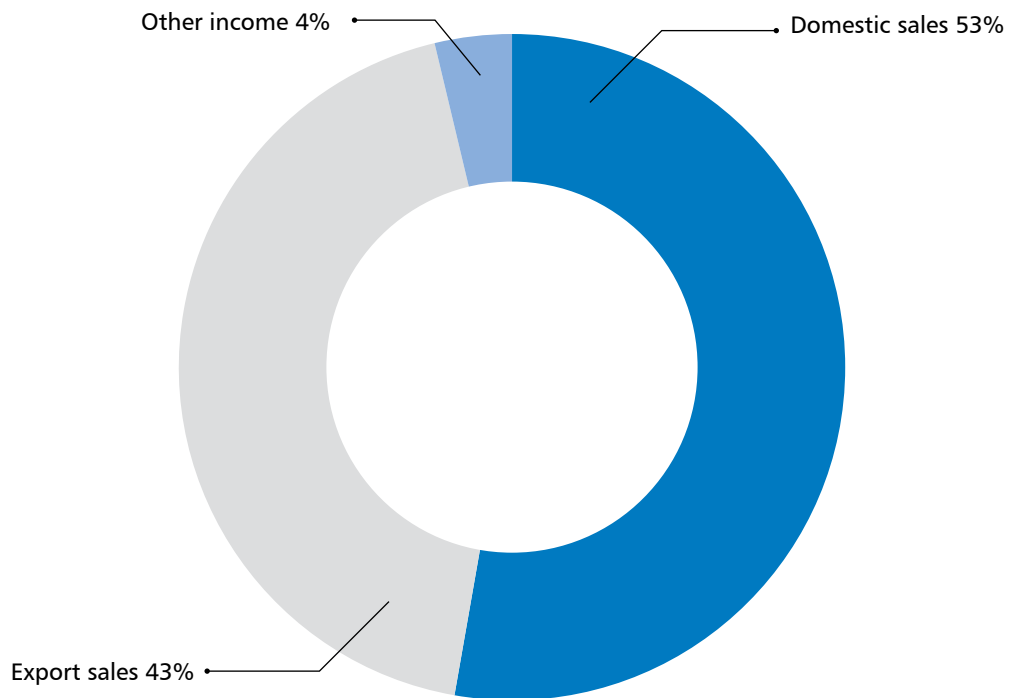
## SUMMARISED FINANCIAL DATA

(₹ in lacs)

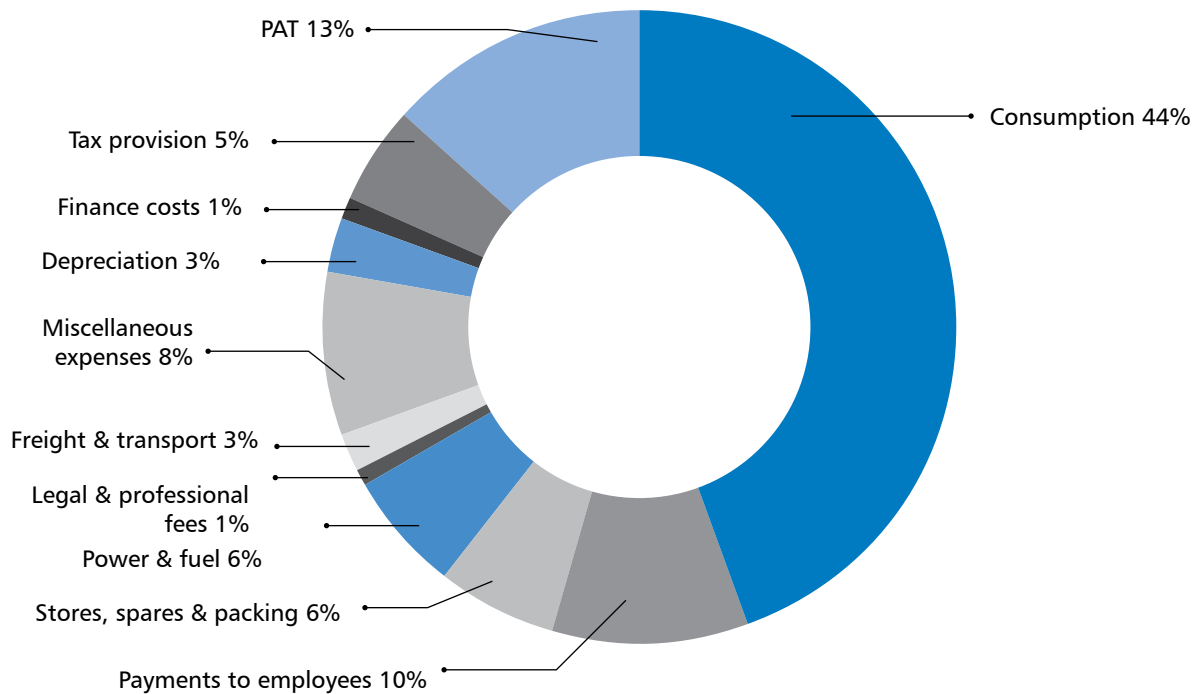
Particulars	2006 - 07	2007 - 08	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015-16
<b>STATEMENT OF PROFIT &amp; LOSS</b>										
1 Total income	27392	29544	42262	43723	44113	79486	53855	47850	57276	66093
2 Profit before depreciation, interest, exceptional items and tax	4580	4058	10178	13589	12313	34071	9428	9007	8996	14084
3 Exceptional items	(260)	(506)	(757)	-	-	-	-	-	-	-
4 Finance costs	(783)	(890)	(863)	(249)	(360)	(354)	(610)	(540)	(324)	(320)
5 Depreciation, amortisation and impairment	(883)	(1148)	(1718)	(1107)	(1354)	(1773)	(1961)	(2055)	(1864)	(2092)
6 Profit before tax	2655	1514	7309	12233	10599	31944	6857	6413	6808	11672
7 Profit after tax	1260	788	4529	7436	7164	23124	4316	5066	4938	8647
8 Dividend (₹ per share)	4.00	4.00	10.00	14.00	15.00	75.00 *	15.00	16.00	16.00	21.00
9 Earning per share (EPS) ₹	12.47	7.81	44.84	73.63	71.11	236.90	44.22	51.90	50.57	88.44
<b>BALANCE SHEET</b>										
10 Net fixed assets	17252	18312	17396	17793	20491	24168	23918	23127	27029	28169
11 Investments	1743	1625	1625	85	4776	20494	24664	26294	23447	26598
12 Current assets (net)	9780	9942	10860	14455	14734	15873	13945	13779	14315	15131
13 Capital employed	28775	29879	29881	32333	40002	60536	62527	63201	64791	69898
14 Borrowings	9247	9175	5264	1136	4907	9334	8324	5700	4489	2990
15 Net worth	18567	19239	22902	29098	33180	48337	50946	54186	57113	63354
16 Book value of share of ₹ 10/- each (₹) (15 / no. of shares)	183.84	190.48	226.75	288.10	339.92	495.20	521.93	555.12	584.59	647.31
17 Debt/ equity ratio ( 14 / 15 )	0.50	0.48	0.23	0.04	0.15	0.19	0.16	0.11	0.08	0.05
18 EBIDTA ( % ) ( 2 / 1 )	17%	14%	25%	31%	28%	43%	18%	19%	16%	21%
19 Profit after tax ( % ) ( 7 / 1 )	5%	3%	11%	17%	16%	29%	8%	11%	9%	13%
20 Return on net worth ( % ) (PAT / Avg of opening & closing net worth)	7%	4%	21%	29%	23%	57%	9%	10%	9%	14%
21 Return on Capital Employed ( % ) ((PBT + finance costs) / Avg opening & closing capital employed)	12%	8%	27%	40%	30%	64%	12%	11%	11%	18%

\* including special dividend of ₹ 60 /-

### RUPEE EARNED (%)



### RUPEE SPENT (%)



# DIRECTORS' REPORT

To,

The Members,

**Navin Fluorine International Limited**

Your Directors are pleased to present the Eighteenth Annual Report together with the audited accounts for the year ended 31st March 2016.

## 1. FINANCIAL RESULTS:

	(₹ in lacs)	
	Current Year	Previous Year
Operating Income	63,624	54,612
Other income (including non-recurring income)	2,469	2,664
<b>EBITDA</b>	<b>14,084</b>	<b>8,996</b>
less: Depreciation	2,092	1,864
Interest	320	324
Tax	3,025	1,870
<b>Profit After Tax</b>	<b>8,647</b>	<b>4,938</b>
add: Surplus brought forward from the previous year	32,827	30,427
<b>Amount available for appropriation</b>	<b>41,474</b>	<b>35,200</b>
<b>Appropriation:</b>		
Transfer to general reserve	-	494
Interim dividend	978	733
Proposed final dividend	1,077	830
Corporate dividend tax	418	316
<b>Surplus carried to Balance Sheet</b>	<b>39,001</b>	<b>32,827</b>

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

## 2. DIVIDEND

The Company paid an interim dividend of ₹ 10/- per share on 97,79,497 equity shares of nominal value of ₹ 10/- each, aggregating to ₹ 977.95 lacs in the month of October 2015. The Board of Directors is pleased to recommend a final dividend for the year of ₹ 11/- per share on 97,87,297 equity shares of nominal value of ₹ 10/- each, aggregating to ₹ 1,076.60 lacs.

## 3. YEAR IN RETROSPECT

The Company has registered a Revenue of ₹ 63,624 lacs during the year vs. ₹ 54,612 lacs achieved during FY 2014-15 i.e. a growth of 17% year on year. The growth in Top Line is principally driven by Refrigerant Gases, Specialty Chemicals & Contract Research & Manufacturing Services (CRAMS) Businesses.

Exports Turnover delivered a significant growth of 47% year on year, from ₹ 19,549 lacs in F.Y. 2014-15 to ₹ 28,751 lacs during the current year, predominantly fuelled by Specialty Chemicals and CRAMS Businesses. Domestic Sales remained more or less flat during the year.

Refrigerant Gases business grew from ₹ 19,487 lacs in F.Y. 2014-15 to ₹ 21,696 lacs during the year, a growth of 11% year on year. It contributed around 33% of overall Turnover of which, Exports contribute roughly 38%. Despite the seasonal nature of the product, Refrigerant Gases Business fared well on the domestic front on account of milder winters during the October-December quarter. However, this was marred by some headwinds in exports side of the business on account of quota renewal challenges in the Middle East as well as Foreign Exchange constraints for imports imposed in a few countries.

Specialty Chemicals business grew from ₹ 21,512 lacs in F.Y. 2014-15 to ₹ 23,875 lacs during the current year, growth of 11% year on year. It contributed around 38% of overall Turnover, of which, Exports contribute roughly 46%. This Business witnessed slower off take from global agrochemical majors as well as domestic pharma companies. However, ongoing efforts on creating a diversified portfolio of products, customers and markets enabled to offset such impact to a significant extent. Here, the focus continues to be on investing in research & development towards building a strong product portfolio with niche fluorochemicals, along with widening the reach to new customers and new markets.

CRAMS business grew almost threefold, albeit on a small base, to ₹ 8,654 lacs during the year from ₹ 3,099 lacs in F.Y. 2014-15. It contributed roughly 14% of overall Turnover for the year vis-a-vis 6% contribution in last year. The new cGMP manufacturing plant at Dewas has gone on stream as per plan. Numerous Customer Audits have been successfully completed during the year, enhancing confidence in the Business's capability to build and operate a world class cGMP facility.

Inorganic fluorides contributed ₹ 9,399 lacs i.e. 15% of overall sales. Growing acceptance of the products in overseas markets is offsetting the weak domestic demand. Exports contributed 11% of the sales of this Business..

EBIDTA for the year is ₹ 14,084 lacs, up from ₹ 8,996 lacs in F.Y. 2014-15, a growth of 57% year on year. EBIDTA Margin for the year is 21%, up from 16% in F.Y. 2014-15, i.e. an expansion of 500 basis points.

Profit before Tax (PBT) grew by 71% year on year, to ₹ 11,672 lacs in the current year, from ₹ 6,808 lacs in F.Y. 2014-15. PBT Margin recorded a growth of 50%, i.e. from 12% in F.Y. 2014-15 to 18% in the current year.

Profit after Tax (PAT) for the year stands at ₹ 8,647 lacs , up from ₹ 4,938 lacs in F.Y. 2014-15 i.e. a growth of 75% year on year. PAT margin for the current year is 13% vs. 9% in F.Y. 2014-15 i.e. a growth of 44% year on year.

Cost of key Raw Materials have exhibited a downward trend during the year with Sulphur, Fluorspar, Chloroform & Boric Acid prices softening in the range of 5%-15% year on

year. Chloroform prices continue to be subject to volatility due to supply fluctuations. Price of Bromine has, however, shown a marginal uptrend during the year. There has been a devaluation of Indian Rupee vs. US Dollar of around 7% year on year. The Company continues to import Fluorspar from diverse regions as part of supply chain security to de-risk dependence on a single source / geography.

On the energy cost front, cost of power has gone up by around 5% year on year. Non-availability of exchange traded power from other States to Southern Gujarat, continues to be a challenge. Prices of natural gas has however shown a downturn of around 18% year on year, on account of weak global cues.

Indian Rupee has devalued during the year, by around 7% vs. US Dollar. The GB Pound exchange rate remained flat year on year, whereas the Euro exchange rate has shown some appreciation by around 6% year on year. However, the Company being a net exporter, with exports predominantly executed in US Dollars; the weakening Indian Rupee has helped in higher export realisation during the year. The Exchange Loss of ₹ 114 lacs shown under Other Expenses, is on account of timing difference of foreign exchange transactions and their realisation & /or restatement.

There is an increase in the net working capital of the Company by around ₹ 816 lacs year on year, predominantly on account of Receivables due to higher sales towards the end of the year. Inventories have been maintained more or less at the same level of last year through effective planning & control. Net working capital management continues to be a key focus for the Company and the level of net working capital is in line with the scope & scale of operations of the Company and is well within acceptable industry benchmark.

The Company has reinforced focus on improving tree cash flow efficiency of the enterprise on a sustainable basis and has a commendable Treasury Income. The Company has been successful to secure an upgrade in it's Basel II Credit Rating from "CARE AA-" in F.Y. 2014-15 to "CARE AA" during the year , signifying 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 with a tenure of less than a year is maintained at "CARE

A1+”, indicating very strong degree of safety regarding timely servicing of financial obligations and lowest credit risk. During the year, the Company has obtained “CARE A1+” rating for issuance of Standalone Commercial Papers, to the extent of ₹ 3,000 lacs.

The Company acquired the balance 49 % equity in subsidiary in the U.K., Manchester Organics Limited (M.O.L.) at an aggregate price of GBP 6.30 million, through its 100% step down subsidiary, NFIL (UK) Limited, funded by GBP 2.58 m of own funds and GBP 3.2 M of Loan from HDFC Bank, Bahrain supported by SBLC from HDFC Bank, India. Such acquisition is in line with the Company’s strategy of further leveraging the combined scope & scale and complementing strengths of both the entities in the CRAMS space, especially in the areas of Business Development, Process Management and Delivery framework optimisation; with key focus in Europe and the U.S.

During the year, the Company entered into an agreement with Honeywell for a small scale manufacturing project for the new generation refrigerant gas HFO 1234 yf. HFO-1234yf is a next-generation hydrofluoro-olefin (HFO) refrigerant with GWP less than 1 and is a near drop-in replacement for R-134a, a hydrofluorocarbon (HFC) , for use in vehicle air conditioning systems globally. This agreement depicts Honeywell’s confidence in the Company’s capabilities in developing new generation Fluoro intermediates.

The Company continues to pursue an aggressive plan to improve operating efficiencies across its manufacturing and supply chain applications, which helped the Company improve its margins and secure deeper penetration in the market. During the year these initiatives were further consolidated. The top-line growth helped a better absorption of overheads contributing to the improvements in the operating margins and set-off increase in input costs.

Research & Development and Technology functions strived persistently through the year for improvement in productivity, quality and costs of various products to enable Businesses with a competitive offering on one hand and flexibility of sourcing to the supply chain function on the other.

The Company is fully committed to its responsibilities in health, safety and environmental (HSE) management and has continued to make sizable investments in HSE during the year. The Company is amongst very few Corporates in the country who has ‘Responsible Care’ accreditation from the Indian Chemical Council. ‘Responsible Care’ is the chemical industry’s unique global initiative that drives continuous improvement in health, safety & environment performance together with open and transparent communications with stakeholders. The logo is awarded in recognition of a Company’s commitment to sustainability. The Surat plant of the Company has been awarded with the “Silver Trophy” and a certificate by National Safety Council of India for commendable Occupational Safety & Health performance. It is the only manufacturing unit in this category in Gujarat to get this award during F.Y. 2015-16, which exemplifies the Company’s commitment towards safety. The Company continues to invest in HSE programmes across all its locations.

#### 4. SUBSIDIARIES AND JOINT VENTURES

The Company has four subsidiaries and two Joint Ventures:

- (i) Sulakshana Securities Limited (SSL), created to settle dues of the term lenders of Mafatlal Industries Limited (MIL), continued to remain a wholly-owned subsidiary of the Company. After settling all the third-party dues, SSL now is left with 1,455 Sq. Mtrs. of commercial floor space in Mafatlal Centre, Nariman Point, Mumbai and a significant portion of this property has been leased out on contemporary terms. SSL is utilizing its current cash flows to repay its debt to the Company. During the year ₹ 260.07 lacs has been repaid by SSL and its current outstanding to the Company is ₹ 2,010 lacs.
- (ii) The Company held 51% of the ordinary voting shares of Manchester Organics Limited (MOL), a specialized chemicals research Company in Runcorn, U.K. In October, 2015, the Company acquired balance 49% in MOL through NFIL (UK) Ltd., a 100% step-down subsidiary created for the purpose. During the year MOL reported a turnover of ₹ 4,485 lacs and a profit before tax of ₹ 246 lacs.



- (iii) Some of the key raw materials for our specialty and CRAMS business are procured from China. The quality and the cost of these material make a significant impact on various value added products being made by the Company and therefore It was thought fit to have a strategic presence closer to the source. In view of the foregoing, it was thought prudent to have a permanent representation in China. Accordingly, a trading outfit by the name of Navin Fluorine (Shanghai) Co. Ltd. (which is a wholly owned foreign enterprise under Chinese Laws) has been incorporated. The total capital investment over a period of 20 years is proposed to be RMB 12.50 Million (Approx ₹ 1,283 lacs).
- (iv) During the year a 100% step-down subsidiary by the name of NFIL (UK) Ltd was formed to acquire the balance shareholding of 49% from the shareholders of Manchester Organics Ltd. The transaction for acquisition was completed in the month of October, 2015 at an aggregate price of GBP 6.30 million.
- (v) The Company has subscribed to 25% of the initial equity share capital of Swarnim Gujarat Fluorspar Private Limited. It is a Joint Venture (JV) with Gujarat Mineral Development Corporation Limited (GMDC) and Gujarat Fluorochemicals Limited (GFL) formed for the purpose of beneficiation of fluorspar ores to be supplied by GMDC from its mines. The entire quantity of the finished product viz. acid grade fluorspar will be bought out by the Company and GFL. This is a feedstock de-risking initiative for long term fluorspar supply assurance, the most critical raw material of the Company. The JV is yet to start its operations.
- (vi) The Company has entered into a Joint Venture (JV) agreement with Piramal Enterprises Limited (PEL) and accordingly a Company by the name of Convergence Chemicals Private Limited (CCPL) has been formed to leverage the Company's rich legacy in fluorine chemistry and the deep outreach of the JV partner in the healthcare space. PEL holds 51% and the Company owns 49% of the equity share capital of CCPL. The Company is currently conducting trial run of the product and the final product is under approval with the customer. Post receipt of such approvals, full

scale commercial production and sale is expected to commence during the year.

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

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

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

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

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

As required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Management Discussion and Analysis and Corporate Governance Report are annexed as **Annexure 1** and **Annexure 2** respectively to this Report.

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Navin Fluorine International Ltd. (a part of Arvind Mafatlal Group), fulfilling CSR is a way of life. Arvind Mafatlal Group has been implementing a range of CSR activities over the last fifty one years, in areas like poverty alleviation, healthcare, education, women's welfare etc. in rural India.

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

The amount required to be spent on CSR activities during the year under report in accordance with the provisions of Section 135 of the Act is ₹ 141.84 lacs and the Company has spent ₹ 194.81 lacs during the current financial year (as against ₹ 131.73 lacs during the previous year). Thus, the Company has spent more amount on CSR activities than legally mandated. The requisite details on CSR activities pursuant to Section 135 of the Act and as per Annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **Annexure 3** to this Report.

## 7. INDUSTRIAL RELATIONS

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

During the year, 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 31st March 2016 was 686.

## 8. INSURANCE

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

## 9. EMPLOYEE STOCK OPTION SCHEME 2007

During the year 30,023 Stock Options were granted to the employees out of the unallotted options under the employees Stock Option Scheme 2007. Pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999, as amended, the details of stock options as on 31st March 2016 under the "Employee Stock Option Scheme 2007" are annexed as **Annexure 4** to this Report.

## 10. DIRECTORATE

Pursuant to the provisions of the Companies Act, 2013, Shri V.P. Mafatlal retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## 11. EXTRACT OF THE ANNUAL RETURN:

Extract of the Annual Return for the Financial Year ended on 31st March, 2016 as required by Section 92(3) of the Companies Act, 2013 and Rules 12(1) of the Companies (Management & Administration), Rules 2014 is Annexed as **Annexure 5** to this Report.

## 12. NUMBER OF BOARD MEETINGS:

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

## 13. DIRECTORS RESPONSIBILITY STATEMENT:

As required under the provisions of Section 134 of the Companies Act, 2013, your Directors report that:

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

#### 14. DECLARATION BY INDEPENDENT DIRECTORS:

The following Directors are independent in terms of Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- i) Shri T.M.M. Nambiar
- ii) Shri P.N. Kapadia
- iii) Shri S.S. Lalbhai
- iv) Shri S.M. Kulkarni
- v) Shri S.G. Mankad
- vi) Shri H.H. Engineer
- vii) Smt. R.V. Haribhakti

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

#### 15. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The requisite details as required by Section 134(3)(e), Section 178(3) & (4) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed as **Annexure 6** to this Report.

#### 16. AUDITORS REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31st March, 2016.

#### 17. CHANGES IN KEY MANAGERIAL PERSONNEL:

The Board of Directors at its meeting held on 29th June, 2015 appointed Shri Sitendu Nagchaudhuri as Chief Financial Officer of the Company w.e.f. 8th July, 2015 in place of Shri Partha Roychowdhury. The Directors place on record their appreciation for the contribution made by Shri Roychowdhury during his tenure.

#### 18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

Particulars of loans given and of the investments made by the Company as at 31st March, 2016 are given in the Notes forming part of the Financial Statements. During the Financial Year under review, the Company made the following investments:

- (a) 25,84,000 equity shares of £ 1/- each of NFIL (UK) Ltd.
- (b) 12,22,919 equity shares of RMB 1/- each of Navin Fluorine (Shanghai) Co. Ltd.
- (c) 49,00,000 equity shares of ₹10/- each in Convergence Chemicals Pvt. Ltd.

The Company also made investments in schemes of various mutual funds aggregating to ₹ 17,346.55 lacs and during this period realized ₹ 17,280.65 lacs on redemption of units of various mutual funds and debentures. During the year under review, no new loans were given by the Company.

#### 19. SECRETARIAL AUDIT REPORT:

Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report for the Financial Year ended 31st March, 2016 given by Shri Manuprasad Patel, Practicing Company Secretary is annexed as **Annexure 7** to this Report.

#### 20. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year. Related Party Transactions Policy is available on weblink <http://www.nfil.in/policy/index.html>.

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

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

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

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

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

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required, to be disclosed in terms of Section 134 of the Act, read with The Companies (Accounts) Rules, 2014, is annexed as **Annexure 8** to this Report.

## 24. RISK MANAGEMENT POLICY:

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

## 25. ANNUAL PERFORMANCE EVALUATION:

In compliance with the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation was carried out as under:

### Board:

In accordance with the criteria suggested by The Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

### Committees of the Board:

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

### Individual Directors:

- (a) Independent Directors: In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like preparedness, participation, value addition, focus on governance and communication. The Board was of the unanimous view that each independent director was a reputed professional and brought his / her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.
- (b) Non-Independent Directors: The performance of each of the non-independent directors (including the Chairperson) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included transparency, business leadership, people leadership, focus on governance, communication, preparedness, participation and value addition. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership

## 26. DEPOSITS:

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

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

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above Rules are annexed as **Annexure 9** to this Report.

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

The requisite details relating to the remuneration of the specified employees covered under the above Rules are annexed as **Annexure 10** to this Report.

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

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

## 30. INTERNAL FINANCIAL CONTROLS:

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

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

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

## 31. AUDITORS:

At the 16th Annual General Meeting held on 25th June, 2014, the members approved appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Registration No.117364W) to hold office from the conclusion of the 16th Annual General Meeting until the conclusion of the 19th Annual General Meeting, (subject to ratification of the appointment by the Members, at every Annual General Meeting held after the 16th Annual General Meeting) on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

In accordance with Section 139 of the Act, Members are requested to ratify the appointment of the Auditors for the balance term to hold office from the conclusion of the 18th Annual General Meeting till the conclusion of the 19th Annual General Meeting. The specific notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and give complete information.

## 32. COST AUDITORS:

As per the requirements of Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules, 2014, the Audit of the Cost Accounts relating to Chemical products is being carried out every year. The Board of Directors have, based on the recommendation of the Audit Committee appointed Shri B. C. Desai, Cost Auditor, Ahmedabad (Membership No. M-1077) to audit the cost accounts of the Company for the year 2016-17 from 1st April 2016 to 31st March 2017 on a remuneration of ₹ 3,50,000. As required under the Act, necessary resolution seeking Member's ratification for the remuneration payable to Shri B.C. Desai is included as item No. 5 of the Notice convening the 18th Annual General Meeting. The Cost Audit Report in respect of Financial Year 2015-16 will be filled on or before the due date i.e. 27th September 2016.

## 33. 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,

Place: Mumbai  
Dated: 30th April, 2016

**H.A. Mafatlal**  
Chairman



# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## ECONOMIC OVERVIEW

The global economy stumbled in 2015, amid weak aggregate demand, falling commodity prices and increasing financial market volatility in major economies.

World economy is projected to grow by 3.2% in 2016 and 3.5% in 2017, supported by less restrictive fiscal and accommodative monetary stances worldwide.

India continues to remain a bright spot in the otherwise bleak global economic forecast of the International Monetary Fund (IMF). Compared to most other major developing countries, India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment. India is estimated to grow at 7.5% in 2016-17, with slowing trade growth as one of the risk factors to growth.

## GLOBAL FLUOROchemicalS INDUSTRY

Global chemical industries sector has seen strong growth in recent years and it is expected to continue growing at a significant rate in the coming years as well, outgrowing the increase in Global GDP.

While Europe had long remained a leader in the global chemical industry, the last few years witnessed Asia Pacific emerge as the new market leader. The core of the chemical industry is shifting to Asia and by 2030 at least half of the top 10 chemicals companies are expected to be Asian or Middle Eastern.

With fluorination chemistry being used in more and more applications & products ranging from pots and pans to pharmaceuticals, from toothpaste to nuclear fuel, it is becoming indispensable in today's world.

Global fluorochemicals market demand is expected to reach 5.4 million tons by 2024, growing at a CAGR of 4.3% from 2014 to 2024, with Asia Pacific region growing at the fastest rate.

Demand will be driven by robust demand for air-conditioning systems and refrigeration equipment, increasing aluminium production, expanding applications in pharmaceuticals, demand for blowing agents for plastic foaming application in the construction sector and growing adoption of high-performance fluoropolymers in automobile production.

## GROWTH DRIVERS

### GROWTH IN LIFE-SCIENCES, PHARMACEUTICALS AND AGROCHEMICALS INDUSTRY:

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

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

## GROWTH IN REFRIGERANT MARKETS

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

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

## GROWTH IN AUTOMOBILES

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

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

## EXPANDING POSSIBILITIES OF FLUORINE THROUGH RESEARCH & DEVELOPMENT

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

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

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

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

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

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

#### **BUSINESS WISE PERFORMANCE:**

##### **REFRIGERANTS:**

Revenue in FY 2015-16: ₹ 21696 lacs

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

Revenue from Refrigerant business grew by 11% year on year, from ₹ 19487 lacs in FY 2014-15 to ₹ 21696 lacs in FY 2015-16. Growth was mainly on account of higher volumes in both domestic & export markets. It contributed 33% to total sales, of which 38% was derived from export markets and rest was marketed within India

Under the Montreal protocol, phase down of HCFC 22 (R22) for emissive purposes have begun from January 1, 2015 in developing countries (Article 5 parties). The next ramp down in production will be in 2020. However, as demand for refrigeration and cooling systems increase, demand for the refrigerant gas will also increase.

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

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

##### **INORGANIC FLUORIDES:**

Revenue in 2015-16: ₹ 9399 lacs

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

In 2015-16, revenue from inorganic fluorides business remained stable, in line with slowdown in domestic demand from its main customer industries and pricing pressure from cheaper imports. It contributed 15% of total sales.

As result of its focus on expanding reach to overseas markets, the export revenue grew to contribute 11% of the sales of this business in FY 2015-16, mitigating some of the domestic slowdown.

The Company continues to focus on strengthening its product portfolio by introducing new products for new applications in industries like electronics as well as reach out to newer geographies.

##### **SPECIALTY CHEMICALS:**

Revenue in 2015-16: ₹ 23875 lacs

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

During F.Y. 2015-16, Specialty Chemicals revenue grew by 11% to ₹ 23875 lacs, from ₹ 21512 Lacs in F.Y. 2014-15, contributing 38% of total sales of the Company. Exports contributed 46% to Specialty Chemicals sales, growth of 39% over previous year. During the year, the business added several new fluorinated compounds to its product portfolio.

Growth was impacted by slower off-take among global agrochemical customers and domestic pharmaceutical companies. However, with global agrochemical inventory levels correcting, there is a visible uptrend in the demand.

With continuous support of a strong in-house R&D team, the Company continues to work closely with the customers and introduce new products to widen its customer base and geographical reach.

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

Revenue in F.Y. 2015-16: ₹ 8654 lacs

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

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

The Company continues to strengthen its foothold across American, European and Asia Pacific regions with stronger

marketing teams across USA, Western Europe and Japan, in addition to presence through Manchester Organics Ltd (MOL) in the UK.

Company's association with MOL began in 2011, when it acquired 51% stake in MOL. Since beginning, both the companies were in perfect synergy, as MOL worked directly with innovative pharma companies on milligram to multi kilo research phase while Navin Fluorine was developing its contract research and manufacturing services division with experience in multi hundred kilos to multi ton production capabilities.

During the year, the Company has acquired balance 49% stake in MOL through its 100% subsidiary NFIL UK at an aggregate price of £ 6.3 million out of, which £ 5.6 million have been paid upfront and the balance will be paid in a default manner on fulfillment of certain conditions.

Today MOL continues to bring access to not only global innovative pharmaceutical companies but also cutting-edge fluorination chemistries, which enhances the Company's overall production capabilities to value added product portfolio of CRAMS as well as in specialty chemicals.

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

In 2015-16, CRAMS revenue grew nearly threefold over previous year from ₹ 3,099 lacs in FY 2014-15 to ₹ 8,654 lacs in FY 2015-16. In addition, MOL registered revenues of ₹ 4,485 lacs during the year.

Company augmented its pilot plant facility at Dewas with cGMP compliant contract manufacturing facility to deliver ton level quantities, with an investment of ₹ 6,000 lacs. The new facility underwent successful customer audits by global pharmaceutical companies and has commenced commercial production.

With the new facility ready for commercial production, the Company is poised to capitalize on all the hard work that went into building this business.

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

The Dahej project to develop, manufacture and sell specialty fluorochemicals for Piramal group is moving smoothly with product validation underway.

During the year, the Company entered into an agreement with Honeywell to work together on the new generation refrigerant gas HFO 1234 yf. HFO-1234yf is a next-generation hydrofluoro-olefin (HFO) refrigerant with GWP less than 1 and is a near drop-in replacement for R-134a, a

hydrofluorocarbon (HFC), for use in vehicle air conditioning systems globally. This agreement depicts Honeywell's confidence in Company's capabilities in developing new generation Fluorointermediates.

#### Health, Safety & Environment :

The Company is fully committed to its responsibilities in health, safety and environmental (HSE) management and has continued to make sizable investments in HSE during the year. Bhestan and Dewas units of the Company clocked 2.73 million and 2.94 million continuous accident free man hours respectively till March, 2016. The Company is amongst very few Corporate in the country who has 'Responsible Care' accreditation from the Indian Chemical Council. 'Responsible Care' is the chemical industry's unique global initiative that drives continuous improvement in health, safety & environment performance together with open and transparent communications with stakeholders. The Surat plant of the Company has been awarded with the "Silver Trophy" and a certificate by National Safety Council of India for commendable Occupational Safety & Health performance. It is the only manufacturing unit in the category in Gujarat to get this award during 2015-16, which exemplifies the Company's commitment towards safety.

#### OPPORTUNITIES & THREATS

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

- The Company's positioning in the fluoro-specialties space; a niche business with high entry barriers provides the necessary protection from emerging competitive threats
- Strong reputation as a reliable provider of fluorinated chemicals and established presence among major pharmaceutical and agrochemicals producers provides an additional edge
- Significant investments made in R&D, CRO and CRAMS provide the launching pad to synthesise value-added molecules, alongside innovator companies, finally migrating to full-fledged manufacture of high-potential compounds
- High capacities of HF, refrigerant gas and other organic and inorganic chemicals provide the necessary scale benefits

With host of opportunities, the Company is also exposed to internal and external risk. We aim to address these risks and threats appropriately through our formal risk management system.

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

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

### ANALYSIS OF FINANCIAL STATEMENTS

The significant financial highlights of the Company are mentioned below:

- Increase in revenues by 17% from ₹ 54,612 lacs in 2014-15 to ₹ 63,624 lacs
- Increase in Profit Before Tax by 71% from ₹ 6,808 lacs in 2014-15 to ₹ 11,672 lacs
- Increase in Net Profit by 75% from ₹ 4,939 lacs in 2014-15 to ₹ 8,647 lacs
- EPS was higher at ₹ 88.44 in current year compared to ₹ 50.57 in the previous year
- ROCE increased to 18% in the current year from 11% in the previous year
- ROE increased to 14% in the current year from 9% in the previous year

### RISK MANAGEMENT

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

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

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

- Forward-looking approach to identify and measure risks
- In-depth knowledge of the business and competitors
- 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 prioritises risks and each risk is attached with a designated owner, who monitors the likelihood of occurrence, the probable impact on the business and implementation of mitigation programme. The progress is reviewed along with the regular management review process.

### HUMAN RESOURCES

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

There were cordial and harmonious industrial relations during the year. The long term wage settlement with Worker's Union at Bhestan, Surat was renegotiated last year.

The Company has 686 employees as on 31 March, 2016 and enjoyed full cooperation from all its employees.

### INTERNAL CONTROL SYSTEM

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

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

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

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

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

For and on behalf of the Board,

Place: Mumbai  
Dated: 30th April, 2016

**H.A. Mafatlal**  
Chairman

# CORPORATE GOVERNANCE REPORT

## ANNEXURE - 2

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

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

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

### 2. COMPOSITION OF THE BOARD OF DIRECTORS:

As on 31st March, 2016, your Company's Board of Directors consisted of eleven Directors with varied experiences in different areas. Some of them are acknowledged as leading professionals in their respective fields. The composition of the Board is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations") Shri H.A. Mafatlal, the Chairman of the Company, heads the Board. The Board comprises of one Executive Promoter Director, one Non-Executive Promoter Director, one Executive Professional Director, one Non-Executive Non-Independent Director and seven Independent Directors.

Sr. No.	Names of Directors	Category (Executive / Non-Executive)	Number of Board Meetings attended	Whether last AGM held on 29th June 2015 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	7*	2
2.	Shri T.M.M. Nambiar	Independent Non-Executive	7	Yes	2	1
3.	Shri P.N. Kapadia	Independent Non-Executive	7	Yes	11**	6
4.	Shri S.S. Lalbhai	Independent Non-Executive	7	Yes	5	1
5.	Shri S.M. Kulkarni	Independent Non-Executive	7	Yes	8***	7
6.	Shri V.P. Mafatlal	Promoter Non-Executive	7	Yes	14****	2
7.	Shri S.G. Mankad	Independent Non-Executive	7	Yes	8	6
8	Shri H.H. Engineer	Independent Non-Executive	6	No	8*****	2
9.	Shri A.K. Srivastava (Finance Director upto 30-04-2015)	Non-Executive Non-Independent	7	Yes	1	1
10.	Shri S.S. Khanolkar	Professional Executive	7	Yes	5*****	--
11	Smt. R.V. Haribhakti	Independent Non-Executive	7	Yes	6*****	5

\* In three Private Limited Companies and 1 Foreign Company

\*\* In seven Private Limited Companies

\*\*\* In three Private Limited Companies

\*\*\*\* In ten Private Limited Companies and one Foreign Company

\*\*\*\*\* In three Private Limited Companies

\*\*\*\*\* In two Private Limited Companies and three Foreign Companies

\*\*\*\*\* In one Private Limited Company

\$ Under this column, membership/chairmanship of Audit Committee and Stakeholders Relationship Committee is considered.



All the relevant information such as production, sales, exports, financial results, capital expenditure proposals and statutory dues, among others, are as a matter of routine, placed before the Board for its approval/information.

#### Number of Meetings of the Board of Directors held and dates on which held:

During the year 2015-16, seven meetings of the Board of Directors were held on 28th April, 2015, 29th June, 2015, 29th July, 2015, 27th October, 2015, 21st December, 2015, 29th January, 2016 and 28th March, 2016. The Company has thus observed the provisions of the Companies Act and Listing Regulations, allowing not more than 120 days gap between two such meetings.

**Personal shareholding of Non-Executive Directors**, in the Company as on 31st March, 2016 is as follows:

Number of shares held by non-executive directors

Name of the Director	Number of equity shares of ₹ 10/- each, held
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	186440
Shri S.G. Mankad	NIL
Shri H.H. Engineer	NIL
Smt. R.V. Haribhakti	NIL
Shri A.K. Srivastava	2200

### DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

#### Familiarization programme for Independent Directors:

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

### 3. AUDIT COMMITTEE:

As required under Section 177 of the Companies Act, 2013 ("the Act") read with the provisions of Regulation 18 of the Listing Regulations, the Board has constituted an Audit Committee. Shri T.M.M. Nambiar is the Chairman of the Committee. 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 Act, and the Listing Regulations.

During 2015-2016, five meetings of the Audit Committee were held on 28th April 2015, 29th June, 2015, 29th July, 2015, 27th October, 2015 and 29th January, 2016. The attendance of the members of the Audit Committee was as follows:

Sr. No.	Dates on which the Audit Committee Meetings were held	Attendance of Directors			
		Shri T.M.M. Nambiar	Shri P.N. Kapadia	Shri S.S. Lalbhai	Shri S.M. Kulkarni
1.	28th April, 2015	Attended	Attended	Attended	Attended
2.	29th June, 2015	Attended	Attended	Attended	Attended
3.	29th July, 2015	Attended	Attended	Attended	Attended
4.	27th October, 2015	Attended	Attended	Attended	Attended
5	29th January, 2016	Attended	Attended	Attended	Attended

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

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

As required under Section 178(1) of the Companies Act, read with part D(A) of Schedule II and Regulation 19 of the Listing Regulations the Board has constituted the Nomination and Remuneration Committee. Shri S. S. Lalbhai is the Chairman of the Committee. Shri T. M. M. Nambiar and Shri S.M. Kulkarni are the other members of the Committee.

The Committee is, inter alia, authorized to identify persons who are qualified to become Directors and who may be appointed in Senior Management, evaluation of Directors performance, formulating criteria for determining qualifications, positive attributes and independence of a director and recommending policy relating to the remuneration for the Directors, key managerial personnel and other employees and granting of stock options to Senior Management Personnel. During the year, three meetings of the Committee were held on 28th April, 2015, 29th June, 2015 and 29th January, 2016. The details of attendance of the members of the Nomination and Remuneration Committee are as follows:

Sr. No.	Date on which the Nomination and Remuneration Committee Meetings were held	Attendance of Directors		
		Shri S.S. Lalbhai	Shri T.M.M. Nambiar	Shri S.M. Kulkarni
1.	28th April, 2015	Attended	Attended	Attended
2	29th June, 2015	Attended	Attended	Attended
3	29th January, 2016	Attended	Attended	Attended

#### Performance evaluation criteria for independent directors:

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

#### 5. REMUNERATION OF DIRECTORS:

In accordance with the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees which was approved and adopted by the Board and the same is annexed as Annexure 6 to the Directors' Report.

#### Details of remuneration to all the directors:

Remuneration paid to the Executive Directors and Non-Executive Directors: (₹ in lacs)

Sr. No.	Director & Designation	Category	Salary and Perquisites	Commission*	Sitting Fees
1	Shri H.A. Mafatlal Executive Chairman	Promoter Executive	58.86	188.00	--
2	Shri T.M.M. Nambiar	Independent Non-Executive	--	9.00	5.10
3	Shri P.N. Kapadia	Independent Non-Executive	--	9.00	4.35
4	Shri S.S. Lalbhai	Independent Non-Executive	--	9.00	4.91
5	Shri S.M. Kulkarni	Independent Non-Executive	--	9.00	4.75
6	Shri V.P. Mafatlal	Promoter Non-Executive	--	9.00	2.35
7	Shri S.G. Mankad	Independent Non-Executive	--	9.00	3.21
8	Shri H.H. Engineer	Independent Non-Executive	--	9.00	2.70
9	Shri A.K. Srivastava (Finance Director upto 30.04.2015)	Non-Executive Non-Independent	154.57**	9.00	2.15
10	Shri S.S. Khanolkar Managing Director	Professional Executive	222.48***	58.30	--
11	Smt. R.V. Haribhakti	Independent Non-Executive	--	9.00	2.70

\*Payable in financial year 2016-2017

\*\*Including leave encashment and gratuity at the end of the tenure as Finance Director

\*\*\*Including perquisite value of ESOPs

The remuneration to Executive Directors includes Provident Fund, Superannuation Fund, perquisites and allowances etc. The details are specified in Annexure 5 to the Directors' Report.

Other service contracts, notice period and severance fees, among others – **None**

In terms of the Company's "Employee Stock Option Scheme – 2007" approved by the shareholders at the 9th Annual General Meeting held on 20th July 2007, Shri S.S. Khanolkar has been granted 24980 stock options. During the year, he exercised 4,000 options and accordingly 4,000 equity shares were allotted to him. The relevant details required to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are given in Annexure 4 to the Directors' Report.

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

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

The performance criteria for payment of remuneration is stated in the Remuneration Policy as specified in Annexure 6 to the Directors' Report.

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As required under Section 178(5) of the Act, and Regulations 20 of the Listing Regulations, the Company has constituted Stakeholders Relationship Committee. Shri P.N. Kapadia is the Chairman of the Committee. Shri A.K. Srivastava and Smt. R.V. Haribhakti are the other members of the Committee. During the year the Committee was reconstituted and Smt. R.V. Haribhakti was inducted as a Member of the Committee in place of Shri T.M.M. Nambiar on 28th October, 2015. The Committee inter alia, looks into redressing the grievances of the Security holders of the Company viz. non-receipt of transferred shares and non-receipt of dividend, among others. During 2015-2016, one meeting of the Stakeholders' Relationship Committee was held on 27th October, 2015, and the same was attended by all the members of the Committee.

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

The other relevant details are as under:

a)	Number of complaints received from shareholders from 1st April 2015 to 31st March 2016	3
b)	Number of complaints resolved	3
c)	Number of complaints not solved to the satisfaction of shareholders.	0
d)	Number of pending complaints	NIL

#### 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required under Section 135(1) of the Act, the Board has constituted a Corporate Social Responsibility Committee. Shri H.A. Mafatlal is the Chairman of the Committee and Shri S.G. Mankad, Shri H.H. Engineer and Shri V.P. Mafatlal are the other Members of the Committee.

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

During the year, one meeting of the Committee was held on 27th October, 2015 and the same was attended by all the Members of the Committee.

#### 8. INDEPENDENT DIRECTORS MEETING:

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. During the year, two meetings of Independent Directors were held on 21st December, 2015 and 2nd March, 2016. Shri S.S. Lalbhai was unanimously elected as the Chairman of the Meeting of the Independent Directors. At the meetings, the Independent Directors reviewed the performance of the non-independent directors (including the Chairperson) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The details of attendance at the meetings of Independent Directors are as follows:

Sr. No.	Dates of Independent Directors Meeting	Shri S.S. Lalbhai	Shri P.N. Kapadia	Shri T.M.M. Nambiar	Shri S.S. Kulkarni	Shri H.H. Engineer	Shri S.G. Mankad	Smt. R.V. Haribhakti
1	21st December, 2015	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	2nd March, 2016	Attended	Attended	Attended	Attended	Attended	Attended	Attended

#### 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
17th	2014-15	Rama & Sundri Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	29th June, 2015	3.00 p.m.	1
16th	2013-14	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	25th June 2014	3.00 p.m.	1
15th	2012-13	Rama Watumull Auditorium K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	24th June 2013	3.00 p.m.	3

During last year i.e. 2014-15, the Company has not passed any special resolution through postal ballot. No resolution is proposed to be conducted through postal ballot.

#### 10. MEANS OF COMMUNICATION:

The financial results of the Company are as mentioned below:

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

#### 11. GENERAL SHAREHOLDERS INFORMATION:

A.	18th Annual General Meeting	
	Date	25th July 2016
	Time	3.00 p.m.
	Venue	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road Churchgate, Mumbai 400020
B.	Financial Calendar	1st April 2016 to 31st March 2017 (tentative)
	First quarterly results	End of July 2016
	Second quarterly results:	End of October 2016
	Third quarterly results	End of January 2017
	Audited yearly results	End of May 2017
C.	Date of Book Closure	
	(both days inclusive)	19th July 2016 to 22nd July, 2016
D.	Dividend payment date:	28th July, 2016

E.	Listing	BSE Ltd. (BSE)
		Ahmedabad Stock Exchange Ltd. (ASE)
		National Stock Exchange of India Ltd.(NSE)
		The Listing fees for the year 2016-17 have been paid to all the above Stock Exchanges.
F.	Stock Code	BSE 532504
		ASE 45433
		NSE NAVINFLUOR EQ
G.	ISIN Number	INE 048 G 01018

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

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

Bombay Stock Exchange (BSE Limited):

Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	Number of shares traded
April 2015	959.00	818.00	29094.61	26897.54	53310
May 2015	916.00	772.00	28071.16	26423.99	140986
June 2015	982.25	858.25	27968.75	26307.07	41759
July 2015	1299.00	945.00	28578.33	27416.39	59022
August 2015	1438.00	1001.00	28417.59	25298.42	44491
September 2015	1248.00	1101.25	26471.82	24833.54	92041
October 2015	1672.00	1225.00	27618.14	26168.71	45274
November 2015	2010.00	1605.00	26824.30	25451.42	74258
December 2015	2025.00	1630.25	26256.42	24867.73	29342
January 2016	1986.00	1627.00	26197.27	23839.76	25568
February 2016	1660.00	1262.00	25002.32	22494.61	85082
March 2016	1875.00	1300.00	25479.62	23133.18	35120

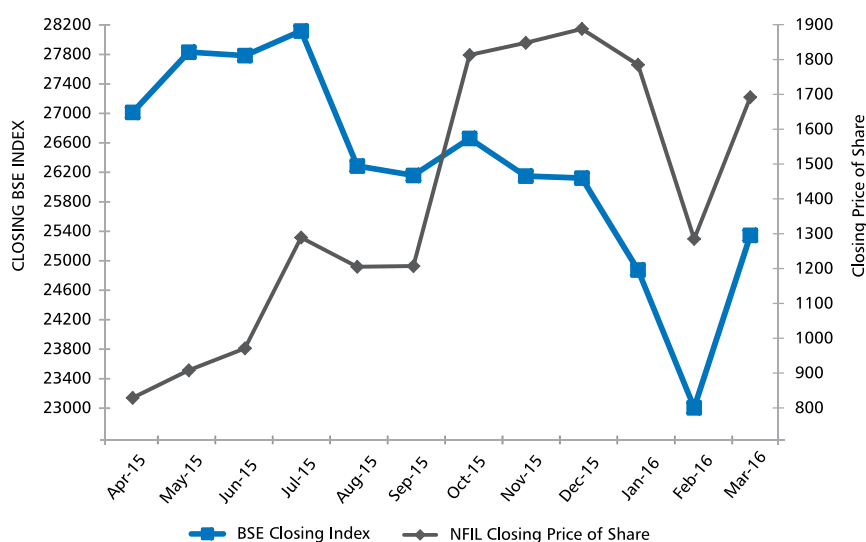
National Stock Exchange of India Limited (NSE):

Month	Highest	Lowest	NSE NIFTY Highest	NSE NIFTY Lowest	Number of shares traded
April 2015	962.00	815.00	8844.80	8144.75	190636
May 2015	914.95	777.00	8446.35	7997.15	207771
June 2015	982.00	853.70	8467.15	7944.85	179106
July 2015	1300.00	937.20	8654.75	8315.40	365984
August 2015	1439.00	999.95	8621.55	7667.25	193770
September 2015	1250.00	1107.00	7705.05	7539.50	123282
October 2015	1673.95	1214.75	8336.30	7930.65	603459
November 2015	2010.00	1563.00	8116.10	7714.11	964889
December 2015	2050.00	1615.70	7942.15	7551.05	371091
January 2016	1990.00	1603.25	7972.55	7241.50	439512
February 2016	1656.60	1266.05	7600.45	6825.80	346784
March 2016	1879.00	1290.00	7777.60	7035.10	503121



Performance in comparison to broad based indices :

Company Share price and BSE Sensex



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

As mentioned in Item No.6 of the Notice together with Explanatory Statement in respect thereof, M/s. Karvy Computershare Private Limited are being appointed as Registrars and Share Transfer Agents of the Company in place of Sharepro Services (India) Pvt. Ltd. with effect from 21st May, 2016.

The address for correspondence with the new Registrars and Share Transfer Agents M/s. Karvy Computershare Private Limited with effect from 21st May, 2016 is as under:

##### Karvy Computershare Private Limited

Karvy Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District,  
Nanakramguda,  
Hyderabad 500 032.  
Tel 91-040-6716 2222  
Fax 91-040- 2342 0814  
E-mail: einward.ris@karvy.com  
navin.ris@karvy.com  
Website: www.karvycomputershare.com

##### Mumbai Office:

24 B, Rajabhadur Mansion,  
Ambalal Doshi Marg,  
Ground Floor, Fort,  
Mumbai 400 023.  
Tel 022- 6623 5454  
Fax 022- 6633 1135

##### Ahmedabad Office:

201, Shail Complex,  
Opp. Madhusudan House,  
Off: C G Road, Nr. Navrangpura  
Telephone Exchange,  
Ahmedabad 380006  
Tel: 079-2640 0527, 6515 0009  
E-mail : ahmedabad@karvy.com

#### J. Share Transfer System :

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

#### K. Distribution of shareholding as on 31st March 2016 :

Slab	Total number of shareholders	%	Number of Shares	% of total share capital
Less than 500	92196	99.08	1449973	14.82
501-1000	457	0.49	343546	3.51
1001-2000	161	0.17	245518	2.51
2001-3000	63	0.07	158831	1.62
3001-4000	35	0.04	126840	1.30
4001-5000	26	0.03	121693	1.24
5001-10000	46	0.05	343935	3.51
10001-above	63	0.07	6996961	71.49
<b>Total</b>	<b>93047</b>	<b>100.00</b>	<b>9787297</b>	<b>100.00</b>

#### L. SHAREHOLDING PATTERN AS ON 31st March, 2016:

Sr. No.	Category	Number of shares held	% of holding
1.	Promoters' holding	3786935	38.69
2.	Mutual Funds and UTI	1710092	17.47
3.	Bank, Financial institutions, insurance companies, central / state government institutions	8432	0.09
4.	FII's (Foreign Institutional Investors)	926607	9.47
5.	Private Corporate Bodies	376519	3.84
6.	Indian Public	2931858	29.96
7.	NRIs / OCBs	46854	0.48
	<b>Total</b>	<b>9787297</b>	<b>100.00</b>

#### M. DEMATERIALIZATION OF SHARES AND LIQUIDITY :

The equity shares of our Company are traded on BSE Limited and National Stock Exchange of India limited

As on 31st March 2016, 26,691 shareholders were holding 93,80,173 equity shares in demat form which constitutes 95.84% of the total share capital of the Company.

N. Outstanding GDR / ADR : N.A.

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

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

**P. Plants / factories :**

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

**Q. ADDRESS FOR CORRESPONDENCE :**

Navin Fluorine International Limited

<b>a) Registered Office</b> 2 <sup>nd</sup> floor Sunteck Centre, 37/40, Subhash Road, Vile Parle (East), Mumbai 400057. Tel: 91 22 6650 9999 Fax 91 22 6650 9800 Website: <a href="http://www.nfil.in">www.nfil.in</a> E-mail: <a href="mailto:niraj.mankad@mafatlals.com">niraj.mankad@mafatlals.com</a>	<b>b) Mafatlal House</b> 4 <sup>th</sup> floor, Backbay Reclamation, Mumbai 400020. Tel: 91 22 6617 3636 Fax: 91 22 6635 7633	<b>c) Kaledonia</b> Office No.3, 6 <sup>th</sup> floor, Opp. Vijay Nagar Society, Sahar Road, Andheri (E), Mumbai 400069. Tel: 91 22 6771 3800 Fax: 91 22 6771 3924
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**12. OTHER DISCLOSURES:**

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

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

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

None

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

In accordance with the requirements of the Act, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:

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

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

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

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

- v) The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of corporate governance.

The following non-mandatory requirements have been adopted by the Company:

- (a) Auditor's Report does not contain any qualifications.
- (b) The Company has appointed separate persons to the posts of Chairman and Managing Director
- (c) The Internal Auditors report directly to the Audit Committee

vi) The policy for determining 'material' subsidiaries is available on web link: <http://www.nfil.in/policy/index.html>.

vii) The policy on dealing with related party transactions is available on web link <http://www.nfil.in/policy/index.html>.

viii) As of now, the Company does not hedge any Commodity price risk.

13. The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.

14. Disclosure of accounting treatment different from accounting standards.

None

15. Code of Conduct for Board Members and Senior Management :

The Board of Directors, has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – [www.nfil.in](http://www.nfil.in). A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.

Further, the Directors and the Senior Management of the Company has submitted disclosure to the Board that they do not have any material financial and commercial transactions, that may have a potential conflict with the interest of the Company at large

16. CEO / CFO Certification :

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results to the Board in terms of Regulation 17(8) of Listing Regulations.

## ANNEXURE TO CORPORATE GOVERNANCE REPORT OF NAVIN FLUORINE INTERNATIONAL LIMITED

### Declaration regarding Affirmation of Code of Conduct

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2016.

For and on behalf of the Board,

Place: Mumbai  
Date: 30th April 2016

**Shekhar S. Khanolkar**  
Managing Director

For and on behalf of the Board,

Place: Mumbai  
Date: 30th April 2016

**H.A. Mafatlal**  
Chairman

## INDEPENDENT AUDITOR'S CERTIFICATE

To  
The Members of  
Navin Fluorine International Limited

1. We have examined the compliance of conditions of Corporate Governance by **NAVIN FLUORINE INTERNATIONAL LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Mumbai  
Dated: April 30, 2016

Ketan Vora  
Partner  
(Membership No. 100459)



## ANNUAL REPORT ON CSR INITIATIVES

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

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

2. The Composition of the CSR Committee –

Shri H.A. Mafatlal – Chairman

Shri S.G. Mankad – Member

Shri H.H. Engineer – Member

Shri V.P. Mafatlal - Member

3. Average net profit of the company for last three financial years

₹ 7,091.96 lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

₹ 141.84 lacs

5. Details of CSR spend during the financial year:

- (a) Total amount to be spent for the financial year:

₹ 141.84 lacs

- (b) Amount actually spent on CSR activities

₹ 194.81 lacs.

- (c) Amount unspent, if any

Nil

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

(₹ in lacs)

(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1)Local area or other (2)Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs sub-heads (1)Direct expenditure on projects or programmes (2)Overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	Expansion of Eye Care Services by adding 26 modular operation theatres	Health Care	Janki Kund, Chitrakoot, Satna, MP	30.00	30.00	30.00	Through Shri Sadguru Seva Sangh Trust
2	Eye Care for poor people	Health Care	Thane and Palghar Dist of Maharashtra	30.00	30.00	30.00	Through Chaitanya Seva Trust
3	Water Resources Development Projects Construction of Community Check Dam Projects, Construction of Community Lift Irrigation Project	Rural Development Projects	Dahod in Gujarat	20.00	--- *	---- *	Through N.M. Sadguru Water and Development Foundation
4	Elementary education of slum children	Education	Ahmedabad, Gujarat.	20.00	20.00	20.00	Through Gyan Shala Ahmedabad
5	Medical Treatment support for poor.	Health Care	Mumbai, Maharashtra	20.00	20.00	20.00	Through Disha (Social Service League at Parel)
6	Mobile Health Services in villages for medical care including routine check-up and medicines	Health Care	Villages around Bhestan, Surat in Gujarat	18.17	18.17	18.17	Directly

(₹ in lacs)

(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1)Local area or other (2)Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs sub-heads (1)Direct expenditure on projects or programmes (2)Overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
7	Sustainable Development Project for livelihood.	Livelihood enhancement	Rudraprayag, Dist of Uttarakhand	15.00	15.00	15.00	Through BAIF Development Research Foundation , Pune
8	Building and handing over of toilets for under privileged in rural area.	Sanitation	Baktana Village near Bhestan, Surat, Gujarat	12.17	12.17	12.17	Directly
9	Providing shelter for orphan children.	Home for orphans	Mancheshwar (RS), Bhubaneshwar, Odisha	10.00	10.00	10.00	Through Adruta children home, Odisha
10	Mobile Health Services in villages for medical care including routine check-up and medicines	Health Care	Villages around Dewas in M.P.	7.04	7.04	7.04	Directly
11	Dormitory renovation at Ashram Sada School.	Home for women and orphans	Village Baktana, Near Bhestan, Surat, Gujarat	6.00	6.00	6.00	Directly
12	Providing breakfast for tribals at Ashram Sada School..	Eradicating malnutrition.	Village Baktana, Near Bhestan, Surat, Gujarat	3.51	3.51	3.51	Directly
13	Eye Camps	Health Care	Areas around Bhestan, Surat in Gujarat and Dewas in M.P.	1.26	1.26	1.26	Directly
14	Providing food at old age homes.	Eradicating malnutrition.	Mumbai, Maharashtra	0.86	0.86	0.86	Directly
15	Animal Welfare - Bird Rescue and Rehabilitation during the festival of Uttarayan	Animal Welfare	Surat, Gujarat	0.25	0.25	0.25	Through Prayas Team Environment Charitable Trust, Surat
16	Animal Welfare – rescue of injured birds and reptiles and breeding deer and releasing them in forest to maintain ecosystem	Animal Welfare	Surat, Gujarat	0.25	0.25	0.25	Through Nature Club, Surat, Gujarat.
17	Pathshala Pravesh Mahotsav	Education	Villages near Surat in Gujarat.	0.20	0.20	0.20	Directly
18	Chief Ministers Relief Fund for Nepal Earthquake victims.	Relief Fund	Nepal.	0.10	0.10	0.10	Through Chief Ministers Relief Fund.
	<b>Total</b>			<b>194.81</b>	<b>194.81</b>	<b>194.81</b>	

\*Amounts donated in March, 2016 and will be spent during 2016-17.

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

N. A.

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

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

**H.A. MAFATLAL**  
CHAIRMAN-CSR COMMITTEE

**S.S. KHANOLKAR**  
MANAGING DIRECTOR

Place: Mumbai  
Date: 30th April, 2016

## ANNEXURE - 4

## DISCLOSURE RELATING TO EMPLOYEES STOCK OPTION SCHEME AS ON 31.03.2016

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

a. Options in force at the beginning of the year	106900
b. Options granted	30023
c. Options vested	Nil
d. Options exercised	17500
e. Options lapsed / surrendered	6316
f. Total number of shares arising as a result of exercise of options	17500
g. Total number of options in force at the end of the year	113107
h. Money realised by exercise of options	₹ 66.82 lacs
i. The pricing formula: Market price on the days preceeding the dates of grants	
j. Variation in terms of option:	Nil
k. Employees wise details of options granted	
i. given herein below ①	
ii. any other employee who receives a grant in any one year of option amounting to 5 % or more of options granted during that year	given herein below ②
iii. Identified employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
l. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	₹ 87.76
m. Impact of employee compensation cost calculated as difference between intrinsic value and fair market value in accordance with SEBI Guidelines on ESOP	₹ 79.89 lacs
n. Weighted average exercise prices and weighted average fair values of options disclosed seperately for options	
(1) Weighted average exercise price	₹ 542.97
(2) Weighted average fair value (Black Scholes model)	₹ 175.23
o. a description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information	
(1) Risk free interest rate	8.17%
(2) Expected life	7 years
(3) Expected volatility	43.01%
(4) Expected dividend	4.83%
(5) The price of the underlying share in market at the time of options granted	₹ 374.20, ₹ 407.45, ₹ 390 and ₹ 974

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

S. S. Khanolkar - 20980; Ashis Mukherjee - 13856; Gyanchand Jain - 8128; N B Mankad - 6225; T N Nandakumar - 5965; Satya Tandon - 4858; Piyush G Vashi - 3926; Charusheela Kumar - 3800; Ninad Pongde - 3777; Anil Birari - 3415; Vivek Mhatre - 3200; R Adhikari - 2427; Jalindar Totre - 1861; A Subba Reddy - 1400; Vinod Kumar Jha - 1300; Tejas Desai - 1208; Suhas Patel - 1200; Manoj Patil - 1200; Laxmikant Pisolkar - 1200; Kamlesh Dandiwal - 1200; Madhusudan D Sarwate - 1050; Dhirajsingh Yadav - 1000; Kishore Dasari - 900; Ankit Gupta - 900; Raj Parimoo - 870; Shailendra Chaudhari - 800; Sandeepkumar Sharma - 800; Biren B Desai - 800; Lalit Soni - 772; Ketan Sablok - 715; Amit Arya - 956; Bajrang Waghmare - 665; Yogesh M Patel - 600; Vaishali More - 600; Madan Kumar Singh - 600; Milan Naik - 582; Subbarao Tata - 544; A Subba Reddy - 502; Supriya Pandit - 500; Sanjay Mungi - 500; Yash Patel - 449; Omprakash Songara - 400; Suhas Patel - 367; Rajiv Ballal - 343; Dr. Dhirajsingh Yadav - 331; Sateesh Yadav - 300; Nirav Desai - 300; Biren Desai - 276; Sandeep Kumar Sharma - 271; Shailendra Chaudhari - 269; Ashok Patel - 262; Girish Patel - 244; Shashikant Prajapati - 226; Harshil Dave - 203; Vijay Shah - 190; Yogesh Bhatt - 190; Murtaza Patharia - 187; Govind Madhukar - 182; Jignesh Sutariya - 179; Kalai Selvi - 176; Pares Randeria - 176; Rakesh Deshmukh - 163; Nemish Patel - 142; Dipak Sailor - 142; Kartik Boina - 140; Hemant Jani - 138; Daulat Shinde - 131; Pankaj K Godhaviya - 129; Omprakash Songara - 129; Balkrishna Kumar - 129; Vijay Soni - 127; Keyur Haathiwal - 121; Sateesh Yadav - 108; Mahendra Jamadar - 108; Ms. Shamimah Ruwala - 97

**Total number of Options in force at the end of the year-113107**

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

Shri S. S. Khanolkar - 4780; Shri Ashis Mukherjee - 3856; Shri Gyanchand Jain - 2128 and Shri N. B. Mankad - 1625

**FORM NO. MGT 9****ANNEXURE - 5****EXTRACT OF ANNUAL RETURN** as on financial year ended on 31.03.2016

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

**I. REGISTRATION & OTHER DETAILS:**

CIN	L24110MH1998PLC115499
Registration Date	25-06-1998
Name of the Company	<b>NAVIN FLUORINE INTERNATIONAL LIMITED</b>
Category/Sub-category of the Company	Public Company Limited by shares
Address of the Registered office & contact details	2nd Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai,- 400057. Ph. 022 66509999 Fax: 022 66509800 Email: info@nfil.in
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharepro Services (India) Private Limited. <b>(upto 20th May, 2016)</b> Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Gate No.52 to 56, Bldg. No 13A-B, Nr Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, MUMBAI-400072 Ph: 022 67720300/ 0400, Fax: 022 28591568 Email: sharepro@shareproservices.com <b>Karvy Computershare Private Limited (w.e.f. 21st May, 2016)</b> Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032. Tel 91-040-6716 2222 Fax 91-040-2300 1153 / 2342 0814 E-mail: einward.ris@karvy.com, navin.ris@karvy.com Website: www.karvycomputershare.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hydrofluoric acid and other fluorine chemicals	2411	56%
2	Synthetic cryolite, aluminium fluoride, fluorocarbon gases	2411	32%
3	Others	2411	12%

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

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Sulakshana Securities Limited	U67120MH1995PTC085469	WHOLLY- OWNED SUBSIDIARY	100%	2(87)
2	Manchester Organics Limited The Health Business and Technical Park, Runcorn Cheshire, WA 74QX, U.K	-	SUBSIDIARY	51%	2(87)
3	Convergence Chemicals Private Limited Plot No D- 2/11/A G.I.D.C., Phase-II Dahej Tal Vagra, Dahej-392130	U24100GJ2014PTC081290	Joint Venture	49%	2(6)
4	Swarnim Gujarat Fluorspar Private Limited 7th Floor, Khanij Bhavan, Nr Gujarat University, Ground, 132ft Ring Road, Vastrapur, Ahmedabad -380052	U24119GJ2012PTC070801	Joint Venture	49.43%	2(6)
5	NFIL(UK) Limited Third Floor, 126-134 Baker Street, London W1U6UE,	-	WHOLLY- OWNED SUBSIDIARY	100%	2(6)
6	Navin Fluorine (Shanghai) Co, Ltd. Rm.2656, 26/F, No.83, Lou Shan Guan Road, Changning District, Shanghai	-	Wholly Foreign Owned Enterprise(WFOE)	100%	2(6)

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

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	484841	-	484841	4.96	481538	-	481538	4.92	-0.04.
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3240508	-	3240508	33.17	3240508	-	3240508	33.11	-0.06
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other Trust	65145	-	65145	0.67	64889	-	64889	0.66	-0.01
<b>Total shareholding of Promoter (A)</b>	<b>3790494</b>	<b>-</b>	<b>3790494</b>	<b>38.80</b>	<b>3786935</b>	<b>-</b>	<b>3786935</b>	<b>38.69</b>	<b>-0.11</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	1269007	10924	1279931	13.10	1699168	10924	1710092	17.47	4.37
b) Banks / FI	5974	860	6834	0.07	7572	860	8432	0.09	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	781608	-	781608	8.00	926607	-	926607	9.47	1.47
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>2056589</b>	<b>11784</b>	<b>2068373</b>	<b>21.17</b>	<b>2633347</b>	<b>11748</b>	<b>2645131</b>	<b>27.03</b>	<b>5.86</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	510664	1618	512282	5.24	374914	1605	376519	3.85	-1.39
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2196715	396532	2593247	26.54	2096148	392642	2488790	25.43	-1.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	745035	-	745035	7.63	443030	-	443030	4.53	-3.10
c) Others (specify)									
Non Resident Indians	59235	1093	60328	0.62	45761	1093	46854	0.48	-0.14
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	38	-	38	-	38	-	38	-	-
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>3511687</b>	<b>399243</b>	<b>3910930</b>	<b>40.03</b>	<b>2959891</b>	<b>395340</b>	<b>3355231</b>	<b>34.28</b>	<b>-5.75</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5568276</b>	<b>411027</b>	<b>5979303</b>	<b>61.20</b>	<b>5593328</b>	<b>407124</b>	<b>6000362</b>	<b>61.31</b>	<b>0.11</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>9358770</b>	<b>411027</b>	<b>9769797</b>	<b>100</b>	<b>9380173</b>	<b>407124</b>	<b>9787297</b>	<b>100</b>	



**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MAFATLAL IMPEX PRIVATE LTD	1095448	11.21	-	1095448	11.19	-	-
2	SUREMI TRADING PRIVATE LIMITED	983960	10.07	3.21	983960	10.05	3.22	-
3	NOCIL LIMITED	566340	5.80	-	566340	5.79	-	-
4	MAFATLAL EXIM PRIVATE LIMITED	324484	3.32	2.81	324484	3.32	2.81	-
5	MAFATLAL INDUSTRIES LIMITED	189964	1.95	-	189964	1.94	-	-
6	GAYATRI PESTICHEM MFG PVT LTD	44610	0.46	-	44610	0.46	-	-
7	ARVI ASSOCIATES PVT LTD	25672	0.26	-	25672	0.26	-	-
8	PAMIL INVESTMENTS PRIVATE LIMITED	6486	0.07	-	6486	0.07	-	-
9	SUSHRIPADA INVESTMENTS PRIVATE LIMITED	3414	0.03	-	3414	0.03	-	-
10	SUMIL HOLDING PRIVATE LTD	20	0.00	-	20	0.00	-	-
11	MILAP TEXCHEM PRIVATE LIMITED	20	0.00	-	20	0.00	-	-
12	MILEKHA TEXCHEM COMPANY PRIVATE LIMITED	20	0.00	-	20	0.00	-	-
13	SHAMIR TEXCHEM PRIVATE LIMITED	20	0.00	-	20	0.00	-	-
14	SHRIPAD ASSOCIATES PVT LTD	50	0.00	-	50	0.00	-	-
15	HRISHIKESH ARVIND MAFATLAL	263434	2.70	-	263434	2.69	-	-
16	VISHAD PADMANABH MAFATLAL	186440	1.91	-	186440	1.90	-	-
17	VISHAD P.MAFATLAL PAM HUF1 P MAFATLAL	910	0.01	-	910	0.01	-	-
18	SHETH MAFATLAL GAGALBHA FOUNDATION TRUSTNO 2 to 22	16506	0.17	-	16506	0.17	-	-
19	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO.1-6	4716	0.05	-	4716	0.05	-	-
20	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST	6288	0.06	-	6288	0.06	-	-
21	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO.1-6	4716	0.05	-	4716	0.05	-	-
22	NAVINCHANDRA MAFATLAL CHARITY TRUST NO 1-15	11004	0.11	-	11004	0.11	-	-
23	SHRI PRANSUKHLAL CHARITY TRUST NO 1-6	4716	0.05	-	4716	0.05	-	-
24	MRS SUSHILA ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO.1-5	3120	0.03	-	3120	0.03	-	-
25	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO.1-4	2496	0.03	-	2496	0.03	-	-
26	MRS REKHA HRISHIKESH MAFATLAL PUBLIC CHARITABLE TRUST NO.1-5	3120	0.03	-	3120	0.03	-	-
27	MRS MILONI PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO.1-5	2692	0.03	-	2692	0.03	-	-
28	SHRI PADMAKESH PUBLIC CHARITY TRUST NO 1- 4	2168	0.02	-	2168	0.02	-	-
29	SHRI RISHIPAD PUBLIC CHARITY TRUST NO 1-4	2168	0.02	-	2168	0.02	-	-
30	MRS.VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARIT TRUST NO.16	1179	0.01	-	1179	0.01	-	-

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
31	MAITHILIBEN N DESAI	3559	0.04	-	0	0.04	-	-0.04*
32	A.N. MAFATLAL KARTA OF A.N.M. HUF 4 MAFATLAL	11170	0.11	-	11170	0.11	-	-
33	AARTI HRISHIKESH MAFATLAL	5024	0.05	-	0	0.00	-	-
34	AARTI MANISH CHADHA	1830	0.02	-	6854	0.07	-	-
35	REKHA HRISHIKESH MAFATLAL	3772	0.04	-	3772	0.04	-	-
36	P.A.MAFATLAL AS KARTA OF P.A.M. HUF 1 MAFATLAL	2910	0.03	-	2910	0.03	-	-
37	ANJALI HRISHIKESH MAFATLAL	1998	0.02	-	0	0.00	-	-
38	ANJALI KUNAL AGARWAL	1830	0.02	-	3828	0.04	-	-
39	PRIYAVRAT HRISHIKESH MAFATLAL	2017	0.02	-	2017	0.02	-	-
40	CHETNA PADMANABH MAFATLAL	203	0.00	-	203	0.00	-	-
TOTAL		3790494	38.80	-	3786935	38.69	-	-0.11*

\* Please see C (2) below

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	3790494	38.80	3790494	38.80
2.	Date wise increase / (decrease). Ceased to be a Promoter w.e.f. 16th July, 2015. Percentage shareholding of promoter has also reduced due to allotment of 17,500 equity shares under ESOP Scheme.	(3559)	(0.04)	(3559)	(0.04)
	At the end of the year	3786935	38.69	3786935	38.69

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding At the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Atyant Capital Management Limited	298088	3.05	162055	1.66
2	Reliance Capital Trustee Co. Ltd.	304831	3.12	444733	4.55
3	Ajay Shivnarain Upadhyaya	200000	2.05	165000	1.69
4	Ghi Ltp Ltd	170150	1.74	170150	1.74
5	Bluebell Clothing Pvt. Ltd.	154070	1.58	154070	1.57
6	Gautam Rasiklal Ashra	70606	0.72	65106	0.67
7	Ghi Jbd Ltd	67380	0.69	67380	0.69
8	Sarvamangala Holdings Private Limited	50322	0.52	50322	0.51
9	Goldman Sachs India Fund Limited	-	-	163380	1.67
10	Ghi Hsp Ltd .	45808	0.47	67380	0.69
11	Dsp Blackrock Micro Cap Fund	446712	4.57	450018	4.60
12	Ashish Kacholia	242215	2.48	165000	1.69
13	Sundaram Mutual Fund A/C Sundaram Smile Fund	207503	2.12	207701	2.12
14	Premier Investment Fund Limited	146435	1.50	43700	0.45
15	Minal B. Patel	40514	1.03	0	-

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

SN	Shareholding of each Directors and each Key Managerial Personnel Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Shri Hrishikesh Arvind Mafatlal-Chairman</b> At the beginning of the year	263434	2.69	263434	2.69
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	263434	2.69	263434	2.69
2	<b>Shri Vishad Padmanabh Mafatlal-Director</b> At the beginning of the year	186440	1.91	186440	1.90
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	186440	1.91	186440	1.90
3	<b>Shri Atul Kumar Srivastava- Director</b> At the beginning of the year	8700	0.09	8700	0.09
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Sale - 1500 equity shares on 23-12-2015 3000 equity shares on 01-01-2016 and 2000 equity shares on 06-01-2016	-6500	-0.07	-6500	0.07
	At the end of the year	2200	0.02	2200	0.02
4	<b>Shri Thekkekara Meloth Mohan Nambiar- Director</b> At the beginning of the year	1000	0.01	1000	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1000	0.01	1000	0.01
5	<b>Shri Pradip Narotam Kapadia- Director</b> At the beginning of the year	1385	0.01	1385	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1385	0.01	1385	0.01
6	<b>Shri Sunil Siddharth Lalbhai- Director</b> At the beginning of the year	1000	0.01	1000	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	1000	0.01	1000	0.01
7	<b>Shri Shekhar Shridhar Khanolkar - Managing Director</b> At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Allotment under ESOP Scheme - 14-10-2015	-	-	4000	0.04
	At the end of the year	-	-	4000	0.04
8	<b>Shri Niraj Bipinchandra Mankad -Company Secretary</b> At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Allotment under ESOP Scheme - 14-10-2015	-	-	1900	0.02
	At the end of the year	-	-	1900	0.02

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

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,518.57	1,970.57	-	4,489.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,518.57</b>	<b>1,970.57</b>	<b>-</b>	<b>4,489.14</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	1,019.83	-	1,019.83
* Reduction	(2,518.57)	-	-	(2,518.57)
<b>Net Change</b>	<b>(2,518.57)</b>	<b>1,019.83</b>	<b>-</b>	<b>(1,498.74)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	2,990.40	-	2,990.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>2,990.40</b>	<b>-</b>	<b>2,990.40</b>

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

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:*

(₹ in lacs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Hrishikesh Mafatlal (Chairman)	Mr. Shekhar Khanolkar (Managing Director)	Mr.A K Srivastava (Finance Director, upto 30.04.2015)	
1	Gross salary			(Salary inclusive of retiral dues like leave encashment & gratuity payments)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.02	156.34	152.44	356.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	3.22	0.20	3.83
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	35.73	-	35.73
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	188.00 (1.5%)	58.30 (0.47%)	9.00	255.30
5	Others, please specify				
	a) Company's contribution to the Provident Fund	4.50	11.88	0.72	17.10
	b) Company's contribution to the Superannuation scheme	5.63	14.85	0.90	21.38
	c) Medical Allowance	-	0.15	-	0.15
	d) Medi-claim & Accident Insurance	0.31	0.31	0.31	0.92
	<b>Total (A)</b>	<b>246.86</b>	<b>280.78</b>	<b>163.57</b>	<b>691.21</b>
	<b>Ceiling as per the Act</b>				<b>1253.03</b>

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Names of Directors								Total Amount
1	Independent Directors	T.M.M. NAMBIAR	P.N. KAPADIA	SUNIL LALBHAI	SHARAD KULKARNI	SUDHIR MANKAD	HARISH ENGINEER	RADHIKA HARIBHAKTI	A. K. SRIVASTAVA (from 01-05-2015)	
	Fee for attending board committee meetings	5.10	4.35	4.75	4.75	3.05	2.70	2.70	2.15	29.55
	Commission	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	72.00
	Others, Diem Allowance	-	-	0.16	-	0.16	-	-	-	0.32
	Total (1)	14.10	13.35	13.91	13.75	12.21	11.70	11.70	11.15	101.87
2	Other Non-Executive Directors	V.P. MAFATLAL								
	Fee for attending board committee meetings	2.35	-	-	-	-	-	-	-	2.35
	Commission	9.00	-	-	-	-	-	-	-	9.00
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	11.35	-	-	-	-	-	-	-	11.35
	Total (B) =(1+2)	-	-	-	-	-	-	-	-	113.22
	Total Managerial Remuneration (A+B)	-	-	-	-	-	-	-	-	804.43
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	1378.33

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB**

(₹ in lacs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		Mr.Sitendu Nagchaudhuri, Chief Financial Officer	Mr.Niraj Mankad, Company Secretary	Mr.Partha Roychowdhury, Chief Financial Officer	Total
1	Gross salary	w.e.f. 08.07.2015		upto 07.07.2015	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	61.35	65.18	16.03	142.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.34	0.11	0.74
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option (ESOP Perk)	-	18.12	-	18.12
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5	Others, please specify				
	a) Company's contribution to the Provident Fund	3.69	2.59	0.68	6.96
	b) Company's contribution to the Superannuation scheme	4.61	3.24	0.85	8.70
	c) Medical Allowance	-	-	-	-
	d) Medi-claim & Accident Insurance	0.31	0.31	-	0.62
	e) Variable Pay	0.00	0.00	8.25	8.25
	Total	70.25	89.78	25.92	185.95

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

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



## ANNEXURE - 6

## POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

**REMUNERATION POLICY:**

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

**I. PREAMBLE:**

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

**II. OBJECTIVE:**

The objective of the Policy is to ensure that:

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

**III. COMPLIANCE WITH APPLICABLE LAWS:**

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

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

- (i) Sitting fees within the limits prescribed under the Companies Act, 2013 and rules framed

thereunder for attending meetings of the Board and Committee thereof.

- (ii) Commission up to 1% of net profit as may be decided by the Board
- (iii) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

**V. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:****(i) Components:**

Basic salary  
Allowances  
In kind (car, house, etc.)  
Retirals  
Reimbursements  
Variable Pay  
Stock Options

**(ii) Factors for determining and changing remuneration:****Factors:**

Existing compensation  
Qualification  
Experience  
Salary bands  
Individual performance  
Market benchmark

**(iii) Variable incentive pay (including Stock Options)****Factors:**

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

Remuneration to directors, key managerial personnel and senior management involves a

balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## VI. REMUNERATION TO OTHER EMPLOYEES:

### Components:

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

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

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

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

#### I. QUALIFICATIONS:

- (a) He/She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- (b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed thereunder and the Listing Agreement with Stock Exchanges.

#### II. POSITIVE ATTRIBUTES:

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

#### III. INDEPENDENCE:

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

For and on behalf of the Board

Place: Mumbai

Dated: 30th April, 2016

**H.A. Mafatlal**

Chairman

# SECRETARIAL AUDIT REPORT

## FORM NO. MR-3

## ANNEXURE - 7

For the financial year ended on 31<sup>st</sup> March, 2016

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

To,  
The Members,  
**Navin Fluorine International Limited**

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

Based on my verification of the **Navin Fluorine International Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (effective from 1<sup>st</sup> December, 2015)
  - (iii) The Listing Agreements entered into by the Company with NSE, BSE and ASE Stock Exchange(s).

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

- The Company has complied with the provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility for the year 2015.16 and spent ₹ 194.81 lacs as against the obligation of ₹ 141.84 lacs for the period under report. In the last year, there was an error arising due to interpretation of the methodology of calculation in respect of the amount to be spent. Consequently, the total shortfall in spending for the last year was ₹128.98 lacs as against the reported number of ₹168.56 lacs.
- It is informed that, The Securities and Exchange Board of India is conducting investigation in the affairs of the Company's R&T Agents M/s Sharepro Services (India) Pvt Ltd and an Interim Order dated 22<sup>nd</sup> March, 2016 has been passed by SEBI. The Management is also carrying out audit of the system and records of Sharepro relating to the shares of the Company.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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

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

I have relied on the representation made by the Company, its officers and Reports of the Statutory Auditor for system and mechanism framed by the Company for compliances under other Acts , Laws and Regulations applicable to the Company as listed in Annexure I.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. (As mentioned above and listed in Annexure I)

**I further report that** during the audit period, the Company issued and allotted 17,500 equity shares to employees under the prevailing ESOS and the Company also made investments in joint venture Company and subsidiaries.

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

Place : Ahmedabad  
Date : 29th April,2016

**Manuprasad Patel**  
FCS ; 2588 C P No.:6357

**Annexure I**

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

## ANNEXURE - 8

### 1. CONSERVATION OF ENERGY

#### A. Energy Conservation measures taken:

1. Energy saving achieved in the agitation process by increasing batch size at reduction and nitration stages in one product.
2. Power saving was achieved by batch cycle time reduction from 24 hours to 8 hours, in quenching operation of another product.
3. Efficiency in street lighting achieved by switching over to LED and fluorescent lighting from conventional light bulbs, resulting into savings in power consumption.

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

1. Reworking on cooling water circuits in various plants, leading to substantial savings in power.
2. Additional indirect savings coming from improvement of efficiency of chilling compressors.
3. Few more proposals in different plants which will give us substantial savings in specific consumption norms, power and utilities.

#### 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 consumption for a number of products have shown substantial improvements.
2. There will be saving of approximately 1.5 lac KWH by switching over additional 30% of the street lighting to more efficient applications like LED & Fluorescent lighting
3. Savings in power planned by way of rearrangement of the Cooling water circuitry.

#### 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

During the year exports constituted 45% of the revenue, a growth of 47% over the previous year. The Company follows a balanced sourcing approach, including a considerable component of Imports and in order to remain foreign exchange positive, it continuously pursues a focused strategy for growing its Exports portfolio. The Company along with its wholly owned UK based subsidiary Manchester Organics Limited, reinforces its overseas presence by regularly attending international science conferences, pharma, agro and specialty chemicals exhibitions, etc., to improve its visibility amongst global pharma and agrochemicals majors and expose the marketing, technical and R & D teams to newer markets, geographies and developments. Inquiries generated from these events are taken up by the marketing, R&D and manufacturing teams suitably. Dedicated business development teams have also been deployed in different geographies like USA, Europe and Japan to develop customer connect and explore new marketing opportunities.

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

(₹ in lacs)

	Current Year	Previous Year
Total Foreign exchange used	18,533.39	18,313.54
Total foreign exchange earned	28,515.44	19,325.22

## FORM A

### Form for Disclosure of Particulars with respect to Conservation of Energy

	Current Year	Previous Year
<b>(A) POWER &amp; FUEL CONSUMPTION</b>		
<b>(1) Electricity</b>		
<b>(a) Purchased</b>		
Units (in Kwh)	34,622,479	33,376,163
Total Cost (₹)	273,636,996	251,594,555
Rate/Unit (₹)	7.90	7.54
<b>(b) Own Generation</b>		
<b>(i) Through Captive Power Plant</b>		
Units (in Kwh)	189,106	128,727
Unit per M3 of Natural Gas (Kwh)	3.51	3.53
Cost/Unit (₹)	8.79	11.14
<b>(ii) Through Diesel Generator</b>		
Units (in Kwh)	40,600	37,428
Unit per litre of diesel oil (Kwh)	1.51	2.84
Cost/Unit (₹)	35.75	22.91
<b>(2) Others</b>		
<b>(a) High Speed Diesel (HSD)</b>		
Quantity (K.Ltrs)	193	176
Total Cost (₹)	10,079,734	10,268,869
Rate/Unit (Per K.Ltr.)	52,154	58,441
<b>(b) Natural Gas</b>		
Quantity (Cub. Mtrs.)	4,087,899	4,149,454
Total Cost (₹)	126,137,045	155,633,579
Rate ( ₹ /Cub Mtrs.)	30.86	37.51
<b>(c) Water</b>		
Quantity (K. Ltrs.)	758,743	733,926
Total Cost (₹)	9,344,186	7,541,281
Rate ( ₹ /K.Ltrs)	12.32	10.28
<b>(d) Light Diesel Oil (L.D.O.)</b>		
Quantity (K. Ltrs.)	-	0.23
Total Cost ( ₹ )	-	10,208
Rate ( ₹ /K.Ltrs)	-	44.38
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION:</b>		
(1) Electricity (Kwh/Mt.)	1,116	1,106
(2) Natural Gas (Cub.Mtrs/Mt.)	131	198
(3) Others (K Ltrs/Mt.)	23	28
<b>Production</b>	<b>MT</b>	<b>MT</b>
Synthetic Cryolite,Aluminium Fluoride & Fluorocarbon Gases	9,234	8,851
Misc. Fluorides	21,967	22,736
<b>Total</b>	<b>31,201</b>	<b>31,587</b>

## FORM B

### A) RESEARCH & DEVELOPMENT

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

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

- a) Work on new fluorinated chemical entities to meet market demands of developing cost effective, environmental friendly robust processes for identified entities by the business development and marketing team;
  - b) Work on few strategic Corporate projects with an objective to deliver long term value addition to the enterprise;
  - c) Work with customers and marketing team members to initiate key strategic projects with identified customers with clear business objectives across the project life cycle, to create sustainable revenue growth for the Company;
  - d) Work with the technical services and manufacturing teams to scale up the process knowledge for commercial production, ensure resolution of process issues, if any and to involve in process norm, quality and waste generation improvements for the existing product portfolio of the Company;
  - e) Develop relevant analytical tools to analyze as per customer's requirement not only all new and existing products as per specifications but also intermediates, raw materials, impurities to have a better understanding of the process;
  - f) Explore the process for alternative refrigerants to cater to the future requirements and work on cost effective manufacturing processes based on market requirements either through collaboration or through indigenous developments.
- b) Identifying newer applications for Fluorinated liquids, gases and their adducts to enhance sales and application of these key products of the Company;
  - c) Created opportunities by developing of alternate refrigerants or related similar materials while utilizing existing manufacturing facilities and also to strengthen the Company's position in this significant sector in the years to come;
  - d) Developed and enhanced business opportunities for the manufacture of intermediates for newer products for various industries such as refrigerant, blowing agents, agro inputs and pharmaceutical intermediates by in-house technologies and with effective collaboration with reputed companies;
  - e) Continued to strengthening customer interface by involving with them early in the value chain for their product pipeline, wherever applicable to create long-term opportunities for the Company as a strategic vendor both in national and international markets.

#### 3. Future plan of action:

The drive of Innovation is continuously pursued by R&D center through developing new molecules, technologies as well as by partnering with Industry leaders, investing in research and development projects, supporting development of internal research capabilities. Therefore, the role is not limited to just developing new processes but also to support the technical services, production and manufacturing team including trouble shooting for existing products. The R&D is also continuing its efforts to leverage its capabilities with its research based subsidiary Company Manchester Organics Limited, to synthesize and manufacture higher value added chemicals in the future.

#### 4. Expenditure on R&D:

(₹ in lacs)

	Current Year	Previous Year
Capital Expenditure	506.81	91.89
Recurring Expenditure	1,417.40	1,145.14
Total Expenditure	1,924.21	1,237.03
Total R & D expenditure as a % of total turnover	3.02%	2.27%

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

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

- a) Contributed to sales emerging out of manufacturing of new products and created business opportunities for specialty fluorochemicals, which included both organic and inorganic chemicals;



## B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

The R&D Center continues to focus on utilizing its wide experience and knowledge base, technology capabilities to handle difficult reagents specially used in fluorination to create a niche area of expertise. This is also increasingly finding its uses in pharmaceutical, agriculture and non-conventional energy storage and refrigerant and related industries worldwide. R&D team also ensures access to modern tools, customer network and advanced online literature to all its scientists to look for suitable techniques to introduce required fluorine atom in a desired position in a molecule in more than one way in selected chemical entities. This unique and niche capability has been the focus for finding new uses, products, processes and application for the Company to create more business opportunities and possibilities of strategic collaboration with prospective customers in the future.

### b) Benefits derived as a result of above efforts:

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

- i. Revenue for all business units of the Company and gain a status of strategic supplier and partner of choice for its key customers
  - ii. Confidence and ability to get involved and collaborate with international customers; capabilities to adopt technologies from reputed multinational companies, to help them manufacture and commercialize the product in India by becoming a partner
  - iii. Continue efforts of the business development teams to create possible joint ventures and preferred partnerships; enhance opportunities of collaboration with customers to create sustainable and aggressive business opportunities and value for the Company
- c) Information regarding technology imported during the last five years

NIL

For and on behalf of the Board

Place: Mumbai

Dated: 30th April, 2016

**H.A. Mafatlal**

Chairman

## ANNEXURE - 9

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

1. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31 March, 2016

Sr. No.	Director	Remuneration (₹ in lacs)	Median Remuneration (₹ in lacs)	Ratio
1	Shri H .A. Mafatlal Chairman	246.86	4.65	53
2	Shri T .M .M. Nambiar	14.10	4.65	3
3	Shri P .N. Kapadia	13.35	4.65	3
4	Shri S .S. Lalbhai	13.91	4.65	3
5	Shri S. M. Kulkarni	13.75	4.65	3
6	Shri V. P. Mafatlal	11.35	4.65	2
7	Shri S .G. Mankad	12.21	4.65	3
8	Shri H. H. Engineer	11.70	4.65	3
9	Shri A .K. Srivastava* Finance Director (up to 30th April, 2015)	165.72	4.65	36
10	Shri S. S. Khanolkar Managing Director	280.78	4.65	60
11	Smt R.V. Haribhakti	11.70	4.65	3

\* Including leave encashment and gratuity at the end of the tenure as Finance Director.

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

Sr. No.	Director	% increase
1	Shri H. A. Mafatlal, Chairman	48%
2	Shri T. M. M. Nambiar	40%
3	Shri P .N. Kapadia	31%
4	Shri S .S. Lalbhai	35%
5	Shri S .M. Kulkarni	43%
6	Shri V. P. Mafatlal	29%
7	Shri S. G. Mankad	27%
8	Shri H. H. Engineer	33%
9	Shri A. K. Srivastava, (Finance Director up to 30th April, 2015)	28%
10	Shri S. S. Khanolkar Managing Director	41%
11	Smt R.V. Haribhakti	92%*

\* Remuneration for the previous year 2014-15 was w.e.f. 30th July, 2014 - date of appointment as Independent Director.

**Company Secretary & CFO:**

1	Shri N.B. Mankad, Company Secretary	10%
2	Shri Partha Roychowdhury CFO (upto 07.07.2015)	5%
3	Shri Sitendu Nagchowdhuri, CFO (w.e.f 08-07-2015)	N.A. since appointed during the year.

3. Percentage increase in median remuneration of employees in the financial year – 3%
4. The number of permanent employees on the rolls of the Company as on 31st March, 2016 = 686
5. The explanation on the relationship between average increase in remuneration and Company performance –

(₹ in lacs)

	2015-16	2014-15
Total Income	66,093	57,276
EBITDA	14,084	8,996
EBITDA as % of Total Income	21%	16%
PBT	11,672	6,808
PBT as % of Total Income	18%	12%

Average increase of 11% in the remuneration of employees is in line with the current year's performance, market dynamics and as a measure to motivate the employees for better future performance to achieve organization's growth expectations.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :-

Average increase in remuneration of key managerial personnel is 25.75%. Major portion of the average increase is due to commission payment to the Chairman and the Managing Director. Increase is based on individual performances, Company's performance and as a measure to motivate them for better future performance to achieve organization's growth expectations.

7. Variations in the market capitalization of the Company as at the closing date of the current financial year and the previous financial year :-

(i) The market capitalization as on 31.3.2016 was ₹ 1,65,576 lacs and as on 31.3.2015 was ₹ 81,724 lacs.

(ii) Variation in price earnings ratio as at the closing date of the current financial year and the previous financial year:

Price earnings ratio as on 31.3.2016 was 19.13 and as on 31.3.2015 was 16.55.

(iii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted Companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

Not applicable since the Company has never come out with any public offer.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :-

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

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

(₹ in lacs)

	2015-16	2014-15
Total Income	66,093	57,276
EBITDA	14,084	8,996
EBITDA as % of Total Income	21%	16%
PBT	11,672	6,808
PBT as % of Total Income	18%	12%

Increase in remuneration of Key Managerial Personnel – H.A. Mafatlal, Chairman – 48%, S.S. Khanolkar, MD– 41%, Partha Roychowdhury, CFO – 5%, N.B. Mankad, Company Secretary – 10%.

10. The key parameters for any variable component of remuneration availed by the directors:

Please refer to the remuneration policy given as Annexure - 6 to the Directors' Report.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

None.

12. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board,

Place: Mumbai  
Date: 30th April 2016

**H.A. Mafatlal**  
Chairman

## ANNEXURE - 10

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

**Name & Age (Years), Designation / Nature of duties, Remuneration (Rupees), Qualification & Experience (Years), Date of Commencement of employment, Last Employment held, Name of Employer, Post held and period (years)**

A) Names of Employees employed throughout the year and were in receipt of not less than ₹ 60,00,000 /-

1. Shri Mukherjee Ashis ( 51 ), President-CRO & CTO, ₹ 17773643, PhD Org.Chemistry (24), 24-08-2009, PI Industries Ltd, Gurgaon, Chief Technology Officer & Head Fine Chemicals, (2 years). 2. Smt Charusheela Kumar (42), Vice - President - HR & Admin, ₹ 6943378, MA in PM & IR (19), 10-10-2011, United Spirits Limited, General Manager - HR & Admin (0.4 years), 3. Shri Jain Gyanchand (56), President-Operations, ₹ 10970601, A.M.I.E.- (Chemical Engg.), Advance Diploma in Management (36), 26-09-2011, Finolex Industries Limited, President Operations (1 year 10 months), 4. Shri Mafatlal H A (61), Chairman, ₹ 24684566, B.Com (Hons.) (40), 01-05-2003, The Mafatlal Fine Spg. & Mfg. Co. Ltd, Vice Chairman (17 years ), He is also the Chairman of Mafatlal Industries Ltd. (11 years). 5. Shri Haridas P, (58), Vice - President-SCM, ₹ 8653498, BA (Economics) MBA in Materials Management (39), 14-07-2008, Jubilant Organosys Ltd, Associate Vice President, (23 years). 6. Shri Niraj Mankad, (47) Vice - President Legal & Company Secretary, ₹ 8977579, B.Com., LLB, ACS, (23), 21-01-2003, Mafatlal Industries Ltd, Joint Secretary and GM - Legal, (10 years), 7. Shri Shekhar Khanolkar (47), Managing Director, ₹ 28078141, B.E., MMS, (24), 16-11-2007, BASF India Ltd, Chief Executive ( Functional Polymers), (7 years), 8. Shri Sudhir Mohan, (53) Vice - President - Projects, ₹ 7344099, M.Tech in Chemical Engineering (29), 07-10-2013, VVF Ltd, Head - Centre of Excellence, (0.5 years).

B) Names of Employees employed for part of the year and were in receipt of remuneration of not less than ₹ 5,00,000 /- per month

1. Shri Srivastava A K (63), Finance Director, ₹ 16356746, B.Sc (Hons.) FCA, (39), 01-05-2003, upto 30.04.2015, Mafatlal Industries Ltd, Sr.V.P. - Finance, ( 5 years ). 2. Shri Radhesh R. Welling ( 42 ) President-Mkg & Corp Stgy, ₹ 6984716, BE (Mech), Masters in International Bus. MBA (19), 16-09-2013, upto 14.08.2015, VVF Ltd, President - Oleo Chemicals, (2 years). 3. Shri Partha Roychowdhury ( 55 ) Chief Financial Officer & Head IT, ₹ 15455356, B.Com (Hons.) ACA, (31) 28-02-2002, upto 22-01-2016, Mafatlal Industries Ltd, General Manager (Chemical Division), (7 years). 4. Shri Sitendu Nagchaudhuri ( 47 ), Chief Financial Officer & Head IT, ₹ 7023266, B.Com (Hons.) F.C.A., (25), w.e.f. 08-07-2015 Kesoram Industries Limited Chief Financial Officer, Cement B.U., (2 years). 5. Shri Sunil Tandon (63), Vice President - Refrigerants, ₹ 9337795, B.Sc.(Hons.), MBA (39), 28-02-2002 upto 30-06-2015, Mafatlal Industries Ltd, General Manager (Chemical Division), (18 years)

**NOTES :**

- 1 Remuneration, as above, includes Salary, Company's contribution to Provident Fund and Superannuation Schemes, Leave Encashment, Holiday Travel Benefits, Reimbursement of Medical Expenses, Medical Insurance Premium, House Rent Allowances, Additional House Rent Allowance, Compensatory Allowances, Personal Allowance, Voluntary Retirement Benefit, Commission wherever applicable, Personal Accident Insurance, monetary value of perquisites calculated in accordance with provision of Income tax Act, 1961 and rules made thereunder in respect of Housing, Company's furniture and equipments etc. but does not include Company's contribution to Gratuity Fund.
- 2 None of the Company's employees is related to any Director of the Company except Shri Hrishikesh A. Mafatlal (Chairman of the Company) and Shri Vishad P. Mafatlal (Director of the Company) who are related to each other.
- 3 None of the Company's employee is related to Director of the Company.

For and on behalf of the Board,

Place: Mumbai  
Date: 30th April 2016

**H.A. Mafatlal**  
Chairman

# **FINANCIAL SECTION**

## **STANDALONE**

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

NAVIN FLUORINE INTERNATIONAL LIMITED

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NAVIN FLUORINE INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

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

### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice – also refer Note 38 to the financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ketan Vora  
(Partner)

Mumbai, 30th April, 2016

(Membership No. 100459)

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of Navin Fluorine International Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ketan Vora  
(Partner)

Mumbai, 30th April, 2016

(Membership No. 100459)



## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company does not accept deposits and hence reporting under clause (v) of the CARO is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in lacs)
Income Tax Act, 1961	Income Tax	CIT, Appeals, VII, Mumbai	2005-06	36.13
Income Tax Act, 1961	Income Tax	CIT, Appeals, VII, Mumbai	2006-07	226.33
Income Tax Act, 1961	Income Tax	ITAT, Mumbai	2007-08	70.42
Income Tax Act, 1961	Income Tax	ITAT, Mumbai	2008-09	97.40
Income Tax Act, 1961	Income Tax	ITAT, Mumbai	2009-10	131.07
Income Tax Act, 1961	Income Tax	CIT(Appeals)- 13, Mumbai	2011-12	121.31
Central Excise Act	Excise Duty	High Court	1993-94 to 2005-06	90.33
Central Excise Act	Excise Duty	Assistant Commissioner of Central Excise – Ujjain	2005-06 & 2006-07	0.17
Central Excise Act	Excise Duty	Assistant Commissioner of Central Excise	1994-95	0.76
Central Excise Act	Excise Duty	Commissioner of Central Excise	2007-08	36.25
Central Excise Act	Excise Duty	Commissioner (Appeals) - Bhopal (Central Excise & Customs & Service Tax)	2011-12	86.56

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in lacs)
Central Excise Act	Excise Duty Refund	Commissioner (Appeals) - Bhopal (Central Excise & Customs & Service Tax)	2014-15	18.20
Central Excise Act	Excise Duty	Excise Appeal Branch - New Delhi (Customs & Excise & Service Tax Appellate Tribunal)	2006-07	35.84
The West Bengal Value Added Tax Act	Value Added Tax	Deputy Commissioner Appeals	2005-06	2.70
The West Bengal Value Added Tax Act	Value Added Tax	Deputy Commissioner Appeals	2001-02 to 2004-05	8.38
The West Bengal Value Added Tax Act	Value Added Tax	Appellate Revisional Board	1994-95	1.08
M.P. Commercial Tax Act 1994	Entry Tax	Assistant Commissioner of Commercial Taxes – Dewas	2005-06	8.38
M.P. Commercial Tax Act 1994	Entry Tax	Deputy Commissioner of Commercial Taxes – Ujjain	1992-93 & 1993-94	1.21
M.P. Commercial Tax Act 1994	Entry Tax, Central Sales Tax, Value Added Tax	Appellate Board	1995-96, 1996-97 & 2006-07	23.02
M.P. Commercial Tax Act 1994	Central Sales Tax	Madhya Pradesh High Court	1990-91 to 1994-95	22.73
U.P VAT Act	Value Added Tax	Allahabad High Court	1998-99 to 2000-01	69.14

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where

applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Mumbai, 30th April, 2016

Ketan Vora  
(Partner)  
(Membership No. 100459)

## Balance Sheet as at 31st March, 2016

(₹ in lacs)

	Note no.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	978.58	976.83
Reserves and surplus	4	62,375.30	56,136.25
		<b>63,353.88</b>	<b>57,113.08</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	1,178.09
Deferred tax liabilities (net)	6	3,553.41	3,188.88
Other long term liabilities	7	2,127.93	2,106.98
Long-term provisions	8	614.44	526.57
		<b>6,295.78</b>	<b>7,000.52</b>
<b>Current liabilities</b>			
Short-term borrowings	9	2,990.40	3,311.05
Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		481.37	281.04
Total outstanding dues other than micro enterprises and small enterprises		8,744.26	8,555.86
Other current liabilities	11	1,130.06	1,468.08
Short-term provisions	12	1,796.69	1,466.52
		<b>15,142.78</b>	<b>15,082.55</b>
<b>Total</b>		<b>84,792.44</b>	<b>79,196.15</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	13		
Tangible assets		26,705.70	21,201.01
Intangible assets		68.50	69.93
Capital work-in-progress		1,394.56	5,758.46
		<b>28,168.76</b>	<b>27,029.40</b>
Non-current investments	14	21,277.11	17,916.48
Long-term loans and advances	15	4,785.95	6,753.88
		<b>54,231.82</b>	<b>51,699.76</b>
<b>Current assets</b>			
Current investments	16	5,321.02	5,530.11
Inventories	17	6,273.92	6,583.59
Trade receivables	18	13,816.59	11,022.81
Cash and cash equivalents	19	1,520.94	1,376.25
Short-term loans and advances	20	3,358.68	2,720.91
Other current assets	21	269.47	262.72
		<b>30,560.62</b>	<b>27,496.39</b>
<b>Total</b>		<b>84,792.44</b>	<b>79,196.15</b>

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins &amp; Sells

Chartered Accountants

Registration No. 117364W

Ketan Vora  
Partner  
Membership No. 100459

H. A. Mafatlal  
Chairman

S. S. Khanolkar  
Managing Director

T.M.M. Nambiar  
S. S. Lalbhai  
P. N. Kapadia  
S. M. Kulkarni  
R. V. Haribhakti

V. P. Mafatlal  
A. K. Srivastava  
S. G. Mankad  
H. H. Engineer

} Directors

Mumbai, 30th April, 2016

Sitendu Nagchaudhuri  
Chief Financial Officer

N. B. Mankad  
Company Secretary

## ■ Statement of Profit and Loss for the year ended 31st March, 2016 (₹ in lacs)

	Note no.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from operations (gross)	22	67,852.58	58,427.16
<b>Less:</b> Excise duty		4,228.69	3,814.89
<b>Revenue from operations (net)</b>		<b>63,623.89</b>	<b>54,612.27</b>
Other income	23	2,469.37	2,664.14
<b>Total</b>		<b>66,093.26</b>	<b>57,276.41</b>
<b>Expenses</b>			
Cost of materials consumed	24	28,421.98	26,005.82
Purchases of stock-in-trade	24	678.26	1,094.19
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	102.21	118.20
Employee benefits expense	26	6,558.20	6,091.05
Finance costs	27	320.28	323.73
Depreciation and amortization expense	28	2,091.78	1,863.77
Other expenses	29	16,249.05	14,971.57
<b>Total</b>		<b>54,421.76</b>	<b>50,468.33</b>
<b>Profit before tax</b>		<b>11,671.50</b>	<b>6,808.08</b>
<b>Tax expense</b>			
Current tax		2,660.00	1,963.00
Deferred tax		364.53	(93.41)
		<b>3,024.53</b>	<b>1,869.59</b>
<b>Profit for the year</b>		<b>8,646.97</b>	<b>4,938.49</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic	30	88.44	50.57
Diluted	30	87.76	50.35
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

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

**Ketan Vora**  
Partner  
Membeship No. 100459

**H. A. Mafatlal**  
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**V. P. Mafatlal**  
**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer**

Directors

Mumbai, 30th April, 2016

**Sitendu Nagchaudhuri**  
Chief Financial Officer

**N. B. Mankad**  
Company Secretary

## Cash Flow Statement for the year ended 31st March, 2016

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,671.50	6,808.08
adjustments for,		
Depreciation / amortization	2,091.78	1,863.77
Loss on sale / write off of fixed assets (net)	111.12	10.17
Profit on sale of current investments	(366.32)	(939.37)
Provision for doubtful debts / advances written back	(5.67)	(12.06)
Adjustments to the carrying amount of investments	1.50	-
Interest expense	320.28	323.73
Interest income	(353.20)	(350.75)
Net gain on foreign currency translations	(1.23)	(2.70)
Share of profit in the partnership firm where the Company is a partner	(0.05)	(0.31)
Dividend on investments (non-trade)	(507.44)	(171.07)
Excess provision of earlier years written back	(0.07)	(0.79)
Provision for doubtful debts / advances	69.63	1.41
<b>Operating profit before working capital changes</b>	<b>13,031.83</b>	<b>7,530.10</b>
Increase in trade receivables	(2,852.22)	(2,722.88)
Decrease / (Increase) in inventories	309.67	(856.97)
Increase in loans and advances	(811.56)	(432.49)
Increase in trade and other payables	104.36	3,096.24
	<b>(3,249.75)</b>	<b>(916.10)</b>
<b>Cash generated from operations</b>	<b>9,782.08</b>	<b>6,614.00</b>
Net income tax paid	(2,609.63)	(1,731.75)
<b>Net cash flow from operating activities</b>	<b>7,172.45</b>	<b>4,882.25</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,388.93)	(7,304.70)
Amounts refunded by partnership firm where Company is a partner (current)	4.45	24.43
Share of profit in the partnership firm where the Company is a partner	0.05	0.31
Bank balances not considered as cash and cash equivalents	(31.15)	(34.85)
Amounts refunded by Sulakshana Securities Ltd., a subsidiary	260.07	337.16
Purchase of investments	(17,346.55)	(9,885.12)
Amount paid for acquisition of subsidiary	(2,802.40)	-
Amount invested in joint venture	(490.00)	(3,047.49)
Sale of fixed assets	21.20	12.39
Sale of investments	17,766.96	16,634.29
Dividend income	507.44	171.07
Interest income	354.09	356.85
<b>Net cash flow used in investing activities</b>	<b>(3,144.76)</b>	<b>(2,735.66)</b>

## Cash Flow Statement for the year ended 31st March, 2016

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Calls in arrears received during the year (including securities premium)	1.33	1.48
Proceeds from allotment of ESOP	65.49	32.56
Proceeds from long term borrowings	-	1,178.09
Repayments of long term borrowings	(1,178.09)	-
Repayments of other borrowings (net)	(320.65)	(2,388.52)
Dividend paid (including dividend distribution tax)	(2,161.95)	(1,833.10)
Interest expense	(320.28)	(323.73)
<b>Net cash used in financing activities</b>	<b>(3,914.15)</b>	<b>(3,333.22)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>113.54</b>	<b>(1,186.63)</b>
Cash and cash equivalents at the beginning of the year	983.85	2,170.48
Cash and cash equivalents at the end of the year	1,097.39	983.85
<b>Note,</b>		
<b>Reconciliation of cash and cash equivalents</b>		
As per Balance sheet - note 19	1,097.39	983.85
<b>As per Cash flow statement</b>	<b>1,097.39</b>	<b>983.85</b>

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

**Ketan Vora**  
Partner  
Membership No. 100459

**H. A. Mafatlal**  
Chairman

**S. S. Khanolkar**  
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**T.M.M. Nambiar**  
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**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer**

Directors

Mumbai, 30th April, 2016

**Sitendu Nagchaudhuri**  
Chief Financial Officer

**N. B. Mankad**  
Company Secretary

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 1 CORPORATE INFORMATION

Navin Fluorine International Limited is a public limited company, incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay, National and Ahmedabad 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, inorganic fluorides, specialty organofluorines and offers Contract Research and Manufacturing Services. Its manufacturing facilities are located at Surat and Dahej in Gujarat and Dewas in Madhya Pradesh.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

#### (b) Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialise or are known.

#### (c) Tangible fixed assets

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 on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### (e) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer Software which are capitalised, are amortised over a period of 3 years on straight-line basis.

#### (f) Impairment of tangible and intangible assets

Impairment loss is provided to the extent that the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable willing parties, less the costs of disposal.

#### (g) Investments

Long-term investments are carried at cost. Provision is made to recognize a diminution, other than temporary, in the carrying amounts of long-term investments. Current investments are carried individually, at the lower of cost and fair value.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

#### (h) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods, stores and spares - Weighted average

Process stocks and finished goods - At material cost plus appropriate value of overheads

#### (i) Retirement and other employee benefits

(i) The Company contributes towards provident fund, family pension fund and superannuation fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules.



## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (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.

#### (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 of India. Compensation expense is amortized over the vesting period of the option on a straight line basis. The Company measures compensation cost relating to employee stock options using the intrinsic value method.

#### (q) Research and development expenses

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

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised shares</b>		
35,000,000 equity shares of ₹ 10/- each	3,500.00	3,500.00
<b>Issued, subscribed and fully paid shares</b>		
9,787,297 (as at 31st March, 2015, 9,769,797) equity shares of ₹ 10/- each, fully paid-up	978.73	976.98
<b>Less: Calls in arrears (refer note 3e)</b>	0.15	0.15
<b>Total</b>	<b>978.58</b>	<b>976.83</b>

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	Opening balance	Buyback	ESOP	Closing balance
Equity shares with voting rights				
Year ended 31st March, 2016				
- Number of shares	9,769,797	-	17,500	9,787,297
- Amount (₹ in lacs)	976.98	-	1.75	978.73
Year ended 31st March, 2015				
- Number of shares	9,761,097	-	8,700	9,769,797
- Amount (₹ in lacs)	976.11	-	0.87	976.98

(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 31st March, 2016, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 21/- (year ended 31st March, 2015, ₹ 16/-).

(c) Details of shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 10/- each fully paid	As at 31st March, 2016		As at 31st March, 2015	
Name	Nos.	% holding	Nos.	% holding
Mafatlal Impex Private Limited	1,095,448	11.19	1,085,193	11.11
Suremi Trading Private Limited	983,960	10.05	646,081	6.61
NOCIL Limited	566,340	5.79	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 32.

(e) Calls unpaid (by other than officers and directors)

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
2,911 (previous year 2,956) equity shares of ₹ 10/- each, ₹ 5/- called up but unpaid	0.15	0.15

(f) Out of the rights issue made in 2004-05, 109 equity shares could not be offered on rights basis due to the non-availability of details of beneficial holders from depositories. The same are kept in abeyance.

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 4 RESERVES AND SURPLUS</b>		
<b>Capital reserve no. 1</b>		
Balance of excess of assets over liabilities and reserves taken over pursuant to the scheme of demerger of MIL		
As per last Balance sheet	8,035.17	8,035.17
	<b>8,035.17</b>	<b>8,035.17</b>
<b>Capital reserve no. 2</b>		
Compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances		
As per last Balance sheet	6,823.20	6,823.20
	<b>6,823.20</b>	<b>6,823.20</b>
<b>Capital redemption reserve</b>		
As per last Balance sheet	33.88	33.88
	<b>33.88</b>	<b>33.88</b>
<b>Securities premium account</b>		
As per last Balance sheet	1,084.48	1,052.79
<b>Add:</b> received during the year	65.07	31.70
<b>Less:</b> amount in arrears (net of receipts during the year, ₹ 0.01 lacs; as at 31st March, 2015, ₹ 1.23 lacs)	0.73	0.74
	<b>1,148.82</b>	<b>1,083.75</b>
<b>General reserve</b>		
As per last Balance sheet	7,333.34	6,839.34
<b>Add:</b> transferred from surplus in statement of Profit and loss	-	494.00
	<b>7,333.34</b>	<b>7,333.34</b>
<b>Surplus in Statement of Profit and loss</b>		
Balance as per last Balance Sheet	32,826.90	30,427.39
<b>Less:</b> Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	166.26
<b>Add:</b> profit for the year	8,646.97	4,938.49
	<b>41,473.87</b>	<b>35,199.62</b>
<b>Less: appropriations</b>		
Dividend for previous year on equity shares issued after the year end pursuant to allotment of ESOP	0.14	-
Interim dividend (₹ 10/- per share, as at 31st March, 2015, ₹ 7.50 per share)	977.95	732.73
Proposed final dividend (₹ 11/- per share, as at 31st March, 2015, ₹ 8.50 per share)	1,076.60	830.43
Corporate tax on dividend	418.29	315.56
Transferred to General reserve	-	494.00
Total appropriations	<b>2,472.98</b>	<b>2,372.72</b>
	<b>39,000.89</b>	<b>32,826.90</b>
<b>Total</b>	<b>62,375.30</b>	<b>56,136.25</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 5 LONG-TERM BORROWINGS</b>		
Term loan - from banks		
Secured		
AXIS Bank	-	1,178.09
<b>Total</b>	<b>-</b>	<b>1,178.09</b>
<b>NOTE 6 DEFERRED TAX LIABILITIES (NET)</b>		
Difference between book and tax written down values of fixed assets	3,595.47	3,192.76
Others	-	6.15
<b>Gross deferred tax liability</b>	<b>3,595.47</b>	<b>3,198.91</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts / advances	32.16	10.03
Others	9.90	-
<b>Gross deferred tax asset</b>	<b>42.06</b>	<b>10.03</b>
<b>Net deferred tax liability</b>	<b>3,553.41</b>	<b>3,188.88</b>
<b>NOTE 7 OTHER LONG-TERM LIABILITIES</b>		
Advance against project contracts	303.24	303.24
Security deposits received	463.04	442.09
Others		
- Iraq gas project (refer note 36)	1,031.70	1,031.70
- Land development	329.95	329.95
<b>Total</b>	<b>2,127.93</b>	<b>2,106.98</b>
<b>NOTE 8 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Provision for compensated absences	614.44	526.57
<b>Total</b>	<b>614.44</b>	<b>526.57</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 9 SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Cash credit from banks	-	1,340.48
<b>Unsecured</b>		
Commercial paper	2,990.40	1,970.57
<b>Total</b>	<b>2,990.40</b>	<b>3,311.05</b>

Cash 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.

<b>NOTE 10 TRADE PAYABLES</b>		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	481.37	281.04
- Total outstanding dues other than micro enterprises and small enterprises	8,744.26	8,555.86
<b>Total</b>	<b>9,225.63</b>	<b>8,836.90</b>

<b>NOTE 11 OTHER CURRENT LIABILITIES</b>		
Unpaid dividend	223.45	208.70
Unpaid money on buy-back of shares	1.08	1.09
Other payables		
- Statutory dues payable	249.41	243.60
- Trade / security deposits	547.36	782.83
- Advance from customers	54.26	73.66
- Gratuity (refer note 31)	54.50	158.20
<b>Total</b>	<b>1,130.06</b>	<b>1,468.08</b>

<b>NOTE 12 SHORT-TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences	153.31	189.54
	<b>153.31</b>	<b>189.54</b>
<b>Other Provisions</b>		
Provision for tax (net of advance tax ₹ 6,722.39 lacs, as at 31st March, 2015, ₹ 6,098.05 lacs)	347.61	277.49
Provision for proposed equity dividend	1,076.60	830.43
Provision for tax on proposed dividend	219.17	169.06
	<b>1,643.38</b>	<b>1,276.98</b>
<b>Total</b>	<b>1,796.69</b>	<b>1,466.52</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

**NOTE 13 FIXED ASSETS**

Tangible assets	Gross Block				Depreciation / amortisation					Net Block	
	As at 1st April, 2015	Additions / adjustments	Deductions / adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions / adjustments	Adjustment recorded against surplus balance in Statement of Profit and loss	Upto 31st March, 2016	As at 31st March, 2016	
Owned assets											
Freehold land	10.56	-	-	10.56	-	-	-	-	-	10.56	
	(10.56)	-	-	(10.56)	-	-	-	-	-	(10.56)	
Leasehold land	2,595.99	-	-	2,595.99	80.28	26.21	-	-	106.49	2,489.50	
	(2,595.99)	-	-	(2,595.99)	(54.07)	(26.21)	-	-	(80.28)	(2,515.71)	
Buildings	2,646.69	2,602.17	-	5,248.86	541.94	141.54	-	-	683.48	4,565.38	
	(2,434.74)	(211.95)	-	(2,646.69)	(360.29)	(85.15)	-	(96.50)	(541.94)	(2,104.75)	
Plant and machinery	29,165.00	4,288.49	47.07	33,406.42	13,150.31	1,613.69	30.31	-	14,733.69	18,672.73	
	(28,931.54)	(318.95)	(85.49)	(29,165.00)	(11,797.05)	(1,338.22)	(53.22)	(68.26)	(13,150.31)	(16,014.69)	
Furniture and fixtures	388.08	14.62	4.76	407.46	158.12	40.03	1.28	-	199.43	208.03	
	(385.16)	(2.92)	-	(388.08)	(109.33)	(48.79)	-	-	(158.12)	(229.96)	
Vehicles	237.81	0.69	49.88	188.62	131.65	25.93	33.54	-	124.04	64.58	
	(240.63)	(12.80)	(15.62)	(237.81)	(106.03)	(37.38)	(11.77)	(0.01)	(131.65)	(106.16)	
Office equipment	662.27	716.99	196.94	1,182.32	443.09	138.55	94.24	-	487.40	694.92	
	(583.35)	(94.94)	(16.02)	(662.27)	(235.15)	(202.73)	(29.58)	(34.79)	(443.09)	(219.18)	
Total	35,706.40	7,622.96	289.13	43,040.23	14,505.39	1,985.95	156.81	-	16,334.53	26,705.70	
As at and for the year ended 31st March, 2015	(35,181.97)	(641.56)	(117.13)	(35,706.40)	(12,661.92)	(1,738.48)	(94.57)	(199.56)	(14,505.39)	(21,201.01)	

Intangible assets	Gross Block				Depreciation / amortisation					Net Block
	As at 1st April, 2015	Additions / adjustments	Deductions / adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions / adjustments	Adjustment recorded against surplus balance in Statement of Profit and loss	Upto 31st March, 2016	As at 31st March, 2016
Computer software	212.12	19.13	15.05	216.20	142.19	20.56	15.05	-	147.70	68.50
	(178.33)	(33.79)	-	(212.12)	(102.17)	(40.02)	-	-	(142.19)	(69.93)
Total	212.12	19.13	15.05	216.20	142.19	20.56	15.05	-	147.70	68.50
As at and for the year ended 31st March, 2015	(178.33)	(33.79)	-	(212.12)	(102.17)	(40.02)	-	-	(142.19)	(69.93)
Capital work-in-progress										1,394.56
										(5,758.46)

**Notes:**

- (1) Standby Letter Of Credit facility availed from HDFC Bank has been secured by second charge on the Fixed Assets of the company  
(2) Figures in parentheses are as at and for the year ended 31st March, 2015

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

### NOTE 14 NON-CURRENT INVESTMENTS

	As at 31st March, 2016			As at 31st March, 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>(a) Investment property</b> (at cost less accumulated depreciation, given on operating lease)						
Cost of premises	-	5,108.81	5,108.81	-	5,108.81	5,108.81
<b>Less:</b> accumulated depreciation	-	531.01	531.01	-	445.74	445.74
<b>Net</b>	-	<b>4,577.80</b>	<b>4,577.80</b>	-	<b>4,663.07</b>	<b>4,663.07</b>
<b>(b) Non-trade investments</b> (valued at cost unless stated otherwise)						
<b>Investment in equity instruments</b>						
<i>(i) of subsidiaries</i>						
150,000 (as at 31st March, 2015, 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 31st March, 2015, 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
1,222,919 (as at 31st March 2015, nil) equity shares of RMB 1.00 each fully paid-up in Navin Fluorine (Shanghai) Co. Ltd	-	128.92	128.92	-	-	-
2,584,000 (as at 31st March 2015, nil) equity shares £ 1.00 each fully paid-up in NFIL (UK) Ltd.	-	2,673.48	2,673.48	-	-	-
<i>(ii) of joint ventures</i>						
1,082,500 (as at 31st March 2015, 1,082,500) equity shares of ₹ 10/- each fully paid-up in Swarnim Gujarat Fluorspar Private Limited	-	108.25	108.25	-	108.25	108.25
34,304,900 (as at 31st March 2015, 29,404,900) equity shares of ₹ 10/- each fully paid-up in Convergence Chemicals Pvt Ltd.	-	3,430.49	3,430.49	-	2,940.49	2,940.49
<i>(iii) of other companies</i>						
481,600 (as at 31st March, 2015, 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 31st March, 2015, 9,300) equity shares of Mafatlal Services Limited of ₹ 100/- each, fully paid-up	-	12.74	12.74	-	12.74	12.74
1,774,707 (as at 31st March, 2015, 1,774,707) equity shares of Mafatlal Industries Limited of ₹ 10/- each, fully paid-up	1,552.73	-	1,552.73	1,552.73	-	1,552.73
6,850,000 (as at 31st March, 2015, 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
	2,690.57	9,643.03	12,333.60	2,690.57	6,350.63	9,041.20
<b>Less:</b> adjustments to the carrying amount of investments	-	15.00	15.00	-	15.00	15.00
	<b>2,690.57</b>	<b>9,628.03</b>	<b>12,318.60</b>	<b>2,690.57</b>	<b>6,335.63</b>	<b>9,026.20</b>



## Notes forming part of Financial Statements for the year ended 31 March, 2016

(₹ in lacs)

**NOTE 14 NON-CURRENT INVESTMENTS (Contd.)**

	As at 31st March, 2016			As at 31st March, 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investment in bonds</b>						
150 * 11% Corporate bonds - series IV of Housing Development Finance Corporation	-	1.50	1.50	-	1.50	1.50
<b>Less:</b> adjustments to the carrying amount of investments	-	1.50	1.50	-	-	-
	-	-	-	-	1.50	1.50
<b>Investment in mutual funds (face value of ₹ 10/- each)</b>						
Nil (as at 31st March, 2015, 6,200,000) ICICI Prudential Fixed Maturity Plan - Series 72 - 823 Days Plan H	-	-	-	-	620.00	620.00
20,049,046 (as at 31st March, 2015, 20,049,046) DWS FMP SERIES 62	-	2,004.90	2,004.90	-	2,004.90	2,004.90
11,000,000 (as at 31st March, 2015, 11,000,000) HDFC FMP 366 days March 2014-2 Regular Growth	-	1,100.00	1,100.00	-	1,100.00	1,100.00
4,250,000 (as at 31st March, 2015, nil) units of ICICI Prudential Fixed Maturity Plan - Series 78 - 1127D Plan R	-	425.00	425.00	-	-	-
4,250,000 (as at 31st March, 2015, nil) units of HDFC FMP 1120D	-	425.00	425.00	-	-	-
4,250,000 (as at 31st March, 2015, nil) units of Kotak FMP Series 191 - 1120 Days	-	425.00	425.00	-	-	-
Nil (as at 31st March, 2015, 5,000,000) Reliance Interval Fund - II Series 2	-	-	-	-	500.00	500.00
	-	4,379.90	4,379.90	-	4,224.90	4,224.90
<b>Investment in partnership firm</b>						
Capital contribution in Urvija Associates (subsidiary)	-	0.80	0.80	-	0.80	0.80
<b>Total</b>	<b>2,690.57</b>	<b>18,586.53</b>	<b>21,277.11</b>	<b>2,690.57</b>	<b>15,225.90</b>	<b>17,916.48</b>
Aggregate amount of quoted investments			2,690.57			2,690.57
Aggregate market value of listed and quoted investments			7,954.88			5,312.07
Aggregate amount of unquoted investments			18,586.53			15,225.90
<b>Details of investment in partnership firm - Urvija Associates</b>	<b>As at 31st March, 2016</b>		<b>As at 31st March, 2015</b>			
<b>Name of the partner</b>	<b>Total capital</b>	<b>Share of profits</b>	<b>Total capital</b>	<b>Share of profits</b>		
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%		

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

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 14 NON-CURRENT INVESTMENTS (Contd.)

During the year, the Company made the following investments:

- (a) Subscribed to 1,222,919 equity shares of RMB 1.00 each of Navin Fluorine (Shanghai) Co. Ltd.
- (b) Subscribed to 2,584,000 equity shares of £ 1.00 each fully paid-up in NFIL (UK) Ltd.
- (c) Subscribed to 4,900,000 equity shares of ₹ 10/- each in Convergence Chemicals Private Limited.
- (d) Purchased 24,994,437.69 units of various Mutual funds having an aggregate value of ₹ 17,346.55 lacs.

(₹ in lacs)

### NOTE 15 LONG-TERM LOANS AND ADVANCES

	As at 31st March, 2016	As at 31st March, 2015
<b>Capital advances</b>		
- Unsecured, considered good	81.56	1,970.82
<b>Security deposits</b>		
- Unsecured, considered good	692.06	627.13
<b>Loans and advances to related parties (refer note 45)</b>		
- Secured, considered good	2,010.00	2,206.08
- Unsecured, considered good	39.37	6.31
	<b>2,049.37</b>	<b>2,212.39</b>
Loans and advances to employees (unsecured, considered good)	0.93	1.05
Prepaid expenses (unsecured, considered good)	0.54	0.75
Advance income-tax (net of provision ₹ 21,085.62 lacs, as at 31st March, 2015, ₹ 19,122.62 lacs) (unsecured, considered good)	1,581.07	1,561.32
Advance fringe benefit tax (net of provision ₹ 89.00 lacs, as at 31st March, 2015, ₹ 89.00 lacs)	12.08	12.08
<b>Other loans and advances (unsecured, considered good)</b>		
- Iraq gas project (refer note 36)	162.70	162.70
- Land development	205.64	205.64
	<b>1,962.96</b>	<b>1,943.54</b>
<b>Total</b>	<b>4,785.95</b>	<b>6,753.88</b>
<b>Notes,</b>		
Loans and advances in the nature of loans, due from:		
<b>Subsidiary Company:</b>		
Sulakshana Securities Limited	2,010.00	2,200.00
Maximum amount outstanding during the year	2,200.00	2,419.60
<b>Others:</b>		
Staff	0.93	12.86
(interest bearing with repayment schedules beyond seven years)		
Maximum amount outstanding during the year	12.86	14.53

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 16 CURRENT INVESTMENTS</b> (valued at lower of cost or fair value)		
<b>Unquoted</b>		
<i>Investment in Mutual Funds</i> (face value of ₹ 10/- each)		
Nil (as at 31st March, 2015, 3,000,000) JP Morgan India Income Fund Series 301	-	300.00
Nil (as at 31st March, 2015, 4,000,000) DSP BlackRock FTP - Series 11-36M	-	400.00
5,000,000 (as at 31st March, 2015, 5,000,000) HDFC FMP 737D October 2013-1 Regular-GR	500.00	500.00
Nil (as at 31st March, 2015, 10,929,245) DSP BlackRock Income Opportunities Fund - Regular	-	1,133.32
Nil (as at 31st March, 2015, 1,751,537) ICICI Pru Corporate Bond Fund Regular Plan Growth	-	373.41
Nil (as at 31st March, 2015, 7,443,872) Franklin India Corp Bond Opportunities fund - Growth	-	1,043.53
Nil (as at 31st March, 2015, 1,569,812) ICICI Pru Flexible Income Plan - Dividend	-	1,659.85
967,810 (as at 31st March, 2015, nil) ICICI Pru Flexible Income Plan - Growth	2,746.02	-
5,335,523 (as at 31st March, 2015, nil) UTI Short Term Income Fund - Institutional option - Growth	955.00	-
5,000,000 (as at 31st March, 2015, nil) Reliance Interval Fund - II Series 2 - Growth plan	500.00	-
6,200,000 (as at 31st March, 2015, nil) ICICI Prudential Fixed Maturity Plan - Series 72 - 823 Days Plan H	620.00	-
<i>Investment in Debentures</i>		
Nil (as at 31st March, 2015, 4) 18% Redeemable Non-Convertible Debentures of Eldeco Sohna Projects Limited of ₹ 5,000,000/- each, ₹ 2,000,000/- redeemed	-	120.00
<b>Total</b>	<b>5,321.02</b>	<b>5,530.11</b>
<b>NOTE 17 INVENTORIES</b> (valued at lower of cost or net realizable value)		
Raw materials	2,746.97	2,656.17
Work-in-progress - Fluoro chemicals	1,138.34	499.55
Finished goods	1,379.54	2,170.83
Traded goods	71.15	20.87
Stores and spares	937.92	1,236.17
<b>Total</b>	<b>6,273.92</b>	<b>6,583.59</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 18 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	22.14	103.82
Doubtful	78.08	23.85
	100.22	127.67
<b>Less:</b> provision for doubtful trade receivables	78.08	23.85
	<b>22.14</b>	<b>103.82</b>
<b>Other receivables</b>		
Unsecured, considered good	13,794.45	10,918.99
Doubtful	12.41	2.69
	13,806.86	10,921.68
<b>Less:</b> provision for doubtful trade receivables	12.41	2.69
	<b>13,794.45</b>	<b>10,918.99</b>
<b>Total</b>	<b>13,816.59</b>	<b>11,022.81</b>
<b>NOTE 19 CASH AND CASH EQUIVALENTS</b>		
<b>Cash and cash equivalents</b> (As per Accounting Standard 3 on Cash flow statement)		
Cash on hand	7.51	8.12
Balances with banks		
in current accounts	924.88	825.73
in deposits accounts		
- original maturity of 3 months or less	165.00	150.00
	<b>1,097.39</b>	<b>983.85</b>
<b>Other bank balances</b>		
in deposit accounts		
- original maturity of more than 3 months	180.00	165.00
in earmarked accounts		
- unpaid dividend account	223.45	208.70
- buy-back account	1.09	1.09
- balances held as margin money	19.01	17.61
	<b>423.55</b>	<b>392.40</b>
<b>Total</b>	<b>1,520.94</b>	<b>1,376.25</b>

Certain current accounts with banks, which have been transferred from Mafatlal Industries Ltd 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 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 20 SHORT TERM LOANS AND ADVANCES</b>		
<b>Loan and advances to related parties</b> (refer note 45)		
- Unsecured, considered good	275.34	208.08
<b>Security deposits</b>		
- Unsecured, considered good	54.69	191.06
Loans to employees (unsecured, considered good)	2.22	2.49
Prepaid expenses (unsecured, considered good)	90.94	78.43
<b>Balances with statutory / government authorities</b> (unsecured, considered good)		
- CENVAT credit receivable	1,144.43	910.87
- Service tax credit receivable	765.68	977.53
	<b>2,003.27</b>	<b>1,969.32</b>
<b>Other loans and advances</b> (unsecured, including advance to suppliers)		
Unsecured, considered good	1,025.38	352.45
Doubtful	2.43	2.43
	1,027.81	354.88
Provision for doubtful advances	2.43	2.43
	<b>1,025.38</b>	<b>352.45</b>
<b>Total</b>	<b>3,358.68</b>	<b>2,720.91</b>
<b>Notes,</b>		
Loans and advances in the nature of loans, due from:		
Staff (interest bearing)	2.22	2.49
Maximum amount outstanding during the year	2.49	8.50
<b>NOTE 21 OTHER CURRENT ASSETS</b>		
Interest accrued on fixed deposits with banks	17.06	17.95
Rent receivable	252.41	244.77
<b>Total</b>	<b>269.47</b>	<b>262.72</b>

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 22 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Finished goods	66,992.46	56,940.77
Traded goods	705.71	1,330.94
	<b>67,698.17</b>	<b>58,271.71</b>
<b>Other operating revenue</b>		
Scrap sales	154.41	155.45
<b>Revenue from operations (gross)</b>	<b>67,852.58</b>	<b>58,427.16</b>
<b>Less: excise duty *</b>	4,228.69	3,814.89
<b>Revenue from operations (net)</b>	<b>63,623.89</b>	<b>54,612.27</b>

\*Excise duty deducted from turnover represents excise duty collected on sale of goods. Excise duty shown under 'expenditure' (note 29) represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stocks of finished goods.

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 22 REVENUE FROM OPERATIONS (Contd.)</b>		
<b>Details of products sold</b>		
<b>Finished goods</b>		
Synthetic cryolite, aluminium fluoride, fluorocarbon gases	21,554.41	18,939.25
Hydrofluoric acid and other fluorine chemicals	37,592.12	35,210.83
Others	7,845.93	2,790.69
	<b>66,992.46</b>	<b>56,940.77</b>
<b>Traded goods</b>		
Mafron gases	116.20	586.16
Others	589.51	744.78
	<b>705.71</b>	<b>1,330.94</b>
<b>Total</b>	<b>67,698.17</b>	<b>58,271.71</b>
<b>NOTE 23 OTHER INCOME</b>		
Interest income (refer note 1, below)	353.20	350.75
Dividend income:		
Current investments	30.65	76.73
Long term investments	476.79	94.34
Other non-operating income (refer note 2, below)	1,608.73	2,142.32
<b>Total</b>	<b>2,469.37</b>	<b>2,664.14</b>
<b>Notes,</b>		
<b>(1) Interest income:</b>		
Interest from banks on deposits	32.51	41.93
Interest on loans & advances	309.98	240.70
Interest on Investments	10.71	68.12
	<b>353.20</b>	<b>350.75</b>
<b>(2) Other non-operating income:</b>		
Rental income from investment property	1,118.48	1,171.82
Provision for doubtful debts / advances written back / credit balances written back	5.67	12.06
Excess provision of earlier years written back (net)	0.07	0.79
Insurance claims	45.47	4.49
Profit on sale of current investments	366.32	939.37
Share of profit in the partnership firm where the Company is a partner	0.05	0.31
Miscellaneous income	72.68	13.47
	<b>1,608.73</b>	<b>2,142.32</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 24 COST OF RAW MATERIALS CONSUMED</b>		
Inventories at the beginning of the year	2,656.17	2,403.06
<b>Add:</b> Purchases	28,512.78	26,258.93
	<b>31,168.95</b>	<b>28,661.99</b>
<b>Less:</b> Inventories at the end of the year	2,746.97	2,656.17
	<b>28,421.98</b>	<b>26,005.82</b>
<b>Details of raw materials consumed</b>		
Fluorspar	6,131.04	6,871.92
Chloromethanes	3,662.03	3,693.18
Spor 11	1,815.80	1,311.78
Sulphur	1,392.23	1,841.62
Others	15,420.88	12,287.32
<b>Total</b>	<b>28,421.98</b>	<b>26,005.82</b>
Purchase of stock-in-trade	678.26	1,094.19
	<b>678.26</b>	<b>1,094.19</b>
<b>NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year</b>		
Finished goods	1,379.54	2,170.83
Work-in-process	1,138.34	499.55
Stock-in-trade	71.15	20.87
	<b>2,589.03</b>	<b>2,691.24</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	2,170.83	2,215.61
Work-in-process	499.55	540.11
Stock-in-trade	20.87	53.72
	<b>2,691.24</b>	<b>2,809.44</b>
<b>Net decrease</b>	<b>102.21</b>	<b>118.20</b>
<b>NOTE 26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	5,623.58	4,975.67
Contribution to provident and other funds	506.70	459.81
Gratuity expenses	210.06	437.36
Staff welfare expenses	217.86	218.21
<b>Total</b>	<b>6,558.20</b>	<b>6,091.05</b>
<b>NOTE 27 FINANCE COSTS</b>		
Interest on borrowings ( Net off interest capitalized ₹ 291.43 lacs, as at 31st March, 2015 ₹ 230.29)	263.82	279.41
Interest on others	20.71	15.07
Other borrowing costs	35.75	29.25
<b>Total</b>	<b>320.28</b>	<b>323.73</b>



## Notes forming part of Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 28 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation of tangible assets	1,985.95	1,738.48
Amortisation of intangible assets	20.56	40.02
Depreciation of investment property	85.27	85.27
<b>Total</b>	<b>2,091.78</b>	<b>1,863.77</b>

<b>NOTE 29 OTHER EXPENSES</b>		
Consumption of stores and spares	1,956.67	1,826.84
Consumption of packing materials	2,249.74	2,022.25
Excise duty	20.62	41.08
Power and fuel	4,146.10	4,221.56
Rent	374.70	323.87
Repairs to buildings	278.13	264.57
Repairs to machinery	502.20	374.36
Labour charges	815.60	674.70
Insurance	97.25	84.95
Rates and taxes	292.23	264.32
Commission and discounts	624.98	608.37
Transport and freight charges (net)	1,590.99	1,616.99
Loss on sale / write off of fixed assets (net)	111.12	10.17
Adjustments to the carrying amount of investments	1.50	-
Provision for doubtful debts / advances	69.63	1.41
Net loss on foreign currency transactions and translations	113.67	95.15
Expenditure on Corporate Social Responsibility (refer note 46)	194.81	118.93
Legal and professional fees	885.88	694.82
Miscellaneous expenses	1,923.23	1,727.23
<b>Total</b>	<b>16,249.05</b>	<b>14,971.57</b>

<b>Payment to auditors</b>	<b>For the year ended 31st March, 2016</b>	<b>For the year ended 31st March, 2015</b>
To statutory auditor		
For audit	18.00	15.00
For taxation matters	-	4.00
For other services	17.00	14.50
Reimbursement of expenses	0.11	0.06
	<b>35.11</b>	<b>33.56</b>
To cost auditor		
For audit	2.50	2.50
Reimbursement of expenses	0.03	0.03
	<b>2.53</b>	<b>2.53</b>
To tax auditor		
For taxation matters	3.50	-
	<b>3.50</b>	<b>-</b>
<b>Total</b>	<b>41.14</b>	<b>36.09</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 30 EARNINGS PER SHARE (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

	As at 31st March, 2016	As at 31st March, 2015
Profit attributable to equity shareholders – (₹ in lacs)	8,646.97	4,938.49
Weighted average number of equity shares outstanding during the year	9,777,419	9,765,578
Basic earnings per share – ₹	88.44	50.57
Diluted earnings per share – ₹	87.76	50.35
Nominal value per share – ₹	10.00	10.00

### NOTE 31 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 ₹ 506.70 lacs (as at 31st March, 2015, ₹ 459.81 lacs).

Contributions are made to a Recognized Gratuity Fund in respect of gratuity and provision is made for compensated absences based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit' method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and loss.

The charge on account of provision for compensated absences has been included in 'Salaries, wages and bonus'.

In respect of gratuity (funded):

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Reconciliation of liability recognized in the Balance sheet</b>		
Present value of commitments	(1,598.46)	(1,555.49)
Fair value of plan assets	1,543.96	1,397.29
Net liability in the Balance sheet	(54.50)	(158.20)
<b>Movement in net liability recognized in the Balance sheet</b>		
Net liability as at beginning of the year	(158.20)	(74.84)
Net expense recognized in the Statement of Profit and loss	(210.06)	(437.36)
Contribution during the year	313.76	354.00
Net liability as at end of the year	(54.50)	(158.20)
<b>Expense recognized in the Statement of Profit and loss</b>		
Current service cost	128.85	70.48
Interest cost	124.28	105.82
Expected return on plan assets	(111.64)	(92.38)
Actuarial (gains) / losses	71.58	353.44
Expense charged to the Statement of Profit and loss	210.06	437.36

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 31 EMPLOYEE BENEFITS (Contd.)

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Return on plan assets</b>		
Expected return on plan assets	111.64	92.38
Actuarial gains / (losses)	17.35	(17.05)
Actual return on plan assets	128.99	75.33
<b>Reconciliation of defined-benefit commitments</b>		
Commitments as at beginning of the year	1,555.49	1,136.67
Current service cost	125.85	70.48
Interest cost	124.28	105.82
Paid benefits	(296.09)	(93.86)
Actuarial (gains) / losses	88.93	336.78
Commitments as at end of the year	1,598.46	1,555.49
<b>Reconciliation of plan assets</b>		
Plan assets as at beginning of the year	1,397.30	1,061.83
Expected return on plan assets	111.64	92.38
Contributions during the year	313.76	354.00
Paid benefits	(296.09)	(93.86)
Actuarial gains / (losses)	17.35	(17.05)
Plan assets as at end of the year	1,543.96	1,397.30

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

	As at 31st March, 2016 %	As at 31st March, 2015 %
Discount rate	7.79	7.99
Expected return on plan assets	7.79	7.99
Expected rate of salary increase	10.00	9.00

Mortality	Indian Assured Life Mortality (2006-08) Ultimate	
Estimate of amount of contribution in the immediate next year	164.50	153.76

Experience adjustment	On plan liability (gain) / loss	On plan assets gain / (loss)
2015-16	26.63	17.35
2014-15	68.20	(17.05)
2013-14	29.12	(10.28)
2012-13	28.70	46.72
2011-12	52.91	3.10

The fair value of the plan assets is distributed in the following manner	As at 31st March, 2016 %	As at 31st March, 2015 %
Deposits with a nationalized bank	23.26	25.69
Various debt instruments	76.74	74.31

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 32 EMPLOYEE STOCK OPTION SCHEME

- (a) The Company's Employee Stock Option Scheme has been approved by the Board of Directors of the Company on 1st May, 2007.
- (b) The vesting period of the options granted on 20th July, 2007 is over four years commencing after one year from the date of grant. The options granted on 28th April, 2014 and 29th June, 2015 shall vest upon the expiry of two years from the date of their grant.
- (c) Exercise period would commence one year from the date of vesting 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 prices have been determined to be the market price on the days preceding the dates of respective 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 31st March, 2016	As at 31st March, 2015
Particulars	Nos.	Nos.
Options outstanding at the beginning of the year	106,900	30,200
Options granted during the year	30,023	86,700
Options vested during the year	NIL	NIL
Options exercised during the year	17,500	8,700
Options forfeited during the year	NIL	NIL
Options lapsed / surrendered during the year	6,316	1,300
Options outstanding at the end of the year	113,107	106,900

- (i) Had fair value method been used, the compensation cost would have been higher by ₹ 79.89 lacs (as at 31st March, 2015, ₹ 45.26 lacs), Profit after tax would have been lower by ₹ 79.89 lacs (as at 31st March, 2015, ₹ 45.26 lacs) and EPS – both basic and diluted - would have been ₹ 87.62 and ₹ 86.95 per share respectively (as at 31st March, 2015, ₹ 50.23 and ₹ 50.01 per share respectively).
- (j) Weighted Average exercise price of the above options range between ₹ 374.20 and ₹ 974/-

### NOTE 33 LEASE

- (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 is ₹ 374.70 lacs (as at 31st March, 2015, ₹ 323.87 lacs).
- (b) The Company has taken office premise under lease rental agreement. Details of minimum lease payments for non-cancellable leases are as under:

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	227.63	78.00
Later than one year and not later than five years	257.98	218.00
<b>Total</b>	<b>485.61</b>	<b>296.00</b>

- (c) The Company has given office premises under lease rental agreement. Details of minimum lease payments for non-cancellable leases are as under:

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	149.76	164.62
Later than one year and not later than five years	224.64	-
<b>Total</b>	<b>374.40</b>	<b>164.62</b>
Operating lease rentals credited to the Statement of Profit and loss	1,118.48	1,171.82

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 33 LEASE (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 31st March, 2016	As at 31st March, 2015
Gross block as at the year end	5,108.81	5,108.81
Accumulated depreciation as at the year end	531.01	445.74
Depreciation charged during the year	85.27	85.27

### NOTE 34 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:

(₹ in lacs)

Particulars	As at and for the year ended 31st March, 2016			As at and for the year ended 31st March, 2015		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	38,751.04	28,947.13	67,698.17	38,520.43	19,751.28	58,271.71
Segment assets	47,792.90	7,287.32	55,080.22	48,325.07	4,474.84	52,799.91
Cost incurred on acquisition of fixed assets	3,278.19	-	3,278.19	5,902.63	-	5,902.63

### NOTE 35

The Company received ₹ 260.07 lacs (as at 31st March, 2015, ₹ 337.15 lacs) during the year from its wholly owned subsidiary Sulakshana Securities Limited (SSL), towards partial repayment of interest free advances provided in earlier years. The market value of the assets of SSL far exceeds the outstanding advance to SSL of ₹ 2,010.00 lacs (as at 31st March, 2015, ₹ 2,200.00 lacs) at the year end.

### NOTE 36

Mafatlal Industries Limited was executing a project in Iraq when hostilities broke out between Iraq and Kuwait in 1990-91, resulting in suspension of project work. In view of the post war sanctions imposed by the United Nations and the Government of India, suspended operations could not be resumed. The customer's bankers have asked for extension of bank guarantees for advance payment and performance and the State Bank of India (SBI), in turn, had claimed that the funds deposited with them in respect of the aforesaid project are subject to lien which was subsequently released on alternate arrangements. In view of the continuing uncertain circumstances, the receipts and payments under the contracts, transferred to the Company pursuant to the sanctioned scheme of Mafatlal Industries Limited, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

### NOTE 37 CAPITAL AND OTHER COMMITMENTS

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
(i) <b>Capital commitments:</b> Estimated amount of contracts remaining to be executed on capital account and not provided for	439.96	3,170.30
(ii) <b>Other commitments:</b> Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	47.90	173.00

## Notes forming part of Financial Statements for the year ended 31st March, 2016

**NOTE 38 CONTINGENT LIABILITIES**

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
In respect of:		
<b>(a) Excise matters disputed in appeal</b> These relate to MODVAT on capital purchases (pending before the Assistant Commissioner) and permit fee on purchase of alcohol (pending before the High Court)	268.13	127.52
<b>(b) Claims against the Company not acknowledged as debts</b> Labour matters involving issues like regularization of employment, termination of employment, compensation against severance, etc.	7.00	19.64
<b>(c) Sales-tax matters disputed in appeal</b> These relate to classification of goods and consequent dispute on the rates of sales-tax (pending at various stages from Assistant Commissioner to High Court)	136.63	136.68
<b>(d) Income tax matters disputed in appeal</b>	1,881.36	721.02

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

**NOTE 39 DERIVATIVE INSTRUMENTS**

- (a) The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to such forward contracts is a bank. These contracts are entered into to hedge the foreign currency risks on outstandings. Details of forward contracts outstanding as at the year end:

Currency	Exposure to buy / sell	As at the year end	
		₹ in lacs	Foreign currency in lacs
US Dollars	Sell	6,730.16 (2,763.25)	101.58 (44.21)
GBP	Sell	37.23 (88.77)	0.39 (0.96)
EURO	Sell	112.64 (0.00)	1.49 (0.00)
US Dollars	Buy	2,986.75 (1,616.18)	45.08 (25.86)

**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 ₹ 6.86 lacs (as at 31st March, 2015, credit ₹ 0.15 lacs).

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 39 DERIVATIVE INSTRUMENTS (Contd.)

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

	As at 31st March, 2016	As at 31st March, 2015
<b>Receivables against export of goods and services</b>		
US Dollars	138.06	1,426.17
Euros	0.00	2.89
GBP	2.26	39.69
<b>Advance received from customers</b>		
US Dollars	40.05	8.63
<b>Payables against import of goods and services</b>		
US Dollars	66.06	494.92
Euros	2.75	2.02
GBP	0.12	36.89
CHF	0.00	6.72
<b>Advance payment to suppliers</b>		
US Dollars	235.22	1.53
Euros	2.65	24.91
CHF	0.00	7.28

### NOTE 40 RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 1,924.21 lacs (as at 31st March, 2015, ₹ 1,237.03 lacs) included in the figures reported under notes 13 and 24 to 29 are as under: (₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
Capital Expenditure	506.81	91.89
Revenue Expenditure	1,417.40	1,145.14
<b>Total</b>	<b>1,924.21</b>	<b>1,237.03</b>

The details of revenue expenditure incurred on research and development are as under :

Salaries / Wages	614.14	468.53
Material / Consumable / Spares	298.94	291.36
Utilities	148.98	132.35
Other expenditure	200.56	137.89
Depreciation	154.78	115.00
<b>Total</b>	<b>1,417.40</b>	<b>1,145.14</b>

### NOTE 41 MICRO, SMALL AND MEDIUM SCALE BUSINESS ENTITIES

A sum of ₹ 481.37 lacs is payable to Micro and Small Enterprises as at 31st March, 2016 (as at 31st March, 2015, ₹ 281.04 lacs). There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 42

The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

	Year ended 31st March, 2016	Year ended 31st March, 2015
Year to which dividend relates	2014-15	2013-14
Number of non-resident shareholders	327	354
Number of shares held by them on which dividend is due	818,791	772,950
Amount remitted to bank accounts in India of non-resident shareholders – (₹ in lacs)	69.60	65.70
Year to which dividend relates	Interim 2015-16	Interim 2014-15
Number of non-resident shareholders	372	333
Number of shares held by them on which dividend is due	800,484	757,349
Amount remitted to bank accounts in India of non-resident shareholders – (₹ in lacs)	80.05	56.80

### NOTE 43 JOINT VENTURE COMPANIES (JVC)

- (1) The Company has a Joint venture interest of 49.43% in Swarnim Gujarat Flourspar Private Limited., a company incorporated under the Companies Act, 1956 on 19th June, 2012. As on 31st March, 2016 the Company has invested a sum of ₹ 108.25 lacs (as at 31st March, 2015, ₹ 108.25 lacs) in the share capital of this Joint venture.

The JVC is engaged in the business of manufacture of Acid Grade Fluorspar and allied activities.

- (a) The Company's share of each of the assets, liabilities, income and expenses etc. (each, without elimination of the effect of the transactions between the Company and the JVC) related to its interest in this JVC, based on the audited accounts for the year ended 31st March, 2016 are as under:

(₹ in lacs)

Sr. No.	Particulars	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Assets	88.14	91.40
(ii)	Liabilities	5.02	3.93
(iii)	Income	-	-
(iv)	Expenses	4.36	4.67

- (b) The Company's share of capital commitments in the JVC as at 31st March, 2016 is ₹ Nil.
- (c) The Company's share of contingent liability of the JVC as at 31st March, 2016 is ₹ Nil.
- (d) The Company's transactions with JVC, being a related party, are disclosed in note no. 45.
- (2) The Company has a Joint venture interest of 49% in Convergence Chemicals Private Limited., a company incorporated under the Companies Act, 2013 on 19th November, 2014. As on 31st March, 2016 the Company has invested a sum of ₹ 3,430.49 lacs (as at 31st March, 2015, ₹ 2,940.49 lacs) in the share capital of this Joint venture.

The JVC is engaged in the business of manufacture of specialty chemicals in the healthcare sector.

- (a) The Company's share of each of the assets, liabilities, income and expenses etc. (each, without elimination of the effect of the transactions between the Company and the JVC) related to its interest in this JVC, based on the audited accounts for the year ended 31st March, 2016 are as under:

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 43 JOINT VENTURE COMPANIES (JVC) (Contd.)

(₹ in lacs)

Sr. No.	Particulars	Year ended 31st March 2016	Year ended 31st March 2015
(i)	Assets	7,295.43	4,589.07
(ii)	Liabilities	3,926.85	1,677.81
(iii)	Income	-	-
(iv)	Expenses	32.67	29.23

- (b) The Company's share of capital commitments in the JVC as at 31st March, 2016 is ₹ Nil.  
(c) The Company's share of contingent liability of the JVC as at 31st March, 2016 is ₹ Nil.  
(d) The Company's transactions with JVC, being a related party, are disclosed in note no. 45.

### NOTE 44

During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation rates are as follows:

	Previous depreciation rate	Revised useful life
Road	1.64% / ~60 years	5 years
Factory building	3.39% / ~29 years	30 years
Other building	1.64% / ~60 years	60 years
Computer	16.67% / ~6 years	3 years
Servers & networks	16.67% / ~6 years	6 years
General plant & machinery	4.75% / ~20 years	15 years
Triple shift plant & machinery	10.56% / ~9 years	7.5 years
Continuous process plant	5.28% / ~19 years	25 years
Reactor, Distillation column, Drying equipment / centrifuge, Vessels / storage tank	4.75% / ~20 years, 10.56% / ~9 years, 5.28% / ~19 years	20 years
Furniture	6.67% / ~15 years	10 years
Office equipment	4.75% / ~20 years	5 years
Electric installation	4.75% / ~20 years	10 years
Vehicles	9.50% / ~11 years	8 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, during the previous year, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1st April, 2014, and has adjusted an amount of ₹ 166.26 lacs (net of deferred tax of ₹ 33.29 lacs) against the opening surplus balance in the Statement of Profit and loss under Reserves and surplus.

The depreciation expense in the Statement of Profit and loss for the previous year is lower by ₹ 205.21 lacs consequent to the change in the useful life of the assets.

### NOTE 45 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

#### Joint Ventures

Swarnim Gujarat Fluorspar Private Limited  
Convergence Chemicals Private Limited

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

#### Names of related parties where control exists

Sulakhshana Securities Limited – subsidiary company

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

Manchester Organics Limited – subsidiary company

Navin Fluorine (Shanghai) Co. Limited - subsidiary company

NFIL (UK) Limited - subsidiary company

#### 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 (upto 30th April, 2015)

Shri Shekhar S. Khanolkar

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

(₹ in lacs)

Nature of transactions	1	2	3	4	Total
<b>Sale of finished goods</b>					
NOCIL Limited	2.68 3.68				2.68 3.68
Mafatlal Industries Limited	0.33 0.27				0.33 0.27
Manchester Organics Limited			129.28 323.77		129.28 323.77
<b>Purchase of raw materials</b>					
Manchester Organics Limited			11.88 32.82		11.88 32.82
<b>Rental income</b>					
NOCIL Limited	156.78 163.80				156.78 163.80
<b>Dividend Income</b>					
Mafatlal Industries Limited	53.24 53.24				53.24 53.24
NOCIL Limited	68.50 41.10				68.50 41.10
Manchester Organics Limited	308.32 -				308.32 -
<b>Purchase of cloth for uniform</b>					
Mafatlal Industries Limited	8.70 5.77				8.70 5.77
<b>Reimbursement of Expenses</b>					
Mafatlal Industries Limited	127.74 137.86				127.74 137.86
<b>Managerial remuneration</b>					
Shri Hrishikesh A. Mafatlal				246.86 166.59	246.86 166.59
Shri Vishad P. Mafatlal				9.00 7.00	9.00 7.00
Shri Atul K. Srivastava				163.57 129.01	163.57 129.01

## Notes forming part of Financial Statements for the year ended 31st March, 2016

### NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

					(₹ in lacs)
Nature of transactions	1	2	3	4	Total
Shri Shekhar S. Khanolkar				280.78 199.56	280.78 199.56
<b>Sitting fees</b>					
Shri Vishad P. Mafatlal				2.35 1.80	2.35 1.80
Shri Atul K. Srivastava				2.15 -	2.15 -
<b>Share of profit in a partnership firm</b>					
Urvija Associates			0.05 0.31		0.05 0.31
<b>Capital contribution in a partnership firm</b>					
(Urvija Associates)					
- current			0.05 0.31		0.05 0.31
<b>Investment in equity shares</b>					
Navin Fluorine (Shanghai) Co. Limited			128.92 -		128.92 -
NFIL (UK) Limited			2,673.48 -		2,673.48 -
Swarnim Gujarat Fluorspar Private Limited		- 107.00			- 107.00
Convergence Chemicals Private Limited		490.00 2,940.49			490.00 2,940.49
<b>Advances / Reimbursement of expenses given to</b>					
Sulakshana Securities Limited			70.07 117.56		70.07 117.56
Urvija Associates			- 0.26		- 0.26
Swarnim Gujarat Fluorspar Private Limited		- 75.00			- 75.00
Convergence Chemicals Private Limited		14,182.27 9,250.08			14,182.27 9,250.08
NFIL (UK) Limited			37.51 -		37.51 -
<b>Repayment of advances / Reimbursement of expenses from</b>					
Sulakshana Securities Limited			260.07 337.16		260.07 337.16
Urvija Associates			4.50 25.00		4.50 25.00
Swarnim Gujarat Fluorspar Private Limited		- 17.35			- 17.35
Convergence Chemicals Private Limited		13,906.93 9,031.43			13,906.93 9,031.43
<b>Donation</b>					
Sri Sadguru Seva Sangh Trust	30.00 20.00				30.00 20.00

**NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)**

(₹ in lacs)

Nature of transactions	1	2	3	4	Total
<b>As at the year end</b>					
<b>Amounts due to</b>					
Mafatlal Industries Limited	6.10				6.10
	-				-
NOCIL Limited	1.49				1.49
	1.49				1.49
Manchester Organics Limited			-		-
			7.73		7.73
Shri Hrishikesh A. Mafatlal				188.00	188.00
				110.00	110.00
Shri Vishad P. Mafatlal				9.00	9.00
				7.00	7.00
Shri Shekhar S. Khanolkar				58.30	58.30
				39.30	39.30
<b>Amounts due from</b>					
Manchester Organics Limited			10.12		10.12
			197.24		197.24
Mafatlal Industries Limited	0.09				0.09
	0.10				0.10
Urvija Associates			1.86		1.86
			6.31		6.31
Sulakshana Securities Limited			2,010.00		2,010.00
			2,200.00		2,200.00
NFIL (UK) Limited			37.51		37.51
			-		-
NOCIL Limited	-				-
	1.34				1.34
Convergence Chemicals Private Limited		275.34			275.34
		202.08			202.08

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

(2) Joint Ventures

(3) Related parties where control exists

(4) Key management personnel

**NOTE 46 EXPENDITURE IN CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY**

(a) Gross amount required to be spent by the company during the year ₹ 141.84 lacs (as at 31st March, 2015, ₹ 260.71 lacs)

(b) Amount spent during the year:

(₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Construction / acquisition of any asset	-	12.80
(ii) On purposes other than (i) above	194.81	118.93
<b>Total</b>	<b>194.81</b>	<b>131.73</b>

**NOTE 47 VALUE OF IMPORTS AND VALUE OF RAW MATERIALS, STORES, SPARES AND PACKING MATERIALS CONSUMED**
**(a) CIF value of imports** (₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Raw materials	17,442.21	16,807.11
Stores, spares and packing materials	125.68	395.51
Capital goods	159.08	368.47

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

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹ in lacs	Percentage of consumption	₹ in lacs	Percentage of consumption
<b>Raw materials</b>				
Imported	17,387.42	61.18	17,334.12	66.65
Indigenous	11,034.56	38.82	8,671.70	33.35
	<b>28,421.98</b>	<b>100.00</b>	<b>26,005.82</b>	<b>100.00</b>
<b>Stores, spares and packing materials</b>				
Imported	29.88	0.71	31.18	0.81
Indigenous	4,176.53	99.29	3,817.90	99.19
	<b>4,206.41</b>	<b>100.00</b>	<b>3,849.08</b>	<b>100.00</b>

**NOTE 48 EXPENDITURE IN FOREIGN CURRENCY**
(₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Travelling expenses	66.20	55.98
(b) Commission	125.45	59.55
(c) Legal and professional fees	72.28	74.96
(d) ISO tank rental	108.53	90.41
(e) Others	433.96	461.55

**NOTE 49 EARNINGS IN FOREIGN EXCHANGE**
(₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
FOB value of exports	28,515.44	19,325.22

**NOTE 50**

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

T.M.M. Nambiar  
S. S. Lalbhai  
P. N. Kapadia  
S. M. Kulkarni  
R. V. Haribhakti

V. P. Mafatlal  
A. K. Srivastava  
S. G. Mankad  
H. H. Engineer

} Directors

Sitendu Nagchaudhuri  
Chief Financial Officer

N. B. Mankad  
Company Secretary

Mumbai, 30th April, 2016

# **FINANCIAL SECTION**

## **CONSOLIDATED**

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
NAVIN FLUORINE INTERNATIONAL LIMITED

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NAVIN FLUORINE INTERNATIONAL LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of four subsidiaries, and two jointly controlled entities, whose financial statements reflect total assets of ₹ 17,384.28 lacs as at 31st March, 2016, total revenues of ₹ 4,767.80 lacs and net cash flows amounting to (₹ 162.96 lacs) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated



financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st

March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary companies and jointly controlled companies incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice – also refer Note 38 to the financial statements.
  - (ii) The Group and its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.

**For Deloitte Haskins and Sells**

Chartered Accountants  
(Firm's Registration No. 117364W)

Ketan Vora  
(Partner)

Mumbai, 30th April, 2016

(Membership No. 100459)

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Navin Fluorine International Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Deloitte Haskins and Sells**  
Chartered Accountants  
(Firm's Registration No.11364W)

Ketan Vora  
(Partner)

Mumbai, 30th April, 2016

(Membership No. 100459)

**Consolidated Balance Sheet** as at 31st March, 2016

(₹ in lacs)

	Note no.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	978.58	976.83
Reserves and surplus	4	63,555.86	57,789.42
		<b>64,534.44</b>	<b>58,766.25</b>
<b>Minority Interest</b>			
		<b>0.50</b>	<b>1,291.11</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	4,754.67	2,746.09
Deferred tax liabilities (net)	6	3,695.39	3,225.44
Other long term liabilities	7	2,251.61	2,230.66
Long-term provisions	8	614.44	526.57
		<b>11,316.11</b>	<b>8,728.76</b>
<b>Current liabilities</b>			
Short-term borrowings	9	3,410.05	3,383.04
Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		481.37	281.04
Total outstanding dues other than micro enterprises and small enterprises		9,080.69	8,640.74
Other current liabilities	11	4,792.59	2,489.74
Short-term provisions	12	1,805.52	1,614.18
		<b>19,570.22</b>	<b>16,408.74</b>
<b>Total</b>		<b>95,421.27</b>	<b>85,194.86</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	13		
Tangible assets		28,617.87	23,218.97
Intangible assets		68.50	69.93
Capital work-in-progress		2,042.14	6,038.95
		<b>30,728.51</b>	<b>29,327.85</b>
Goodwill on consolidation		8,776.41	4,095.68
Non-current investments	14	11,670.05	11,601.82
Long-term loans and advances	15	9,644.18	9,064.17
		<b>60,819.15</b>	<b>54,089.52</b>
<b>Current assets</b>			
Current investments	16	5,321.02	5,530.11
Inventories	17	7,552.57	7,606.19
Trade receivables	18	14,992.78	11,986.43
Cash and cash equivalents	19	2,867.90	2,807.45
Short-term loans and advances	20	3,447.75	2,779.83
Other current assets	21	420.10	395.33
		<b>34,602.12</b>	<b>31,105.34</b>
<b>Total</b>		<b>95,421.27</b>	<b>85,194.86</b>

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins &amp; Sells

Chartered Accountants

Registration No. 117364W

**Ketan Vora**  
Partner  
Membership No. 100459

**H. A. Mafatlal**  
Chairman

**S. S. Khanolkar**  
Managing Director

**T.M.M. Nambiar**  
**S. S. Lalbhai**  
**P. N. Kapadia**  
**S. M. Kulkarni**  
**R. V. Haribhakti**

**V. P. Mafatlal**  
**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer**

} Directors

Mumbai, 30th April, 2016

**Sitendu Nagchaudhuri**  
Chief Financial Officer

**N. B. Mankad**  
Company Secretary

## ■ Consolidated Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in lacs)

	Note no.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from operations (gross)	22	72,196.27	62,966.37
<b>Less: Excise duty</b>		4,228.69	3,814.89
<b>Revenue from operations (net)</b>		<b>67,967.58</b>	<b>59,151.48</b>
Other income	23	2,448.42	2,951.84
<b>Total</b>		<b>70,416.00</b>	<b>62,103.32</b>
<b>Expenses</b>			
Cost of materials consumed	24	30,549.30	27,955.44
Purchases of stock-in-trade	24	678.26	1,094.19
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(117.16)	(146.14)
Employee benefits expense	26	8,061.31	7,408.49
Finance costs	27	377.93	333.31
Depreciation and amortization expense	28	2,249.12	2,012.28
Other expenses	29	17,061.13	15,619.49
<b>Total</b>		<b>58,859.89</b>	<b>54,277.05</b>
<b>Profit before tax</b>		<b>11,556.11</b>	<b>7,826.26</b>
<b>Tax expense</b>			
Current tax		2,719.08	2,083.10
Short provision for tax relating to prior years		18.32	-
Deferred tax		468.32	(80.53)
		<b>3,205.72</b>	<b>2,002.57</b>
<b>Profit for the year (before adjustment for minority interest)</b>		<b>8,350.39</b>	<b>5,823.69</b>
<b>Less: Share of loss attributable to Minority Interest</b>		(0.01)	(367.20)
<b>Profit for the year attributable to the shareholders of the Company</b>		<b>8,350.38</b>	<b>5,456.49</b>
<b>Earnings per share (of ₹ 10/- each)</b>			
Basic	31	85.40	55.87
Diluted	31	84.75	55.63

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Registration No. 117364W

Ketan Vora  
Partner  
Membeship No. 100459

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S. G. Mankad  
H. H. Engineer

Directors

Mumbai, 30th April, 2016

Sitendu Nagchaudhuri  
Chief Financial Officer

N. B. Mankad  
Company Secretary

## ■ Consolidated Cash Flow Statement for the year ended 31st March, 2016 (₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,556.11	7,826.26
adjustments for,		
Depreciation / amortization	2,249.12	2,012.12
Loss on sale / write off of fixed assets (net)	111.12	28.55
Profit on sale of current investments	(366.32)	(939.37)
Provision for doubtful debts / advances written back	(5.67)	(12.06)
Adjustments to the carrying amount of investments	1.50	-
Interest expense	377.92	333.31
Interest income	(353.50)	(351.46)
Net loss on foreign currency transactions and translations	174.89	202.50
Share of profit in the partnership firm where the Company is a partner	(0.05)	(0.31)
Dividend on investments (non-trade)	(199.13)	(171.07)
Excess provision of earlier years written back	(0.07)	(0.79)
Provision for doubtful debts / advances	69.63	1.41
<b>Operating profit before working capital changes</b>	<b>13,615.55</b>	<b>8,929.08</b>
Increase in trade receivables	(3,064.79)	(2,928.20)
Decrease / (Increase) in inventories	53.62	(1,050.68)
Increase in loans and advances	(3,148.86)	(6,061.36)
Increase in trade and other payables	2,815.00	3,167.95
	<b>(3,345.03)</b>	<b>(6,872.28)</b>
<b>Cash generated from operations</b>	<b>10,270.52</b>	<b>2,056.81</b>
Net income tax paid	(2,675.09)	(1,957.81)
<b>Net cash flow from operating activities</b>	<b>7,595.43</b>	<b>98.99</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,789.73)	(6,227.04)
Share of profit in the partnership firm where the Company is a partner	0.05	0.31
Bank balances not considered as cash and cash equivalents	541.84	(713.33)
Purchase of investments	(17,346.55)	(9,885.12)
Amount paid for acquisition of subsidiary	(5,014.11)	-
Sale of fixed assets	21.28	11.70
Sale of investments	17,766.96	16,634.29
Dividend income	199.13	171.07
Interest income	356.06	349.66
<b>Net cash flow (used in) / from investing activities</b>	<b>(5,265.07)</b>	<b>341.53</b>

## Consolidated Cash Flow Statement for the year ended 31st March, 2016 (₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Calls in arrears received during the year (including securities premium)	1.32	1.49
Proceeds from allotment of ESOP	65.49	32.56
Proceeds from long term borrowings	3,186.67	2,746.09
Repayments from long term borrowings	(1,178.09)	(24.85)
Proceeds from other borrowings	27.01	-
Repayments of other borrowings (net)	-	(2,356.57)
Dividend paid (including dividend distribution tax)	(2,161.95)	(1,833.10)
Minority Interest	(1,290.61)	(366.87)
Interest expense	(377.92)	(332.84)
<b>Net cash used in financing activities</b>	<b>(1,728.08)</b>	<b>(2,134.11)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>602.29</b>	<b>(1,693.59)</b>
Cash and cash equivalents at the beginning of the year	1,043.94	2,737.53
Cash and cash equivalents at the end of the year	1,646.23	1,043.94
<b>Note,</b>		
<b>Reconciliation of cash and cash equivalents</b>		
As per Balance sheet - note 19	1,646.23	1,043.94
As per Consolidated Cash Flow statement	1,646.23	1,043.94

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

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Partner  
Membership No. 100459

**H. A. Mafatlal**  
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**H. H. Engineer**

} Directors

Mumbai, 30th April, 2016

**Sitendu Nagchaudhuri**  
Chief Financial Officer

**N. B. Mankad**  
Company Secretary

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

#### (b) Principles of consolidation

The consolidated financial statements relate to Navin Fluorine International Ltd. (the 'Company'), its subsidiary companies & jointly controlled entities. The consolidated financial statements have been prepared on the following basis:

The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31st March, 2016.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

#### (c) Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize or are known.

#### (d) Tangible fixed assets

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.



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (e) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries, jointly controlled entities and associates has been provided on straight-line method as per the estimated useful life of such assets.

#### (f) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer Software which are capitalized, are amortized over a period of 3 years on straight-line basis.

#### (g) Impairment of tangible and intangible assets

Impairment loss is provided to the extent that the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

#### (h) Investments

Long-term investments are carried at cost. Provision is made to recognize a diminution, other than temporary, in the carrying amount of long-term investments. Current investments are carried individually, at the lower of cost and fair value.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

#### (i) Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods, stores and spares - Weighted average

Process stocks and finished goods - At material cost plus appropriate value of overheads

#### (j) Retirement and other employee benefits

(i) Contributions are made towards provident fund, family pension fund and superannuation fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes / rules.

(ii) Gratuity liability, a defined benefit scheme, and provision for compensated absences is accrued and provided for on the basis of actuarial valuations made at the year end.

#### (k) Foreign currency transactions

(i) Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization / payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (ii) Foreign Subsidiaries (Non-integral operations):

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the Subsidiaries.

#### (l) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### (m) Operating lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the 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.

#### (n) Revenue recognition

Revenue (income) is recognized when no significant uncertainty as to its determination or realization exists.

#### (o) 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.

#### (p) 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.

#### (q) Employee stock option

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. Compensation expense is amortized over the vesting period of the option on a straight line basis. Compensation cost relating to employee stock options is measured using the intrinsic value method.

#### (r) Research and development expenses

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

### 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 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised shares</b>		
35,000,000 equity shares of ₹ 10/- each	3,500.00	3,500.00
<b>Issued, subscribed and fully paid shares</b>		
9,787,297 (as at 31st March, 2015, 9,769,797) equity shares of ₹ 10/- each, fully paid-up	978.73	976.98
<b>Less: Calls in arrears (refer note 3e)</b>	0.15	0.15
<b>Total</b>	<b>978.58</b>	<b>976.83</b>

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

Particulars	Opening balance	Buyback	ESOP	Closing balance
<b>Equity shares with voting rights</b>				
Year ended 31st March, 2016				
- Number of shares	9,769,797	-	17,500	9,787,297
- Amount (₹ in lacs)	976.98	-	1.75	978.73
Year ended 31st March, 2015				
- Number of shares	9,761,097	-	8,700	9,769,797
- Amount (₹ in lacs)	976.11	-	0.87	976.98

(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 31st March 2016, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 21/- (year ended 31st March, 2015, ₹ 16/-).

(c) Details of shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 10/- each fully paid	As at 31st March, 2016		As at 31st March, 2015	
Name	Nos.	% holding	Nos.	% holding
Mafatlal Impex Private Limited	1,095,448	11.19	1,085,193	11.11
Suremi Trading Private Limited	983,960	10.05	646,081	6.61
NOCIL Limited	566,340	5.79	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) Calls unpaid (by other than officers and directors)

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
2,911 (as at 31st March, 2015, 2,956) equity shares of ₹ 10/- each, ₹ 5/- called up but unpaid	0.15	0.15

(f) Out of the rights issue made in 2004-05, 109 equity shares could not be offered on rights basis due to the non-availability of details of beneficial holders from depositories. The same are kept in abeyance.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 4 RESERVES AND SURPLUS</b>		
<b>Capital reserve no. 1</b>		
Balance of excess of assets over liabilities and reserves taken over pursuant to the scheme of demerger of MIL		
As per last Balance sheet	8,035.17	8,035.17
	<b>8,035.17</b>	<b>8,035.17</b>
<b>Capital reserve no. 2</b>		
Compensation received pursuant to the Montreal Protocol for phasing out production of ozone depleting substances		
As per last Balance sheet	6,823.20	6,823.20
	<b>6,823.20</b>	<b>6,823.20</b>
<b>Capital redemption reserve</b>		
As per last Balance sheet	33.88	33.88
	<b>33.88</b>	<b>33.88</b>
<b>Securities premium account</b>		
As per last Balance sheet	1,084.48	1,052.79
<b>Add:</b> received during the year	65.07	31.70
<b>Less:</b> amount in arrears (net of receipts during the year, ₹ 0.01 lacs; as at 31st March, 2015, ₹ 1.23 lacs)	0.73	0.74
	<b>1,148.82</b>	<b>1,083.75</b>
<b>General reserve</b>		
As per last Balance sheet	7,333.34	6,839.34
<b>Add:</b> transferred from surplus in statement of Profit and loss	-	494.00
	<b>7,333.34</b>	<b>7,333.34</b>
<b>Foreign currency translation reserve</b>		
As per last Balance sheet	324.92	530.12
<b>Less:</b> Amount transferred on account of resulting exchange difference on conversion of a non-integral foreign subsidiary	176.12	205.20
	<b>148.80</b>	<b>324.92</b>
<b>Surplus in Statement of Profit and loss</b>		
Balance as per last Balance Sheet	34,205.25	31,253.85
<b>Less:</b> Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	166.26
<b>Add:</b> profit for the year	8,387.41	5,490.39
	<b>42,592.66</b>	<b>36,577.97</b>

**Notes forming part of Consolidated Financial Statements** for the year ended 31st March, 2016  
(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 4 RESERVES AND SURPLUS (Contd.)</b>		
<b>Share of Joint Venture</b>		
Brought forward loss	(50.09)	(8.12)
Adjustment for brought forward of JV	0.09	(8.07)
<b>Add:</b> profit for the year	(37.03)	(33.90)
<b>Share of Joint Venture</b>	<b>(87.03)</b>	<b>(50.09)</b>
	<b>42,505.63</b>	<b>36,527.88</b>
<b>Less: appropriations</b>		
Dividend for previous year on equity shares issued after the year end pursuant to allotment of ESOP	0.14	-
Interim dividend (₹ 10/- per share, as at 31st March, 2015, ₹ 7.50 per share)	977.95	732.73
Proposed final dividend (₹ 11/- per share, as at 31st March, 2015, ₹ 8.50 per share)	1,076.60	830.43
Corporate tax on dividend	418.29	315.56
Transferred to general reserve	-	494.00
<b>Total appropriations</b>	<b>2,472.98</b>	<b>2,372.72</b>
	<b>40,032.65</b>	<b>34,155.16</b>
<b>Total</b>	<b>63,555.86</b>	<b>57,789.42</b>

<b>NOTE 5 LONG-TERM BORROWINGS</b>		
<b>Term loan - from banks</b>		
<b>Secured</b>		
AXIS Bank	-	1,178.09
HDFC Bank *	2,182.17	-
	<b>2,182.17</b>	<b>1,178.09</b>
<b>Share of Joint Venture</b>		
<b>Term loan - from banks</b>		
<b>Secured</b>		
HDFC Bank **	2,572.50	1,568.00
	<b>2,572.50</b>	<b>1,568.00</b>
<b>Total</b>	<b>4,754.67</b>	<b>2,746.09</b>

**Terms of repayment and security**

\* Repayable in 7 quarterly installments from September, 2016

To be secured by second charge on fixed assets of the Parent Company

\*\* Repayable in 15 quarterly installments from June, 2016

To be secured by first charge on all moveable and immoveable fixed assets, both present and future of the Company

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 6 DEFERRED TAX LIABILITIES (NET)</b>		
Difference between book and tax written down values of fixed assets	3,698.83	3,192.76
Others	38.62	42.71
<b>Gross deferred tax liability</b>	<b>3,737.45</b>	<b>3,235.47</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts / advances	32.16	10.03
Others	9.90	-
<b>Gross deferred tax asset</b>	<b>42.06</b>	<b>10.03</b>
<b>Net deferred tax liability</b>	<b>3,695.39</b>	<b>3,225.44</b>
<b>NOTE 7 OTHER LONG-TERM LIABILITIES</b>		
Advance against project contracts	303.24	303.24
Security deposits received	586.72	565.77
Others		
- Iraq gas project (refer note 36)	1,031.70	1,031.70
- Land development	329.95	329.95
<b>Total</b>	<b>2,251.61</b>	<b>2,230.66</b>
<b>NOTE 8 LONG-TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences	614.44	526.57
<b>Total</b>	<b>614.44</b>	<b>526.57</b>
<b>NOTE 9 SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Cash credit from banks	-	1,340.48
<b>Unsecured</b>		
Commercial paper	2,990.40	1,970.57
Others	419.65	71.99
	<b>3,410.05</b>	<b>2,042.56</b>
<b>Total</b>	<b>3,410.05</b>	<b>3,383.04</b>

Cash 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.

**Notes forming part of Consolidated Financial Statements** for the year ended 31st March, 2016  
(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 10 TRADE PAYABLES</b>		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	481.37	281.04
- Total outstanding dues other than micro enterprises and small enterprises	9,076.14	8,636.57
	<b>9,557.51</b>	<b>8,917.61</b>
Share of Joint Venture	4.55	4.17
<b>Total</b>	<b>9,562.06</b>	<b>8,921.78</b>
<b>NOTE 11 OTHER CURRENT LIABILITIES</b>		
Unpaid dividend	223.45	208.70
Unpaid money on buy-back of shares	1.08	1.09
Other payables		
- Statutory dues payable	249.59	243.99
- Trade / security deposits	547.36	782.83
- Advance from customers	54.26	73.66
- Gratuity (refer note 32)	54.50	158.20
- Other liabilities	2,659.84	911.69
	<b>3,790.08</b>	<b>2,380.16</b>
<b>Share of Joint Venture</b>		
- Statutory dues payable	15.04	10.30
- Other liabilities	987.47	99.28
	<b>1,002.51</b>	<b>109.58</b>
<b>Total</b>	<b>4,792.59</b>	<b>2,489.74</b>
<b>NOTE 12 SHORT-TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences	153.31	336.21
	<b>153.31</b>	<b>336.21</b>
<b>Provisions - Others</b>		
Provision for tax (net of advance tax ₹ 6,749.01 lacs, as at 31st March, 2015, ₹ 6,104.88 lacs)	356.44	278.48
Provision for proposed equity dividend	1,076.60	830.43
Provision for tax on proposed dividend	219.17	169.06
	<b>1,652.21</b>	<b>1,277.97</b>
<b>Total</b>	<b>1,805.52</b>	<b>1,614.18</b>

	Gross Block			Depreciation / amortisation				Net Block			
	As at 1st April, 2015	Additions / adjustments	Deductions / adjustments	Effect of foreign currency exchange differences	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions / adjustments	Effect of foreign currency exchange differences	As at 31st March, 2016	As at 31st March, 2015
Intangible assets											
Computer software	212.12	19.13	15.05	-	216.20	142.19	20.56	15.05	-	147.70	69.93
	212.12	19.13	15.05	-	216.20	142.19	20.56	15.05	-	147.70	69.93
Share of Joint Venture	0.04	-	(0.04)	-	0.08	0.02	0.02	(0.04)	-	0.08	-
Total	212.16	19.13	15.01	-	216.28	142.21	20.58	15.01	-	147.78	69.93
Capital work-in-progress										2,042.14	6,038.95

**Notes forming part of Consolidated Financial Statements** for the year ended 31st March, 2016  
(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 14 NON-CURRENT INVESTMENTS</b>		
(a) <b>Investment property</b> (at cost less accumulated depreciation, given on operating lease)		
Cost of premises	5,108.81	5,108.81
<b>Less:</b> accumulated depreciation	531.01	445.74
<b>Net</b>	<b>4,577.80</b>	<b>4,663.07</b>
(b) <b>Non-trade investments</b> (valued at cost unless stated otherwise)		
Investment in equity instruments	2,712.34	2,712.34
Investment in bonds	1.50	1.50
<b>Less:</b> adjustments to the carrying amount of investments	(1.50)	-
Investment in mutual funds	4,379.91	4,224.90
<b>Total</b>	<b>11,670.05</b>	<b>11,601.82</b>
Aggregate amount of quoted investments	2,690.57	2,690.57
Aggregate market value of listed and quoted investments	7,954.88	5,312.07
Aggregate amount of unquoted investments	8,979.48	8,911.24
<b>NOTE 15 LONG-TERM LOANS AND ADVANCES</b>		
<b>Capital advances</b>		
- Unsecured, considered good	81.56	6,323.17
<b>Security deposits</b>		
- Unsecured, considered good	692.19	627.13
<b>Loans and advances to related parties</b> (refer note 46)		
- Secured considered good	-	6.08
- Unsecured, considered good	38.86	-
Loans and advances to employees (unsecured, considered good)	0.93	1.05
Prepaid expenses (unsecured, considered good)	0.54	0.75
Advance income-tax (net of provision ₹ 21,302.47 lacs, as at 31st March, 2015, ₹ 19,290.47 lacs) (unsecured, considered good)	1,629.25	1,613.60
Advance fringe benefit tax (net of provision ₹ 89.00 lacs, as at 31st March, 2015, ₹ 89.00 lacs)	12.08	12.08
<b>Other loans and advances</b> (unsecured, considered good)		
- Iraq gas project (refer note 36)	162.70	162.70
- Land development	205.64	205.64
- Others	118.12	111.68
	<b>2,941.87</b>	<b>9,063.88</b>
<b>Share of Joint Venture</b>		
- Unsecured, considered good	6,702.31	0.29
<b>Total</b>	<b>9,644.18</b>	<b>9,064.17</b>



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 16 CURRENT INVESTMENTS</b> (Valued at lower of cost or fair value)		
<i>Unquoted</i>		
Investment in mutual funds	5,321.02	5,410.11
Nil (as at 31st March, 2015, 4) 18% Redeemable Non-Convertible Debentures of Eldeco Sohna Projects Limited of ₹ 5,000,000/- each, ₹ 2,000,000/- redeemed	-	120.00
<b>Total</b>	<b>5,321.02</b>	<b>5,530.11</b>

<b>NOTE 17 INVENTORIES</b> (valued at lower of cost or net realizable value)		
Raw materials	2,746.97	2,656.17
Work-in-progress - Fluoro chemicals	1,138.34	499.55
Finished goods	1,379.54	2,197.19
Traded goods	1,349.80	1,017.11
Stores and spares	937.92	1,236.17
<b>Total</b>	<b>7,552.57</b>	<b>7,606.19</b>

<b>NOTE 18 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	22.14	103.82
Doubtful	78.08	23.85
	100.22	127.67
<b>Less: provision for doubtful receivables</b>	<b>78.08</b>	<b>23.85</b>
	<b>22.14</b>	<b>103.82</b>
<b>Other receivables</b>		
Unsecured, considered good	14,970.64	11,882.61
Doubtful	12.41	2.69
	14,983.05	11,885.30
<b>Less: provision for doubtful receivables</b>	<b>12.41</b>	<b>2.69</b>
	<b>14,970.64</b>	<b>11,882.61</b>
<b>Total</b>	<b>14,992.78</b>	<b>11,986.43</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 19 CASH AND CASH EQUIVALENTS</b>		
<b>Cash and cash equivalents</b> (As per Accounting Standard 3 on Cash flow statement)		
Cash on hand	7.61	8.23
Balances with banks		
in current accounts	1,442.75	833.58
in deposits accounts		
- original maturity of 3 months or less	167.00	155.00
	<b>1,617.36</b>	<b>996.80</b>
<b>Share of Joint Venture</b>		
in current accounts	21.98	36.70
in deposits accounts		
- original maturity of 3 months or less	6.88	10.44
	<b>28.86</b>	<b>47.14</b>
	<b>1,646.23</b>	<b>1,043.94</b>
<b>Other bank balances</b>		
in deposit accounts		
- original maturity of more than 3 months	180.00	796.74
in other deposit accounts	762.42	703.67
in earmarked accounts		
- unpaid dividend account	223.45	208.70
- buy-back account	1.09	1.09
- balances held as margin money	19.01	17.61
- unclaimed settled liabilities	35.70	35.70
	<b>1,221.67</b>	<b>1,763.51</b>
<b>Total</b>	<b>2,867.90</b>	<b>2,807.45</b>
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.		
<b>NOTE 20 SHORT TERM LOANS AND ADVANCES</b>		
<b>Loan and advances to related parties</b> (refer note 46)		
- Unsecured, considered good	275.34	208.08
<b>Security deposits</b>		
- Unsecured, considered good	54.69	191.06
Loans to employees (unsecured, considered good)	2.22	2.49
Prepaid expenses (unsecured, considered good)	175.28	145.00
<b>Balances with statutory / government authorities</b> (unsecured, considered good)		
- CENVAT credit receivable	1,144.43	910.87
- Service tax credit receivable	765.70	977.55
	<b>2,087.63</b>	<b>2,035.91</b>
<b>Other loans and advances</b> (unsecured, including advance to suppliers)		
Unsecured, considered good	1,025.38	344.72
Doubtful	2.43	2.43
	<b>1,027.81</b>	<b>347.15</b>
Provision for doubtful advances	2.43	2.43
	<b>1,025.38</b>	<b>344.72</b>
<b>Share of Joint Venture</b>		
- TDS receivable	0.07	0.06
<b>Balances with statutory / government authorities</b> (unsecured, considered good)		
- Service tax credit receivable	4.64	-
<b>Total</b>	<b>3,447.75</b>	<b>2,779.83</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 21 OTHER CURRENT ASSETS</b>		
Interest accrued on fixed deposits with banks	59.30	61.86
Rent receivable	252.41	244.77
Others	108.36	88.68
	<b>420.07</b>	<b>395.31</b>
<b>Share of Joint Venture</b>		
Interest accrued on fixed deposits with banks	0.03	0.02
<b>Total</b>	<b>420.10</b>	<b>395.33</b>

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 22 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Finished goods	71,336.15	61,479.98
Traded goods	705.71	1,330.94
	<b>72,041.86</b>	<b>62,810.92</b>
<b>Other operating revenue</b>		
Scrap sales	154.41	155.45
<b>Revenue from operations (gross)</b>	<b>72,196.27</b>	<b>62,966.37</b>
<b>Less: excise duty *</b>	<b>4,228.69</b>	<b>3,814.89</b>
<b>Revenue from operations (net)</b>	<b>67,967.58</b>	<b>59,151.48</b>

\* Excise duty deducted from turnover represents excise duty collected on sale of goods. Excise duty shown under 'expenditure' (note 29) represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stocks of finished goods.

<b>NOTE 23 OTHER INCOME</b>		
Interest income (refer note 1, below)	353.50	351.46
Dividend income:		
Current investments	30.65	76.73
Long-term investments	168.48	94.34
Other non-operating income (refer note 2, below)	1,895.06	2,428.68
	<b>2,447.69</b>	<b>2,951.21</b>
<b>Share of Joint Venture</b>		
Interest income (refer note 1, below)	0.73	-
Net gain on foreign currency transaction and translation	-	0.63
	<b>0.73</b>	<b>0.63</b>
<b>Total</b>	<b>2,448.42</b>	<b>2,951.84</b>
<b>Notes,</b>		
<b>(1) Interest income:</b>		
Interest from banks on deposits	33.40	42.64
Interest on loans & advances	309.98	240.70
Interest on Investments	10.71	68.12
Other interest	0.14	-
	<b>354.23</b>	<b>351.46</b>

**Notes forming part of Consolidated Financial Statements** for the year ended 31st March, 2016  
(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 23 OTHER INCOME (Contd.)</b>		
<b>(2) Other non-operating income:</b>		
Rental income from investment property	1,404.81	1,458.15
Provision for doubtful debts / advances written back / credit balances written back	5.67	12.06
Excess provision of earlier years written back (net)	0.07	0.79
Insurance claims	45.47	4.49
Profit on sale of current investments	366.32	939.37
Share of profit in the partnership firm where the Company is a partner	0.05	0.31
Miscellaneous income	72.68	13.50
	<b>1,895.06</b>	<b>2,428.68</b>
<b>NOTE 24 COST OF RAW MATERIALS CONSUMED</b>		
Inventories at the beginning of the year	2,656.17	2,403.06
<b>Add:</b> Purchases	30,640.10	28,208.55
	<b>33,296.27</b>	<b>30,611.61</b>
<b>Less:</b> Inventories at the end of the year	2,746.97	2,656.17
<b>Cost of raw materials consumed</b>	<b>30,549.30</b>	<b>27,955.44</b>
Purchases of stock-in-trade	678.26	1,094.19
	<b>678.26</b>	<b>1,094.19</b>
<b>NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year</b>		
Finished goods	1,379.54	2,197.19
Work-in-process	1,138.34	499.55
Stock-in-trade	1,349.80	1,017.11
	<b>3,867.68</b>	<b>3,713.84</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	2,197.19	2,277.82
Work-in-process	499.55	540.11
Stock-in-trade	1,017.11	820.41
	<b>3,713.84</b>	<b>3,638.34</b>
	<b>153.84</b>	<b>75.50</b>
<b>(Less) / Add:</b> Foreign currency translation adjustments	(36.68)	70.64
<b>Net increase</b>	<b>117.16</b>	<b>146.14</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	7,105.83	6,282.40
Contribution to provident and other funds	506.70	459.81
Gratuity expenses	210.06	437.36
Staff welfare expenses	226.58	226.71
	<b>8,049.17</b>	<b>7,406.28</b>
<b>Share of Joint Venture</b>		
Salaries, wages and bonus	12.00	2.08
Contribution to provident and other funds	0.14	0.12
	<b>12.14</b>	<b>2.20</b>
<b>Total</b>	<b>8,061.31</b>	<b>7,408.49</b>
<b>NOTE 27 FINANCE COSTS</b>		
Interest on borrowings (Net off interest capitalized ₹ 291.43 lacs, as at 31st March, 2015 ₹ 230.29 lacs)	320.98	288.07
Interest on others	21.20	15.53
Other borrowing costs	35.75	29.25
	<b>377.93</b>	<b>332.84</b>
<b>Share of Joint Venture</b>		
Interest on others	-	0.46
<b>Total</b>	<b>377.93</b>	<b>333.31</b>
<b>NOTE 28 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation and amortisation of tangible assets	2,143.24	1,886.83
Amortization of intangible assets	20.56	40.02
Depreciation of investment property	85.27	85.27
	<b>2,249.07</b>	<b>2,012.12</b>
<b>Share of Joint Venture</b>		
Depreciation and amortisation of tangible assets	0.03	0.14
Amortization of intangible assets	0.02	0.02
	<b>0.05</b>	<b>0.16</b>
<b>Total</b>	<b>2,249.12</b>	<b>2,012.28</b>

**Notes forming part of Consolidated Financial Statements** for the year ended 31st March, 2016  
(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 29 OTHER EXPENSES</b>		
Consumption of stores and spares	1,956.67	1,826.84
Consumption of packing materials	2,249.74	2,022.25
Excise duty	20.62	41.08
Power and fuel	4,146.10	4,221.56
Rent	638.18	542.95
Repairs to buildings	278.13	264.57
Repairs to machinery	553.72	442.14
Labour charges	815.60	674.70
Property maintenance expenses	7.28	9.47
Insurance	154.40	141.29
Rates and taxes	305.17	273.47
Commission and discounts	624.98	608.37
Transport and freight charges (net)	1,590.99	1,616.99
Loss on sale / write off of fixed assets (net)	111.12	28.55
Adjustment to the carrying amount of investments	1.50	-
Provision for doubtful debts / advances	69.63	1.41
Net loss on foreign currency transactions and translations	113.67	95.15
Expenditure on Corporate Social Responsibility (refer note 44)	194.81	118.93
Legal and professional fees	1,049.25	699.28
Miscellaneous expenses	2,154.02	1,958.79
	<b>17,035.56</b>	<b>15,587.78</b>
<b>Share of Joint Venture</b>		
Rent	1.63	1.49
Rates and taxes	10.80	28.70
Legal and professional fees	9.52	0.82
Miscellaneous expenses	3.62	0.71
	<b>25.57</b>	<b>31.71</b>
<b>Total</b>	<b>17,061.13</b>	<b>15,619.49</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 30

The consolidated financial statements of Navin Fluorine International Limited (the parent company - NFIL) and its subsidiaries and a joint ventures have been prepared in accordance with Accounting Standard (AS) 21 on 'Consolidated Financial Statements' and AS 27 on 'Financial Reporting of Interests in Joint Venture' issued by The Institute of Chartered Accountants of India. The details of such enterprises are as under:

	% holding of NFIL	Date of financial statements
<b>Subsidiaries</b>		
Sulakshana Securities Limited - SSL (a company incorporated in India)	100.00	31st March, 2016
Manchester Organics Limited – MOL* (a company incorporated in United Kingdom)	100.00	31st March, 2016
Urvija Associates (a partnership firm in India)	80.00	31st March, 2016
NFIL (UK) Limited (a company incorporated in United Kingdom)	100.00	31st March, 2016
Navin Fluorine (Shanghai) Company Limited (a company incorporated in China)	100.00	31st March, 2016
<b>Joint Ventures</b>		
Swarnim Gujarat Fluorspar Private Limited – SGFPL (a company incorporated in India)	49.43	31st March, 2016
Convergence Chemicals Private Limited – CCPL (a company incorporated in India)	49.00	31st March, 2016

#### Note,

There has been no change in the percentage holding of NFIL in SSL, MOL, Urvija Associates, SGFPL and CCPL. NFIL (UK) Limited became a subsidiary on 2nd October, 2015 and Navin Fluorine (Shanghai) Company Limited became a subsidiary on 12th May, 2015.

\* Navin Fluorine International Limited holds 51% and NFIL (UK) Limited holds 49% in Manchester Organics Limited

### NOTE 31 EARNINGS PER SHARE (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

	As at 31st March, 2016	As at 31st March, 2015
Profit attributable to equity shareholders – (₹ in lacs)	8,350.38	5,456.49
Weighted average number of equity shares outstanding during the year	9,777,419	9,765,578
Basic earnings per share – ₹	85.40	55.87
Diluted earnings per share – ₹	84.75	55.63
Nominal value per share – ₹	10.00	10.00

### 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 ₹ 506.84 lacs (as at 31st March, 2015, ₹ 459.93 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.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 32 EMPLOYEE BENEFITS (Contd.)

The charge on account of provision for compensated absences has been included in 'Salaries, wages and bonus'.

In respect of gratuity (funded) :

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Reconciliation of liability recognized in the Balance sheet</b>		
Present value of commitments	(1,598.46)	(1,555.49)
Fair value of plan assets	1,543.96	1,397.29
Net liability in the Balance sheet	(54.50)	(158.20)
<b>Movement in net liability recognized in the Balance sheet</b>		
Net liability as at beginning of the year	(158.20)	(74.84)
Net expense recognized in the Statement of Profit and loss	(210.06)	(437.36)
Contribution during the year	313.76	354.00
Net liability as at end of the year	(54.50)	(158.20)
<b>Expense recognized in the Statement of Profit and loss</b>		
Current service cost	128.85	70.48
Interest cost	124.28	105.82
Expected return on plan assets	(111.64)	(92.38)
Actuarial (gains) / losses	71.58	353.44
Expense charged to the Statement of Profit and loss	210.06	437.36
<b>Return on plan assets</b>		
Expected return on plan assets	111.64	92.38
Actuarial gains / (losses)	17.35	(17.05)
Actual return on plan assets	128.99	75.33
<b>Reconciliation of defined-benefit commitments</b>		
Commitments as at beginning of the year	1,555.49	1,136.67
Current service cost	125.85	70.48
Interest cost	124.28	105.82
Paid benefits	(296.09)	(93.86)
Actuarial (gains) / losses	88.93	336.78
Commitments as at end of the year	1,598.46	1,555.49
<b>Reconciliation of plan assets</b>		
Plan assets as at beginning of the year	1,397.30	1,061.83
Expected return on plan assets	111.64	92.38
Contributions during the year	313.76	354.00
Paid benefits	(296.09)	(93.86)
Actuarial gains / (losses)	17.35	(17.05)
Plan assets as at end of the year	1,543.96	1,397.30

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

	As at 31st March, 2016 %	As at 31st March, 2015 %
Discount rate	7.79	7.99
Expected return on plan assets	7.79	7.99
Expected rate of salary increase	10.00	9.00



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

**NOTE 32 EMPLOYEE BENEFITS (Contd.)**

Mortality	Indian Assured Life Mortality (2006-08) Ultimate	
Estimate of amount of contribution in the immediate next year	164.50	153.76
Experience adjustment	On plan liability (gain) / loss	On plan assets gain / (loss)
2015-16	26.63	17.35
2014-15	68.20	(17.05)
2013-14	29.12	(10.28)
2012-13	28.70	46.72
2011-12	52.91	3.10
The fair value of the plan assets is distributed in the following manner:	As at 31st March, 2016 %	As at 31st March, 2015 %
Deposits with a nationalized bank	23.26	25.69
Various debt instruments	76.74	74.31

**NOTE 33 EMPLOYEE STOCK OPTION SCHEME**

- (a) The Company's Employee Stock Option Scheme has been approved by the Board of Directors of the Company on 1st May, 2007.
- (b) The vesting period of the options granted on 20th July, 2007 is over four years commencing after one year from the date of grant. The options granted on 28th April, 2014 and 29th June, 2015 shall vest upon the expiry of two years from the date of their grant.
- (c) Exercise period would commence one year from the date of vesting 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 prices have been determined to be the market price on the days preceding the dates of respective 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 31st March, 2016	As at 31st March, 2015
Particulars	Nos.	Nos.
Options outstanding at the beginning of the year	106,900	30,200
Options granted during the year	30,023	86,700
Options vested during the year	NIL	NIL
Options exercised during the year	17,500	8,700
Options forfeited during the year	NIL	NIL
Options lapsed / surrendered during the year	6,316	1,300
Options outstanding at the end of the year	113,107	106,900

- (i) Had fair value method been used, the compensation cost would have been higher by ₹ 79.89 lacs (as at 31st March, 2015, ₹ 45.26 lacs), Profit after tax would have been lower by ₹ 79.89 lacs (as at 31st March, 2015, ₹ 45.26 lacs) and EPS – both basic and diluted - would have been ₹ 84.59 & ₹ 83.94 per share respectively (as at 31st March, 2015, ₹ 55.54 & ₹ 55.29 per share respectively).
- (j) Weighted Average exercise price of the above options range between ₹ 374.20 and ₹ 974/-

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 34 LEASE

- (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 recognized in the Profit and loss account is ₹ 639.81 lacs (as at 31st March, 2015, ₹ 544.44 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 31st March, 2016	As at 31st March, 2015
Not later than one year	488.07	322.10
Later than one year and not later than five years	1,299.76	1,194.38
Later than five years	651.11	834.00
<b>Total</b>	<b>2,438.94</b>	<b>2,350.48</b>

- (c) The Company has given office premises under lease rental agreement. Details of minimum lease payments for non-cancellable lease are as under: (₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	434.23	444.50
Later than one year and not later than five years	1,485.27	1,217.96
Later than five years	40.45	367.60
<b>Total</b>	<b>1,959.95</b>	<b>2,030.06</b>
Operating lease rentals credited to the Statement of Profit and loss	1,404.81	1,458.15

- (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 31st March, 2016	As at 31st March, 2015
Gross block as at the year end	6,893.90	6,893.90
Accumulated depreciation as at the year end	937.58	824.11
Depreciation charged during the year	113.47	113.47

### 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:

(₹ in lacs)

Particulars	As at and for the year ended 31st March, 2016			As at and for the year ended 31st March, 2015		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenues	38,751.04	33,290.82	72,041.86	38,520.43	24,290.49	62,810.92
Segment assets	58,979.60	14,941.37	73,920.97	53,805.35	9,824.45	63,629.80
Cost incurred on acquisition of fixed assets	3,645.29	33.70	3,678.99	6,144.66	82.37	6,227.03

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

**NOTE 36**

Mafatlal Industries Limited (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 sanctioned scheme of MIL, continue to be carried forward and necessary adjustments would be made on the status of the project becoming clearer.

**NOTE 37 CAPITAL AND OTHER COMMITMENTS**

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
(i) <b>Capital commitments :</b> Estimated amount of contracts remaining to be executed on capital account and not provided for	439.96	3,170.30
(ii) <b>Other commitments :</b> Estimated amount of obligation on account of non-fulfillment of export commitments under various advance licenses	47.90	173.00

**NOTE 38 CONTINGENT LIABILITIES**

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
In respect of:		
(a) <b>Excise matters disputed in appeal</b> These relate to MODVAT on capital purchases (pending before the Assistant Commissioner) and permit fee on purchase of alcohol (pending before the High Court)	268.13	127.52
(b) <b>Claims against the Group not acknowledged as debts</b> Labour matters involving issues like regularization of employment, termination of employment, compensation against severance, etc.	7.00	19.64
(c) <b>Sales-tax matters disputed in appeal</b> These relate to classification of goods and consequent dispute on the rates of sales-tax (pending at various stages from Assistant Commissioner to High Court)	136.63	136.68
(d) <b>Income tax matters disputed in appeal</b>	1,933.49	787.35

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 39 DERIVATIVE INSTRUMENTS

- (a) The Group enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to such forward contracts is a bank. These contracts are entered into to hedge the foreign currency risks on outstanding. Details of forward contracts outstanding as at the year end: (*₹ in lacs*)

Currency	Exposure to buy / sell	As at the year end	
		₹ in lacs	Foreign currency in lacs
US Dollars	Sell	6,730.16 (2,763.25)	101.58 (44.21)
GBP	Sell	37.23 (88.77)	0.39 (0.96)
EURO	Sell	112.64 (0.00)	1.49 (0.00)
US Dollars	Buy	2,986.75 (1,616.18)	45.08 (25.86)

**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 ₹ 6.86 lacs (as at 31st March, 2015, credit ₹ 0.15 lacs).
- (c) Foreign currency exposure at the year end not hedged by derivative instruments (*₹ in lacs*)

	As at 31st March, 2016	As at 31st March, 2015
<b>Receivables against export of goods and services</b>		
US Dollars	138.06	1,426.17
Euros	0.00	2.89
GBP	2.26	39.69
<b>Advance received from customers</b>		
US Dollars	40.05	8.63
<b>Payables against import of goods and services</b>		
US Dollars	66.06	494.92
Euros	2.75	2.02
GBP	0.12	36.89
CHF	0.00	6.72
<b>Advance payment to suppliers</b>		
US Dollars	235.22	1.53
Euros	2.65	24.91
CHF	0.00	7.28

The above information is compiled from the company and its Indian subsidiaries.

### NOTE 40 RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 1,924.21 lacs (as at 31st March, 2015, ₹ 1,237.03 lacs) included in the figures reported under notes 13 and 24 to 29 are as under:

(*₹ in lacs*)

	As at 31st March, 2016	As at 31st March, 2015
Capital Expenditure	506.81	91.89
Revenue Expenditure	1,417.40	1,145.14
<b>Total</b>	<b>1,924.21</b>	<b>1,237.03</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

**NOTE 40 RESEARCH AND DEVELOPMENT EXPENDITURE (Contd.)**

The details of revenue expenditure incurred on research and development are as under : (₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
Salaries / Wages	614.14	468.53
Material / Consumable / Spares	298.94	291.36
Utilities	148.98	132.35
Other expenditure	200.56	137.89
Depreciation	154.78	115.00
<b>Total</b>	<b>1,417.40</b>	<b>1,145.14</b>

**NOTE 41**

Before transfer of assets to Sulakshana Securities Limited (SSL) by MIL pursuant to its sanctioned scheme of rehabilitation, MIL had initiated steps for revision in rent / recovery of expenses and filed legal proceedings for eviction of some of its tenants / (now) ex-tenants who were occupying at that time some of the premises in its building at Nariman Point, Mumbai. Pending resolution of those legal cases, rent of ₹ Nil, as at 31st March, 2015, ₹ Nil, (aggregate to date, ₹ 66.43 lacs, as at 31st March, 2015, ₹ 66.43 lacs) and recovery of expenses, of ₹ Nil, as at 31st March, 2015, ₹ Nil (aggregate to date, ₹ 42.40 lacs, as at 31st March, 2015, ₹ 42.40 lacs), have not been accounted, on legal advice. The ex-tenants have filed Civil Revision Application and secured a stay from the Honorable Bombay High Court in April 2013 against the Order of the appeal bench of Honorable Small Causes Court awarding an increased amount to SSL. During the previous year, pursuant to the directions of the Honorable Bombay High Court and the Undertakings provided by SSL, it received ₹ 655.58 lacs deposited by the ex-tenants which is subject to final disposal of the matter. SSL is liable to refund the amount if the final decision goes against it. Pending final decision on the matter, the aforesaid amount has been kept in Term deposit account and the interest thereon is not considered as an Income.

**NOTE 42 PAYMENT TO AUDITORS**

(₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Audit fees	19.35	16.35
Payments for other services	23.00	20.60
Expenses and incidentals	0.11	0.06
<b>Total</b>	<b>42.46</b>	<b>37.01</b>

**NOTE 43 GOODWILL ON CONSOLIDATION**

(₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening Balance	4,095.68	4,095.68
<b>Add:</b> On acquisition of subsidiary during the year	4,680.73	-
<b>Total</b>	<b>8,776.41</b>	<b>4,095.68</b>

**NOTE 44 EXPENDITURE IN CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY**

- (a) Gross amount required to be spent by the company during the year ₹ 141.84 lacs (as at 31st March, 2015, ₹ 260.71 lacs)  
 (b) Amount spent during the year on:

(₹ in lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Construction / acquisition of any asset	-	12.80
(ii) On purposes other than (i) above	194.81	118.93
<b>Total</b>	<b>194.81</b>	<b>131.73</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 45

During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation rates are as follows:

	Previous depreciation rate	Revised useful life
Road	1.64% / ~60 years	5 years
Factory building	3.39% / ~29 years	30 years
Other building	1.64% / ~60 years	60 years
Computer	16.67% / ~6 years	3 years
Servers & networks	16.67% / ~6 years	6 years
General plant & machinery	4.75% / ~20 years	15 years
Triple shift plant & machinery	10.56% / ~9 years	7.5 years
Continuous process plant	5.28% / ~19 years	25 years
Reactor, Distillation column, Drying equipment / centrifuge, Vessels / storage tank	4.75% / ~20 years, 10.56% / ~9 years, 5.28% / ~19 years	20 years
Furniture	6.67% / ~15 years	10 years
Office equipment	4.75% / ~20 years	5 years
Electric installation	4.75% / ~20 years	10 years
Vehicles	9.50% / ~11 years	8 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, during the previous year, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1st April, 2014, and has adjusted an amount of ₹ 166.26 lacs (net of deferred tax of ₹ 33.29 lacs) against the opening surplus balance in the Statement of Profit and loss under Reserves and surplus.

The depreciation expense in the Statement of Profit and loss for the previous year is lower by ₹ 205.21 lacs consequent to the change in the useful life of the assets.

### NOTE 46 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

#### Joint Ventures

Swarnim Gujarat Fluorspar Private Limited

Convergence Chemicals Private Limited

#### Key management personnel

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

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

Shri Atul K. Srivastava (upto 30th April, 2015)

Shri Shekhar S. Khanolkar

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

**NOTE 46 RELATED PARTY TRANSACTIONS (Contd.)**

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

(₹ in lacs)

Nature of transactions	1	2	3	Total
<b>Sale of finished goods</b>				
NOCIL Limited	2.68			2.68
	3.68			3.68
Mafatlal Industries Limited	0.33			0.33
	0.27			0.27
<b>Property Maintenance Expenses</b>				
Mafatlal Industries Limited	5.38			5.38
	5.38			5.38
<b>Rental income</b>				
NOCIL Limited	156.78			156.78
	163.80			163.80
<b>Dividend Income</b>				
Mafatlal Industries Limited	53.24			53.24
	53.24			53.24
NOCIL Limited	68.50			68.50
	41.10			41.10
<b>Purchase of cloth for uniform</b>				
Mafatlal Industries Limited	8.70			8.70
	5.77			5.77
<b>Reimbursement of Expenses</b>				
Mafatlal Industries Limited	127.97			127.97
	141.95			141.95
<b>Managerial remuneration</b>				
Shri Hrishikesh A. Mafatlal			246.86	246.86
			166.59	166.59
Shri Vishad P. Mafatlal			9.00	9.00
			7.00	7.00
Shri Atul K. Srivastava			163.57	163.57
			129.01	129.01
Shri Shekhar S. Khanolkar			280.78	280.78
			199.56	199.56
<b>Sitting fees</b>				
Shri Vishad P. Mafatlal			2.35	2.35
			1.80	1.80
Shri Atul K. Srivastava			2.15	2.15
			-	-

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### NOTE 46 RELATED PARTY TRANSACTIONS (Contd.)

(₹ in lacs)				
Nature of transactions	1	2	3	Total
<b>Investment in equity shares</b>				
Swarnim Gujarat Fluorspar Private Limited		-		-
		107.00		107.00
Convergence Chemicals Private Limited		490.00		490.00
		2,940.49		2,940.49
<b>Advances given to</b>				
Swarnim Gujarat Fluorspar Private Limited		-		-
		75.00		75.00
Convergence Chemicals Private Limited		14,182.27		14,182.27
		9,250.08		9,250.08
<b>Repayment of advances / Reimbursement of expenses from</b>				
Swarnim Gujarat Fluorspar Private Limited		-		-
		17.35		17.35
Convergence Chemicals Private Limited		13,906.93		13,906.93
		9,031.43		9,031.43
<b>Donation</b>				
Sri Sadguru Seva Sangh Trust	30.00			30.00
	20.00			20.00
<b>Amounts due to</b>				
Mafatlal Industries Limited	6.10			6.10
	-			-
NOCIL Limited	1.49			1.49
	1.49			1.49
Shri Hrishikesh A. Mafatlal			188.00	188.00
			110.00	110.00
Shri Vishad P. Mafatlal			9.00	9.00
			7.00	7.00
Shri Shekhar S. Khanolkar			58.30	58.30
			39.30	39.30
<b>Amounts due from</b>				
Mafatlal Industries Limited	0.09			0.09
	0.10			0.10
NOCIL Limited	-			-
	1.34			1.34
Convergence Chemicals Private Limited		275.34		275.34
		202.08		202.08

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

(2) Joint Ventures

(3) Key management personnel



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

### Note,

- (1) There are no amounts written off or written back during the year in respect of debts due from or to related parties.  
 (2) Figures in italics are those as at and for the year ended 31st March, 2015

### NOTE 47

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
<b>Parent</b>				
Navin Fluorine International Limited	98.18	63,353.88	99.85	8,338.64
<b>Subsidiaries</b>				
<b>Indian</b>				
Sulakshana Securities Limited - SSL	1.30	839.38	1.75	146.44
Urvija Associates	0.00	1.69	0.00	0.05
<b>Foreign</b>				
Manchester Organics Limited - MOL	0.52	335.35	1.73	144.16
Navin Fluorine (Shanghai) Company Limited	(0.08)	(52.01)	(0.58)	(48.72)
NFIL (UK) Limited	0.22	143.68	(2.31)	(193.15)
<b>Minority Interests in subsidiaries</b>				
<b>Indian</b>				
Urvija Associates	0.00	0.50	0.00	(0.01)
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
Swarnim Gujarat Fluorspar Private Limited – SGFPL	(0.04)	(25.14)	(0.05)	(4.36)
Convergence Chemicals Private Limited – CCPL	(0.10)	(61.90)	(0.39)	(32.67)

H. A. Mafatlal  
Chairman

S. S. Khanolkar  
Managing Director

T.M.M. Nambiar  
S. S. Lalbhai  
P. N. Kapadia  
S. M. Kulkarni  
R. V. Haribhakti

V. P. Mafatlal  
A. K. Srivastava  
S. G. Mankad  
H. H. Engineer

Directors

Mumbai, 30th April, 2016

Sitendu Nagchaudhuri  
Chief Financial Officer

N. B. Mankad  
Company Secretary

**FORM AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries**
**Part "A" subsidiaries**

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Sulakshana Securities Limited	Manchester Organics Limited	NFIL (UK) Limited*	Navin Fluorine (Shanghai) Co. Limited*
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2015 to 31st March, 2016	1st April, 2015 to 31st March, 2016	1st April, 2015 to 31st March, 2016	1st April, 2015 to 31st March, 2016
2.	Reporting currency and exchange rate as on the last date of the relevant financial year in the each of foreign subsidiaries	INR	GBP 1 GBP=INR 95.47	GBP 1 GBP=INR 95.47	RMB 1 RMB=INR 10.27
3.	Share capital	15.00	0.10	2,466.94	125.63
4.	Reserves & surplus	(666.61)	2,619.67	88.76	(48.72)
5.	Total assets	2,390.43	3,333.27	6,327.09	77.23
	Total Liabilities	3,042.04	713.50	3,771.39	0.32
7.	Investments	-	-	6,044.68	-
8.	Turnover	-	4,484.85	-	-
9.	Profit / (Loss) before taxation	225.91	245.91	88.76	(48.72)
10.	Provision for taxation	79.47	101.75	-	-
11.	Profit / (Loss) after taxation	146.44	144.16	88.76	(48.72)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100%	**100%	100%	100%

\* New subsidiary Companies formed during the year

\*\* Navin Fluorine International Limited holds 51% and NFIL (UK) Limited holds 49% in Manchester Organics Limited

(1) Names of subsidiaries which are yet to commence operations: None

(2) Names of subsidiaries which have been liquidated or sold during the year: None

**FORM AOC-I (Contd.)**

(₹ in lacs)

**Part "B" Joint Ventures****Statement pursuant to section 129 (3) of the companies Act 2013 related to Joint Ventures**

(₹ in lacs)

Sr. No.	Name of the Joint Ventures	Swarnim Gujarat Fluorspar Private Limited – SGFPL	Convergence Chemicals Private Limited – CCPL
1.	Latest audited Balance Sheet Date	31st March, 2016	31st March, 2016
2.	Share of Joint Ventures held by the company on the year ended		
	No. of Shares	1,082,500	34,304,900
	Amount of investment in Associates/Joint Venture	108.25	3,430.49
	Extend of Holding %	49.43%	49%
3.	Description of how there is significant influence	By virtue of 49.43% shareholding and Joint Venture agreement in place.	By virtue of 49% shareholding and Joint Venture agreement in place.
4.	Reason why the joint ventures is not consolidated	Not Applicable	Not Applicable
5.	Net worth attributable to shareholding as per latest audited Balance sheet	83.12	3,368.59
6.	Loss for the year	(8.81)	(66.67)
I.	Considered in Consolidation	(4.36)	(32.67)
I.	Not Considered in Consolidation	(4.45)	(34.00)

(1) Names of joint ventures which are yet to commence operation : Both the above joint ventures are yet to commence operations.

(2) Names of joint ventures which have been liquidated or sold during the year : None

In terms of our report attached

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

**Ketan Vora**  
Partner  
Membeship No. 100459

**H. A. Mafatlal**  
Chairman

**S. S. Khanolkar**  
Managing Director

**T.M.M. Nambiar**  
**S. S. Lalbhai**  
**P. N. Kapadia**  
**S. M. Kulkarni**  
**R. V. Haribhakti**

**V. P. Mafatlal**  
**A. K. Srivastava**  
**S. G. Mankad**  
**H. H. Engineer**

} Directors

Mumbai, 30th April, 2016

**Sitendu Nagchaudhuri**  
Chief Financial Officer

**N. B. Mankad**  
Company Secretary

## Making a difference.....



Go Green – Tree plantation at Ashram Shala



Serving the disabled  
Bhagwan Mahaveer Viklang Sahayata



Saving lives - Dewas Mobile Health Van



A right to sanitation – Building toilet blocks



NFIL wins accolades at the National Safety Council Awards



Navin Fluorine International Limited